



# NOAA FISHERIES

Sustainable Fisheries Alaska Region

## Crab Rationalization Program Frequently Asked Questions and Small Entity Compliance Guide

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This Small Entity Compliance Guide satisfies the Small Business Regulatory Enforcement Fairness Act of 1996 that requires a plain language guide to assist small entities. If you are required to comply with the regulations, you should consult and rely on the actual regulatory text. We cite the Code of Federal Regulations (CFR) throughout this document, and provide citations for specific regulations for your reference. These regulations are available online at the electronic CFR (eCFR) [Website](#)<sup>1</sup>, which is updated more frequently. Crab Rationalization Program regulations can be found under Title 50, Part 680.

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<sup>1</sup> Electronic Code of Federal Regulations: <http://www.ecfr.gov/>

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## General Program Overview

### **Q1. What is Crab Rationalization?**

Please refer to the regulations for specific Crab Rationalization Program details at:

<http://alaskafisheries.noaa.gov/fisheries-680regs>

The Crab Rationalization Program (CR Program) allocates BSAI crab resources among harvesters, processors, and coastal communities. The CR Program is a limited access system that balances the interests of several groups who depend on these fisheries. The CR Program addresses conservation and management issues associated with the previous derby fishery, reduces bycatch and associated discard mortality, and increases the safety of crab fishermen by ending the race for fish.

Share allocations to harvesters and processors, together with incentives to participate in fishery cooperatives, increase efficiencies, provide economic stability, and facilitate compensated reduction of excess capacities in the harvesting and processing sectors. Community interests are protected by Community Development Quota (CDQ) allocations, regional landing and processing requirements, and several other measures.

Program components include quota share (QS) allocation, processor quota share (PQS) allocation, individual fishing quota (IFQ) and individual processing quota (IPQ) issuance, quota transfers, use caps, crab harvesting cooperatives, protections for Gulf of Alaska groundfish fisheries, arbitration system, monitoring, economic data collection, and cost recovery fee collection.

### **Q2. Which crab fisheries are included in the Crab Rationalization Program?**

Most king and Tanner crab fisheries in the Bering Sea and Aleutian Islands are managed under the Crab Rationalization Program including the IFQ/IPQ fisheries; the CDQ crab fisheries (except in Norton Sound), and the allocation of golden king crab to the Community of Adak. A

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few BSAI king and Tanner crab fisheries remain under the License Limitation Program (LLP). The CR Program applies to the following BSAI crab fisheries:

- Bristol Bay red king crab (*Paralithodes camtschaticus*)
- Western Aleutian Islands (Adak) golden king crab (*Lithodes aequispinus*)— west of 174 W. long.
- Eastern Aleutian Islands (Dutch Harbor) golden king crab- east of 174 W. long.
- Western Aleutian Islands (Adak) red king crab— west of 179 W. long.
- Pribilof Islands blue king crab (*P. platypus*) and red king crab
- St. Matthew Island blue king crab
- Bering Sea snow crab (*Chionoecetes opilio*)
- Eastern Bering Sea Tanner crab (*C. bairdi*) - east of 166° W. long.
- Western Bering Sea Tanner crab (*C. bairdi*) - west of 166° W. long.

**Q3. Is the CDQ crab fishery part of the CR Program and do I need to have IFQ to harvest crab in the CDQ fishery?**

Except for the CDQ fishery for king crab in Norton Sound, all CDQ crab is part of the CR Program. However, you do not need Quota Share (QS) or IFQ for CDQ crab fisheries. You must fish under an authorized CDQ group's CDQ crab allocation and all crab must be delivered to a Registered Crab Receiver (RCR). An RCR does not need IPQ to receive CDQ crab.

## Quota Share (QS) and Individual Fishing Quota (IFQ)

**Q4. What is Quota Share (QS)?**

QS represents a long-term privilege to harvest a percentage of the crab fishery. QS was issued initially either to (1) holders of permanent LLP licenses for which the original LLP qualifying vessel had eligible crab landings; or (2) crew members who, in the crab qualifying years held a State of Alaska Interim Use Permit and made landings with that permit. LLP-based QS is 97% of all the QS in a fishery. Crew-based QS is 3% of all the QS in a fishery. Each year QS yields IFQ.

**Q5. How do I get QS?**

NMFS initially issued QS to qualified applicants in 2005. QS may now be received only by transfer from another QS holder.

**Q6. What are the types of quota share?**

There are five types of harvesting Quota Share (QS) depending on how the shares were initially allocated.

1. "C" or "Crew" QS was initially issued to persons who historically held Commercial Fisheries Entry Commission (CFEC) crab permits, and signed fish tickets for qualifying landings.
  - a. Catcher vessel crew (CVC) QS was based on qualifying pounds of crab delivered raw.
  - b. Catcher-processor crew (CPC) QS was based on qualifying landings processed at sea.
2. "O" or "Owner" QS was initially issued to persons who held LLP crab permits and had qualifying landings. Catcher vessel owner (CVO) shares were based on qualifying pounds of crab delivered raw. CVO shares are further divided, with 90% of CVO shares

designated as A shares and 10% designated as B shares. A shares carry a delivery requirement (see Processor Quota Share and Individual Processor Quota for more information). B shares do not have a delivery requirement.

3. Catcher-processor owner (CPO) shares were derived from qualifying landings processed at sea.
4. Converted CPO QS is created by combining North PQS and North CVO QS (described further below).

#### **Q7. What is Individual Fishing Quota (IFQ)?**

IFQ is the pounds of crab that QS yields each year. It is determined by the number of QS units held and the annual crab total allowable catch amount (TAC). The QS holder or a hired master can fish IFQ. IFQ may be assigned to a cooperative.

#### **Q8. How do I get IFQ?**

A QS holder must submit an application for IFQ to NMFS by June 15 each year. A QS holder can either receive the IFQ themselves, or assign that IFQ to a crab harvesting cooperative. All required fees and data reports must be submitted before NMFS issues IFQ. In addition, NMFS will not issue IFQ to any QS holder that is required to participate in the Arbitration System until the Arbitration System requirements have been met (see Arbitration System, below). You can also receive IFQ by transfer (see Q13 for more explanation).

#### **Q9. What are the types of IFQ?**

NMFS issues five types of IFQ: Catcher-processor owner (CPO), converted CPO, Catcher-processor crew (CPC), Catcher-vessel owner (CVO), and Catcher-vessel crew (CVC). CPO, converted CPO, and CPC IFQ can be used to harvest and process crab on board a vessel, or may be delivered to a shore-based or stationary floating crab processor. CPO and CPC IFQ do not have to be delivered to a specific shore-based or stationary floating processor. Crab harvested under a converted CPO IFQ permit must be offloaded in the North Region. CVO and CVC QS must be delivered to a shore-based or stationary floating crab processor.

#### **Q10. What is converted CPO QS?**

The Magnuson-Stevens Act requires NMFS to allow an eligible entity to annually elect to combine North Region designated processor quota shares (North PQS) and North Region designated catcher vessel owner quota shares (North CVO QS) and exchange these shares for newly created converted catcher/processor owner quota shares (converted CPO QS). Converted CPO QS yields converted CPO IFQ which can be used to harvest and process crab onboard a vessel. NMFS will issue converted CPO QS for the snow crab and Bristol Bay red king crab fisheries.

To receive converted CPO QS, eligible entities must complete the annual application for converted CPO QS/IFQ permit and submit that application to NMFS, along with the annual application for crab IFQ/IPQ permit, by June 15 for that crab fishing year. The entities eligible to receive converted CPO QS are defined in regulations at 50 CFR 680.40(c)(5). Eligible entities will receive one unit of converted CPO QS in exchange for one unit of North CVO QS and 0.9 units of North PQS. The amount of IFQ derived from the converted CPO QS issued to each entity cannot exceed one million pounds per fishery during any calendar year.

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**Q11. Are there restrictions on where I can land my crab caught with Class A IFQ?**

For each of the nine crab QS, fisheries there are specific regions where crab caught with Class A IFQ must be delivered. The regional delivery designations for each of the fisheries are shown in Table 1. The EBT and WBT Tanner crab QS, and a portion of the WAG golden king crab QS, are considered undesignated because they do not carry a regional landing designation. For Bristol Bay red king crab, Bering Sea snow crab, St. Matthew blue king crab, Eastern Aleutian Islands golden king crab, Western Aleutian Islands golden king crab, Western Aleutian Islands red king crab, and Pribilof red king and blue king crab fisheries, NMFS has an application process for an exemption from regional delivery requirements (see 50 CFR 680.4(p)).

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**Table 1 Regional crab delivery requirements for Class A IFQ**

Crab Fishery	North Region, North of 56°20' N. lat.	South Region, South of 56°20' N. lat.	West Region, West of 174° W. long.	Undesignated
EAG - Eastern Aleutian Islands golden king crab	X	X		
WAG - Western Aleutian Islands golden king crab			X	
EBT - East Bering Sea Tanner crab				X
WBT - West Bering Sea Tanner crab				X
BSS - Bering Sea snow crab	X	X		
BBR - Bristol Bay red king crab	X	X		
PIK - Pribilof Islands red and blue king crab	X	X		
SMB - St. Matthew Island blue king crab	X	X		
WAI - Western Aleutian Islands red king crab		X		

**Q12. What is affiliation?**

Affiliation is a type of linkage between a harvester and processor - in this Program, typically between a QS/IFQ holder and a PQS/IPQ holder. Affiliation exists if a person either directly or indirectly has a 10% or greater ownership interest in another person, or otherwise controls or directs that person (e.g., through lease arrangements or other factors).

Affiliation is determined through an affidavit that is part of the annual application to receive IFQ. Each year a person applying to receive IFQ will have to state whether the entity, which holds their IFQ, is owned 10% or more by a PQS or IPQ holder, or if they are "otherwise controlled" by a PQS or IPQ holder. If either of those two statements is true, then they are affiliated.

Control may exist when a PQS or IPQ holder has the ability to direct the business operations of the QS or IFQ holder. The specific measures for establishing control are based on standards that are detailed in 50 CFR § 680.2. Affiliation is measured as a link between the PQS/IPQ holder and the QS/IFQ holder. Links between a PQS/IPQ holder and ownership of a vessel may not necessarily be considered affiliation if the vessel ownership does not link the PQS/IPQ holder and QS/IFQ that is using that vessel. Please refer to the affiliation definition for more specific information. The affiliation definition will be provided in the instruction portion of the annual application for IFQ and IPQ.

**Q13. What are the differences between CVO and CPO QS/IFQ?**

Questions	CVO QS/IFQ	CPO QS/IFQ
What can I do with it?	Deliver catch onshore	Deliver catch onshore, or process catch onboard
Do I have to deliver my crab in a specific region?	CVO QS produces two types of IFQ. 90% is Class A IFQ with regional delivery restrictions. 10% is Class B IFQ. It has no regional delivery restrictions.	No, CPO QS produces CPO IFQ that can be used to catch and process crab at-sea, or to catch crab and deliver it onshore without delivery restrictions.
Do I have to "match up" IFQ with a processor with IPQ?	Class A IFQ must be matched with and delivered to a processor with IPQ. Class B IFQ can be delivered to any processor.	No, IFQ can be delivered to any processor.
Can I transfer the QS and IFQ?	Yes, QS and IFQ can be transferred to initial QS recipients, U.S. Citizens, or U.S. corporations, who meet sea time requirements. All transfers must be approved by NMFS.	
What happens if I also have PQS or IPQ, or I'm affiliated with a PQS or IPQ holder?	You would receive Class A IFQ and Class B IFQ according to the methods described above.	N/A
Is there a limit on how much QS or IFQ I can hold?	Yes, there are specific QS and IFQ limits for QS holders for each fishery. There are different caps for CDQ groups, and persons who hold both QS/IFQ and PQS/IPQ. There are also limits on how much IFQ can be used onboard one vessel unless it is used by a crab harvesting cooperative. The specific use caps and vessel use caps are detailed at 50 CFR § 680.42.	

**Q14. What are the differences between CVC and CPC QS/IFQ?**

Questions	CVC QS/IFQ	CPC QS/IFQ
Do I have to participate in the arbitration system?	No	N/A
What can I do with it?	Deliver catch onshore	Deliver catch onshore, or process catch onboard.
Do I have to deliver my crab in a specific region?	No, CVC IFQ has no regional delivery requirements.	NO, CPC QS produces CPC IFQ that can be used to catch and process crab at-sea, or to catch crab and deliver it onshore without delivery restrictions.
Do I have to "match up" IFQ with a processor with IPQ or deliver to a specific processor?	No	No
Can I transfer the QS and IFQ?	Yes, QS and IFQ can be transferred to initial QS recipients, or to individual U.S. Citizens that meet recent participation and sea time requirements. IFQ can be leased under special circumstances. All transfers must be approved by NMFS.	Yes, QS and IFQ can be transferred to initial QS recipients, or to individual U.S. Citizens that meet recent participation and sea time requirements. IFQ can be leased under special circumstances. All transfers must be approved by NMFS.
What happens if I also have PQS/IPQ, or I'm affiliated with a PQS/IPQ holder?	Nothing	N/A
Is there a limit on how much QS or IFQ I can hold?	Yes, there are specific QS and IFQ limits for each fishery. There are different caps for CDQ groups, and persons who hold QS/IFQ and PQS/IPQ. There are no limits on how much CVC or CPC IFQ can be used onboard one vessel. The specific use caps are detailed at 50 CFR § 680.42.	Yes, there are specific QS and IFQ limits for each fishery. There are different caps for CDQ groups, and persons who hold QS/IFQ and PQS/IPQ. There are no limits on how much CVC or CPC IFQ can be used onboard one vessel. The specific use caps are detailed at 50 CFR § 680.42.

**Q15. What are use caps?**

Use caps limit the amount of QS and IFQ a person can hold, to prevent excessive share consolidation or control. The type of use cap that applies differs on the type of person that holds the QS or IFQ. Vessels use caps limit the amount of IFQ that can be fished on a vessel unless that vessel is used by a crab harvesting cooperative.

**Q16. How are use caps calculated?**

Use caps are calculated by adding up all of the QS or IFQ held by that person and their percentage of direct or indirect ownership in any entity that holds QS or IFQ. This is called the "individual and collective" rule and is similar to the way that NMFS calculates use caps in the halibut and sablefish IFQ program. As an example, for an individual who holds 100 pounds of IFQ and has a 5 percent interest in a company that holds 100 pounds of IFQ, the amount of IFQ that person would be considered to hold for use cap calculation is 100 pounds (his personal holdings) plus 5 pounds (5% of 100 pounds - his ownership interest in that company).

However, for a corporation, partnership, or other non-individual entity that holds QS or IFQ and also holds PQS or IPQ, NMFS uses a different calculation method - a 10 percent threshold rule. In this case, the use cap is equal to all of the QS or IFQ held by that person and all of the QS or IFQ held by any entity in which that non-individual has a 10 percent or greater direct or indirect ownership interest. As an example, a corporation that holds 100 pounds of IFQ and has a 15 percent interest in a company that holds 100 pounds of IFQ, would be considered to hold 200 pounds of IFQ for use cap calculation.

## **Processor Quota Share (PQS) and Individual Processing Quota (IPQ)**

**Q17. What is Processor Quota Share (PQS)?**

PQS is a long-term privilege to receive a percentage of the crab harvest in a fishery for processing. PQS annually yields IPQ.

**Q18. What is Individual Processing Quota (IPQ)?**

IPQ is the number of pounds of crab yielded by the PQS each year. IPQ is needed to receive any amount of crab harvested under a Class A IFQ permit. The amount of IPQ issued every year is equal to the pounds issued as CVO Class A IFQ.

**Q19. How do I get PQS?**

NMFS initially issued PQS to qualified applicants in 2005. PQS now may only be obtained by transfer from another PQS holder.

**Q20. How do I get IPQ?**

By June 15 each year, a PQS holder must submit an application for IPQ to NMFS. All required fees and data reports must be submitted before NMFS issues IPQ. In addition, NMFS will not issue IPQ to any PQS holder that is required to participate in the Arbitration System until the

Arbitration System requirements have been met (see Arbitration System, below). IPQ may also be received by transfer.

**Q21. Do I need IPQ to process crab?**

No, you can receive crab harvested with CVO Class B IFQ, CPO IFQ, CPC IFQ, and CVC IFQ without IPQ. You can also receive crab harvested under a CDQ allocation without IPQ. You must have IPQ to receive crab harvested with CVO Class A IFQ. Anyone who is receiving crab (whether processing or not) must have a registered crab receiver (RCR) permit. That permit is necessary for data collection and fee assessment. An RCR permit is available through NMFS (but will only be issued if fee payments and reporting requirements have been met).

**Q22. What is the maximum amount of IPQ that NMFS will issue in the Bristol Bay red king crab and Bering Sea snow crab fisheries?**

The maximum amount of IPQ issued in any crab fishing year will not exceed 157,500,000 raw crab pounds (71,441.5 mt) in the Bering Sea snow crab fishery, and 18,000,000 raw crab pounds (8,164.7 mt) in the Bristol Bay red king crab fishery.

**Q23. What can I do with PQS and IPQ?**

What can I do with it?	Receive any crab harvested under a CVO Class A IFQ permit.
Do I have to process my crab in a specific region?	Yes, PQS and IPQ must be used in the specific region for which it is designated. The regions are the same for PQS/IPQ as QS/IFQ.
Can I transfer the PQS and IPQ?	Yes, PQS and IPQ can be transferred to anyone. All transfers must be approved by NMFS. Some restrictions on transfers of PQS and IPQ apply in specific communities that have 'right of first refusal contracts' privileges (see Community Protection Measures, below).
Do I have to have IPQ to process crab?	No, You need IPQ only to receive crab harvested with CVO Class A IFQ.
Is there a limit on how much PQS or IPQ I can hold?	Yes, no one may hold or use more than 30% of the PQS or IPQ in a fishery, except in the BSS snow crab fishery. No person can use more than 60% of the snow crab IPQ in the North Region only.

## Permits and Licenses

**Q24. What Federal and State Permits do I need for CR Program fisheries?**

- Owners of vessels used in CR Program fisheries must hold a Federal Crab Vessel Permit issued by NMFS, and use a vessel monitoring system (VMS). Vessels must be U.S. Coast Guard documented or State-registered, and also must have an ADF&G Number (issued by the Alaska Commercial Fisheries Entry Commission (CFEC)).

- If you will be retaining any groundfish harvested from Federal waters (even Pacific cod caught for your own bait), the owners also must obtain a Federal Fishery Permit. Note that any harvest of "minor species" (e.g., golden king crab from the Bering Sea) requires that the vessel be named on a valid Federal license limitation program (LLP) crab license, unless exempt from that requirement.
- CR Crab harvesters: Sellers of product (individual IFQ permit holders or their Hired Masters landing CR Crab) must each have a current CFEC permit for specific king crab fisheries, and for Tanner crab fisheries. An individual fishing on behalf of an IFQ permit holder other than him/herself is a Hired Master; and must be approved by NMFS for the specific permit and vessel on which (s)he will fish the Permit holder's IFQ.
- CR Crab receivers/buyers/processors: To receive raw CR Crab from harvesters, and owners or operators of vessels that catch and process CR Crab at sea, you must have a Registered Crab Receiver (RCR) Permit. Note that a business receiving crab on behalf of the actual crab purchaser (either for custom processing or as a receiving service) also must be a RCR. Additionally, RCRs receiving IFQ crab harvested under a Class A IFQ permit must have IPQ. Note that an RCR may only debit its own IPQ account(s).
- CR crab purchasers (which may be different from crab receivers): the State of Alaska requires that all buyers of seafood products obtain an annual Intent to Operate license, commonly referred to as the ADF&G Processor license code.
- Other State requirements (such as fishery registration or hold inspection) may be in effect. Please contact the local office of ADF&G in Dutch Harbor for specific information.
- All Program information, including applications and instructions, are available on the crab web page at: <http://alaskafisheries.noaa.gov/fisheries/crab>.

**Q25. I want to receive crab from a rationalized crab fishery. Do I need any special permit or license?**

Yes. You will need a Federal RCR Permit. In addition, to receive CVO Class A IFQ, you will have to hold an IPQ permit for the same type of IFQ that you wish to receive. As is the case with any State of Alaska processor, you will need to secure an annual Intent to Operate processor license from the State of Alaska.

**Q26. Do I need to have a RCR number to purchase CDQ crab?**

Yes, an RCR permit is required to receive any crab from the rationalized fisheries (see list of CR Program fisheries above).

**Q27. I have more than one CR crab shoreside facility, stationary floating processor, or catcher processor vessel. Do I need more than one RCR Permit for my business?**

NMFS requires a separate RCR permit (and a separate application must be submitted) for each Shoreside Processing Facility (SPF) and each Stationary Floating Crab Processor (SFP) operated by a processor. Only one permit (and one application) is needed for any number of the permit holder's catcher/processor (CP) vessels.

## **Harvesting and Landings**

**Q28. May I simultaneously fish for IFQ and CDQ crab?**

Yes, if you have the appropriate permits and licenses.

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**Q29. As a vessel operator, do I need to contact NMFS Enforcement prior to initiation of an off-load of IFQ Crab?**

No. Unlike the halibut and sablefish IFQ program, you do not need to contact NMFS Enforcement prior to landing CR crab. However, there are additional requirements for reporting to the Alaska Department of Fish and Game for the CR Program

**Q30. Several individuals with Catcher Vessel Crew IFQ will be working as crew on the vessel. Do they all need to be present when the vessel off-loads?**

Yes. The holders of the CVC or CPC IFQ must remain at the landing facility during offloads and until the crab account is properly debited.

## Reporting

**Q31. How do I make a landing?**

To report a landing, go to [eLandings.alaska.gov](http://eLandings.alaska.gov). If you have questions about eLandings, please see the [eLandings Frequently Asked Questions](#).

**Q32. How do I report deadloss or personal use crab?**

All crab that is landed against an IFQ account must be debited, whether it was sold, landed as deadloss, or kept for personal use. Crab landed and purchased by an IPQ holder must be debited against an IPQ account. However, deadloss and personal use crab do not count against an IPQ account.

**Q33. If I hold both CVO Class A and CVO Class B IFQ, does deadloss need to be counted against my CVO Class B IFQ?**

No. The IFQ holder decides which IFQ account (A or B) the deadloss will count against, not the processor.

## Hired Masters

**Q34. What is a Hired Master?**

A “Hired Master” is an individual who, at the request of an IFQ Permit holder, and on approval by NMFS, has been authorized to fish another person’s IFQ permit. Some IFQ permit holders must use Hired Masters to fish their IFQ; some may use Hired Masters, and some types of IFQ may never be fished by Hired Masters (i.e., the IFQ permit holder must be on board). See below for further explanation.

**Q35. Who must use a Hired Master to fish their crab IFQ permit(s)?**

- All non-individual entities (corporations, partnerships, crab harvesting cooperatives, etc.) that hold crab IFQ permits must use NMFS-authorized Hired Masters to fish their IFQ permits. Even if you are a shareholder, partner, or cooperative member, the IFQ permit holder must formally obtain authorization from NMFS to use that shareholder, partner, or member as its Hired Master.
  - Any IFQ assigned to a crab harvesting cooperative must be fished by a Hired Master authorized for the cooperative’s IFQ permits and vessels.
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**Q36. Who may use a Hired Master to fish their crab IFQ?**

Individuals holding CVO or CPO IFQ permits are not required to use a Hired Master and may choose to be on board the vessel and harvest their own IFQ crab. However, any individual who holds a CVO or CPO IFQ permit may hire a master to fish his or her IFQ as long as he or she owns at least 10% of the vessel on which the IFQ crab is to be harvested.

**Q37. What types of crab IFQ may not be fished by a Hired Master?**

“Crew” or “Captain” IFQ (CVC and CPC types), if held by an individual and not assigned to a cooperative, may only be fished by the individual named on the IFQ permit holder. If CVC or CPC IFQ is leased, that individual will receive an IFQ permit and must be on board the vessel when the IFQ is harvested.

**Q38. How do I obtain authorization for a Hired Master to fish my crab IFQ?**

If you are an IFQ permit holder eligible to use a Hired Master (see above), you must apply to NMFS for approval by submitting the form “Application for Crab IFQ Hired Master Permit”. The application is available from the Restricted Access Management (RAM) Program at 1-800-304-4846 (option #2), or online at: <http://alaskafisheries.noaa.gov/fisheries-applications>. You must submit an application for each combination of individual Master, IFQ permit fished, and each vessel used. Therefore, you will have to submit another application when you wish to add, delete, or change individuals, IFQ permits, and/or vessels.

**Q39. As a Hired Master for a crab harvesting cooperative, do I need to be present on the vessel during fishing operations?**

Yes, the Hired Master must be present on the vessel during fishing operations.

**Q40. As a Hired Master for a crab harvesting cooperative, do I need to be present, on the vessel or at the processing plant, during the entire off-load?**

Yes, the Hired Master must remain at the facility until the relevant crab IFQ account is debited.

**Q41. Does a Hired Master fishing for a cooperative, or a non-cooperative IFQ permit holder need to be present when delivering CVO Class B IFQ?**

Yes.

**Crab Harvesting Cooperatives****Q42. What is a crab harvesting cooperative?**

A group of four or more distinct QS holders (not affiliated with the other members in that cooperative) can voluntarily form a crab harvesting cooperative for the purpose of applying for and fishing under a crab harvesting cooperative IFQ permit issued by NMFS. Crab harvesting cooperatives must annually apply by June 15 to NMFS to receive a crab harvesting cooperative IFQ permit. Crab harvesting cooperatives do not hold QS, they hold and use only the IFQ of the crab harvesting cooperative members.

**Q43. Can I join more than one crab harvesting cooperative?**

Yes, but within a crab fishing year, a QS holder may only join one cooperative per crab fishery. If a QS holder joins a crab harvesting cooperative, at the start of the crab fishing year all of that

QS holder's IFQ for that fishery will be assigned to the crab harvesting cooperative. For instance, if a QS holder holds 10 units of IFQ in the Bristol Bay Red (BBR) king crab fishery and 20 units of IFQ in the Western Aleutian golden (WAG) king crab fishery and wishes to join a crab harvesting cooperative in the WAG fishery, he or she must commit all 20 units of WAG IFQ to the WAG crab harvesting cooperative he or she chooses to join. The QS holder may choose to fish his or her BBR IFQ independently or may commit all 10 units of BBR IFQ to a cooperative in the BBR fishery.

**Q44. What happens if I get more QS or IFQ later in the year?**

A crab harvesting cooperative member who acquires more IFQ after the date the cooperative application is due (June 15) must use that IFQ independently outside the cooperative.

**Q45. Who fishes the crab harvesting cooperative's IFQ?**

Only an individual with a crab IFQ Hired Master permit issued by NMFS may harvest a crab harvesting cooperative's IFQ. A crab IFQ Hired Master can be a crab harvesting cooperative member.

**Q46. When do I join a crab harvesting cooperative?**

Crab harvesting cooperative applications are due to NMFS by June 15 each year.

**Q47. Are there limits on how much crab harvesting cooperative IFQ a vessel can fish?**

No. If a boat is fishing only cooperative IFQ or crew IFQ, then IFQ vessel use caps do not apply to that boat.

**Q48. Can crab harvesting cooperatives transfer IFQ?**

Yes, but only between cooperatives. All transfers must be approved by NMFS. A person who is not in a cooperative cannot transfer his or her IFQ into a cooperative.

**Q49. Can crew shares be leased to another harvester or assigned to a cooperative?**

Yes. Crew shares may be leased to an eligible individual or assigned to a cooperative. However, beginning July 1, 2018 all C share QS holders must meet active participation requirements in order to receive C share IFQ and retain C share QS; those who lease C share IFQ or join a cooperative are not exempt from the participation requirements. The participation requirements are described in the Crab IFQ permit application form available at

<http://alaskafisheries.noaa.gov/fisheries-applications>.

**Q50. Can I have a skipper use my crew share (CVC or CPC) on a vessel that is harvesting cooperative IFQ?**

An individual with CVC or CPC IFQ may not hire a skipper to harvest their annual IFQ. However, if an individual holds CVC or CPC IFQ and has not joined a harvesting cooperative; that individual may lease their IFQ to an eligible individual who may be acting as a skipper on a harvesting vessel. If that vessel fishes both cooperative IFQ and CVC or CPC IFQ that is not in the cooperative, the vessel use caps don't apply. Active participation requirements still apply to the CVC or CPC Quota share holder, regardless of whether or not they lease their IFQ.

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## Gulf of Alaska Sideboards

### **Q51. What are sideboards?**

Sideboards limit participation by specific vessels in Gulf of Alaska (GOA) groundfish fisheries (except IFQ sablefish) in Federal waters and in State waters during the State parallel fisheries. In general, sideboards are intended to limit the ability of crab boats from increasing historic levels of participation in the GOA, which otherwise might create more of a "race for fish." There are two types of sideboards. One type restricts collective harvests by sideboarded vessels (except IFQ sablefish) to a sideboard limit (as computed below). Some affected vessels also are subject to another type of sideboard: they may not participate in the directed fishery for Pacific cod in the GOA. Harvest in both the Federal fisheries and concurrent State of Alaska parallel fisheries accrues toward sideboard limits.

### **Q52. To which vessels do sideboards apply?**

Sideboards apply to non-AFA crab vessels that fished snow crab from 1996-2000 and to any vessels fishing under any LLP groundfish licenses derived from those vessels. Beginning in 2016, hook-and-line catcher/processors in the Central and Western GOA Regulatory Areas are not subject to crab sideboards in the GOA.

### **Q53. Which vessels and LLP licenses are limited by sideboards?**

- [List of Vessels Affected by Sideboards](#) (.csv file)
- [List of LLP Groundfish Licenses Limited by Sideboards](#) (.csv file)

### **Q54. How are sideboards applied?**

NMFS added restrictions to federal fishery permits (FFP) for affected vessels and LLP groundfish licenses derived from those vessels.

### **Q55. What does the revised FFP or LLP groundfish license I received from NMFS mean?**

If your FFP or LLP groundfish license notes:

- **CR GOA Sideboarded; no GOA Pcod fishing:** Subject to GOA groundfish directed fishery "sideboard" closures; may not engage in directed fishing for Pacific cod in the GOA.
- **CR GOA Sideboarded:** Subject to GOA groundfish directed fishery "sideboard" closures, including Pacific cod closures.
- **CR GOA Sideboarded except Pcod:** Subject to GOA groundfish directed fishery "sideboard" closures, not including Pacific cod closures.

### **Q56. How are the sideboards calculated?**

Sideboards are calculated by adding up the catches of vessels subject to sideboards during 1996-2000 and dividing that by the catches of all vessels in that fishery to yield a sideboard ratio (e.g., 0.10 or 10% of the Western Gulf of Alaska pollock fishery). The sideboard ratio is multiplied by the total allowable catch for that year. If the TAC is divided into seasons, the sideboard limit is also divided into seasons.

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**Q57. Is the sideboard limit a guaranteed allocation?**

No, the sideboard is a collective limit for all vessels subject to the sideboard. It is not a guaranteed allocation. Fishermen subject to the sideboard are allowed to fish up to the sideboard allocation but may not exceed it.

**Q58. Can fishermen cooperate to harvest small sideboard limits?**

Yes, each year, NMFS publishes the sideboard limits in the annual harvest specifications (See <http://alaskafisheries.noaa.gov/harvest-specifications> for the specific harvest specifications). Once these numbers are announced, NMFS will review the number of vessels that are subject to the sideboard and compare that to the sideboard limit. If the sideboard limit is small for a fishery and the potential harvest rate of the sideboard vessels is high, NMFS may choose not to allow a directed sideboard fishery. If fishermen who are subject to the sideboard limit can coordinate among each other to ensure NMFS that the sideboard limit isn't exceeded, a small sideboard fishery may be opened. The ability to open a specific sideboard fishery is decided on a case-by-case basis.

**Community Protection Measures****Q59. What are Community Protection Measures?**

These are primarily limits on the amount of PQS and IPQ that can be used outside of communities with historic reliance on the crab fisheries, which means that more than 3% of a crab fishery was processed there. There are nine Eligible Crab Communities (ECCs): Adak, Akutan, Unalaska/Dutch Harbor, False Pass, King Cove, Kodiak, Port Moller, Saint George, and Saint Paul. The two main protection measures are right of first refusal (ROFR) and QS purchase.

**Q60. What is Right of First Refusal (ROFR)?**

NMFS issued some PQS with ROFR. Under ROFR, an Eligible Crab Community (ECC) may establish a contract with that PQS holder which guarantees the community first rights to any PQS proposed for sale for use outside that community. ROFR does not apply to Adak. The required ROFR contract terms are listed at <https://alaskafisheries.noaa.gov/sites/default/files/crabratrofrterms.pdf>.

**Q61. Can communities purchase QS?**

Each ECC can purchase QS and lease the IFQ to community residents. Communities would need to submit an annual report to NMFS if they purchase QS.

**Q62. What happened to CDQ crab under the CR Program?**

The allocation to CDQ groups increased to 10% of the TAC for the rationalized crab fisheries, except for Western Aleutian golden king crab, which has a 10% allocation specific to the community of Adak. This added two new CDQ species, Eastern Aleutian golden king crab and Western Aleutian red king crab. The Norton Sound king crab CDQ allocation remains 7.5% of the TAC.

**Q63. What specific community measures apply to Adak?**

There are four specific community measures that apply to Adak, as follows:

1. ROFR does not apply.

2. Special allocation of 10% of the Western Aleutian golden king crab TAC. This allocation goes to an entity formed by the residents of Adak, or the Aleut Corporation if an entity doesn't form for the first 2 years only. This allocation must be used for fishery development in Adak.
3. QS can be held and IFQ leased to residents.
4. Unless exempted by emergency rule, 50% of the Western Aleutian golden king crab is designated to be processed in Adak.

**Q64. What specific measures apply in Non-CDQ Eligible Crab Communities (ECCs)?**

1. Non-CDQ ECCs may enter a ROFR contract with a processor before the PQS application is submitted to NMFS. The governing body for each non-CDQ community must select the ECC entity to represent it for purposes of ROFR. The governing body of each ECC is:
  - Unalaska: City of Unalaska
  - King Cove: City of King Cove & Aleutians East Borough
  - Port Moller: Aleutians East Borough
2. QS can be held and IFQ leased to residents.

**Q65. What specific measures apply to CDQ Eligible Crab Communities (ECCs)?**

1. CDQ ECCs may enter a ROFR contract with a processor before the PQS application is submitted to NMFS. The governing body for each ECC is the CDQ group for that community:
  - Akutan, False Pass, St. George: Aleutian Pribilof Island Community Development Association (APICDA)
  - St. Paul: Central Bering Sea Fishermen's Association (CBSFA)
2. QS can be held and IFQ leased to residents.

**Q66. What specific measures apply to Kodiak?**

1. The ECC entity of Kodiak may enter a ROFR contract with any processor in any community in the North Gulf of Alaska before the PQS application is submitted to NMFS. The City of Kodiak and Kodiak Island Borough select the ECC entity.
2. QS can be held and IFQ leased to residents.

## Arbitration System

**Q67. What is the Arbitration System?**

The Arbitration System is a series of steps that harvesters and processors can use to negotiate delivery and price contracts. Most of the System is regulated through private contracts among QS/IFQ holders and PQS/IPQ holders. The arbitration system is designed to minimize antitrust risks for crab harvesters and processors. The system has two main parts:

1. Each year three groups of experts are hired: one to produce an annual Market Report, one to determine a Non-Binding Price Formula for negotiations, and one or more experts to assist in mediation and contract negotiations.
  2. Once these experts are selected, some IFQ and IPQ holders can use a series of negotiation approaches established in the arbitration system to resolve delivery and price conflicts. The negotiation approaches are limited to IFQ holders who don't also hold PQS/IPQ, and
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who aren't affiliated with PQS/IPQ holders. These are Arbitration IFQ holders. They can negotiate with a single IPQ holder. The contracts with the experts must limit the sharing of information.

**Q68. Do I have to participate in the Arbitration System?**

All CVO Class A QS/IFQ and PQS/IPQ holders must participate by joining an Arbitration Organization by May 1 of each year. This Organization will establish contracts with the three groups of experts, give copies of the reports to its members, and collect fees for the Arbitration System. CVC IFQ holders are not required to join an Arbitration Organization.

**Q69. What happens if the fleet does not participate?**

Under the final rule (see 50 CFR §680.20), NMFS will not issue IFQ or IPQ in a CR Program fishery until Arbitration Organizations representing enough QS and PQS holders to account for at least 50 percent of the QS and 50 percent of the PQS issued for a fishery select the Market Analyst, Formula Arbitrator, and Contract Arbitrators, and notify NMFS of their selection. Once these experts are selected, that fishery's fleet will be issued IFQ and IPQ. This requirement is intended to ensure that the Arbitration System is in place prior to the start of the fishery.

**Q70. What is the annual Arbitration System timeline?**

- May 1 is the deadline for QS and PQS holders to join an Arbitration Organization.
- May 1 is the deadline for Arbitration Organizations with members who are QS or PQS holders to submit a complete Annual Arbitration Organization Report.
- June 1 is the deadline for Arbitration Organizations to select the Market Analyst, Formula Arbitrator, and Contract Arbitrators and notify NMFS.
- 50 days prior to the start of the crab fishing season established by ADF&G is the deadline for the completion of the Market Report produced by the Market Analyst and Non-Binding Price Formula produced by the Formula Arbitrator
  - June 25 for the Aleutian Island Eastern and Western Golden crab fisheries.
  - July 25 for all other fisheries (e.g., Bristol Bay red king crab, Tanner, and Snow crab)

**Q71. What are the Stages in the Arbitration System?**

- Join an Arbitration Organization
- Commitment of shares by an IFQ holder to an IPQ holder.
- Select Experts to provide necessary information for the fleet through mutual agreement among Arbitration IFQ holders and IPQ holders.
- Select an approach for negotiations: IFQ and IPQ can reach agreements on price through open negotiations, a lengthy season approach, or share matching.
- Negotiate, mediate, or enter a binding arbitration if price negotiations are not successful.

**Q72. What is an Arbitration Organization?**

An Arbitration Organization is an association designed to assist harvesters and processors in establishing contracts with experts and facilitating compliance with the contracts. There are three types of Arbitration Organizations: one for PQS and IPQ holders; one for QS and IFQ holders that are affiliated with PQS and IPQ holders; and one for QS and IFQ holders who are not

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affiliated with a PQS or IPQ holder. Arbitration Organizations have formed for all of the crab fisheries and contact information is available on our website.

**Q73. What is commitment of IFQ or IPQ?**

A harvester commits Class A IFQ to an IPQ holder by notifying the IPQ holder. This commitment provides an assurance that a Class A IFQ holder has a processor with matching IPQ to deliver their crab. When IFQ is committed to an IPQ holder, that IPQ holder cannot use the IPQ that has been committed for processing another IFQ holder's crab. A commitment lasts unless both parties choose to terminate it.

**Q74. Who are the arbitration experts?**

There are three experts who provide information or assist in the arbitration process. These experts are selected by the unaffiliated QS/IFQ Arbitration Organization and the PQS/IPQ Arbitration Organization.

**Q75. What is the Market Report?**

It is an analysis of market conditions and historic price agreements among harvesters and processors.

**Q76. What is the Non-Binding Price Formula?**

It is an estimate of prices in a crab fishery. It can be used in the negotiation approaches.

**Q77. What are the negotiation approaches?**

There are three basic approaches. At any point prior to the season, any IFQ holder (including affiliated IFQ holders) and any IPQ holder can engage in Open Negotiations. Other approaches that may be used by Arbitration IFQ holders and IPQ holders include a Lengthy Season approach, in which some delivery terms are decided pre-season and others are negotiated mid-season. Share Matching is another preseason approach in which Arbitration IFQ holders "match up" shares pre-season with IPQ holders that have available IPQ. There are some limits on when these approaches can be used.

Once the season begins, if there is not resolution on specific issues, IFQ and IPQ holders can enter into Binding Arbitration in which an arbitrator uses the Market Report, Non-Binding Price Formula and other information to establish binding contract terms. This system uses the last-best offer approach.

During the season, the System allows for Post Arbitration Opt-in. Arbitration IFQ holders who aren't committed can opt-in to a contract with an IPQ holder with available IPQ under the same conditions as an existing contract. The system also allows for quality and performance disputes to be addressed with the assistance of an arbitrator.

**Q78. Can we bargain collectively in cooperatives?**

Only QS/IFQ holders who are in a Fishermen's Collective Marketing Act (FCMA) cooperative can bargain collectively. PQS/IPQ holders cannot. The FCMA provides a limited antitrust exemption for harvester associations. An FCMA cooperative can form among harvesters that are

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not affiliated with a PQS or IPQ holder. Collective bargaining for price can only be done by an FCMA cooperative that is bargaining on behalf of its members.

The Arbitration System regulations establish contracts among the Arbitration Organizations and the Contract Arbitrators. The regulations outlining the requirements of these contracts do not specifically prohibit two or more FCMA crab harvesting cooperatives from participating collectively in a binding arbitration (See the regulations at 680.20(h)(3)(ii)(A)). However, the ability of FCMA cooperatives to collectively engage in a binding arbitration depends on the interpretation and application of the specific terms of the contracts among the Arbitration Organizations and the Contract Arbitrators. In any case collective arbitration should only be undertaken after a careful review of existing antitrust laws.

It is important to note that the contracts are intended to include terms that prohibit collective activity among the members of two or more cooperatives. To minimize potential conflicts with this regulatory requirement, collective binding arbitration activity should only be undertaken among cooperatives' authorized representatives, and not among the individual members of a cooperative.

## **Monitoring and Enforcement**

### **Q79. Who is allowed to take deliveries of Crab Rationalization crab?**

Only a Registered Crab Receiver (RCR) is able to take deliveries of CR crab. RCR permits are issued by NMFS and applications to become an RCR are available on the web page. If crab is retained and it comes off the boat, it must be received by an RCR. If a vessel owner or crew wishes to conduct dockside sales, they must obtain an RCR permit. If a vessel owner or crew wishes to retain CR crab for homepack, the crab would first have to be reported through an RCR. If a vessel owner wishes to tender crab to a processor, there would need to be an RCR on board. A person that accepts crab for custom processing must be an RCR. The operator of a catcher/processor processing crab at sea must be an RCR.

### **Q80. What are the monitoring requirements for an RCR?**

An RCR has to ensure that all CR crab are weighed on a scale that meets NMFS specifications and that all offloading of crab is conducted in accordance with a NMFS-approved Catch Monitoring Plan (CMP) prepared by the RCR, if a CMP is required. There are additional monitoring requirements prescribed by the Alaska Department of Fish and Game.

### **Q81. What are the NMFS requirements for an RCR's scales?**

Scales have to be approved by the state in which the landing takes place. In addition to the requirements for state approval, scales will have to produce a printed record of each delivery; meet accuracy requirements; be accompanied by sufficient test weights so that the scale may be tested on demand; and the scale and scale display must be visible simultaneously.

### **Q82. What is a Catch Monitoring Plan (CMP)?**

A CMP is a description of how crab are offloaded and weighed. Each shoreside RCR is required to prepare a CMP and have it approved by NMFS annually. In addition to other requirements, the CMP must show how all CR crab will be sorted and weighed; and how a single individual can

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monitor that sorting and weighing. The CMP must also list all scales that will be used to weigh CR crab and how they can be tested.

**Q83. How do the requirements differ for an RCR that is a catcher/processor?**

Catcher/processers are required to weigh all catch on scales approved by NMFS and they will be required to test the scales daily when in use. Catcher/Processors would not be required to prepare a CMP, but will be required to offload all processed product on shore and ensure that the product is weighed on a state-approved scale.

## **Cost Recovery**

**Q84. How are fees calculated?**

By statute, fees must be split between the harvesting and processing sectors. NMFS computes the annual fee percentage that will apply for each crab fishing year. For non-catcher/processor RCRs, fee liability is calculated by multiplying the applicable fee percentage by the ex-vessel value of the CR crab received by the RCR at the time of receipt. For instance, suppose an RCR received 1 pound of crab from a harvester and the ex-vessel value of that crab was \$1 per pound. Using the maximum allowable fee percentage of 3%, each sector would owe half the fee percentage, which is 1.5% or, in this case \$0.015. Therefore, the RCR would pay the harvester \$0.985 for that pound of crab and would self-collect an additional \$0.015 per pound. The total fee payment made to NMFS for that pound of crab by the RCR would be 3% or \$0.03. Because catcher/processers must also be RCRs and participate in both the harvesting and processing sectors, they are responsible for paying the full fee percentage for that same crab, which would be 3% or \$0.03 per pound. The fee liability percentage applies to all value paid/received for CR crab, whether in cash, goods, or services.

**Q85. When are my fees due?**

RCRs will deduct harvester fees at the time of receipt and payment for CR crab. Therefore, harvester's fees will be due each time they deliver crab to an RCR. The RCR will collect, document, and submit fees for all CR crab received from harvesters. The RCR will also collect, document, and submit their portion of fees for all CR crab received from harvesters. All RCRs, including catcher/processers, are responsible for submitting the cost recovery payment to NMFS for all CR crab received during a crab fishing year by July 31st of the following crab fishing year.

**Q86. What happens if I don't pay my fees?**

If an RCR owes fees and fails to submit full payment for the previous crab fishing year by July 31, the Regional Administrator may disapprove any transfer of IFQ, IPQ, QS, or PQS to or from the RCR and may withhold issuance of any new CR crab permits, including IFQ, IPQ, federal crab fishing vessel, or RCR permits for the subsequent crab fishing year. If payment is not received by the 30th day after final agency action, the matter will be referred to the appropriate authorities for collection.

**Q87. How are Catcher/Processor standard prices assessed?**

NMFS developed an ex-vessel value methodology that calculates, as closely as possible by month and port or port-group, the variations in the actual ex-vessel values of CR crab landings

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based on information provided by shoreside buyers which includes (1) landed pounds by CR crab species, port-group, and month; (2) total ex-vessel value by CR crab species, port-group, and month; and (3) price adjustments, including any retro-payments. NMFS cannot implement standard price calculations more often than annually due to confidentiality issues and administrative constraints. Therefore, CPs will be responsible for calculating their fee liability at the end of a crab fishing year based on the current year's CP standard prices as provided to them by RAM. Each CP will be responsible for retaining their own estimated fees up to 3 percent of their estimated ex-vessel value until the end of the crab fishing year and must submit their actual fees based on the CP standard prices provided by RAM. CP standard prices would be based on the current year's shoreside ex-vessel value, thereby minimizing any disparity between the fee liability paid by shoreside processors and CPs.

## Loan Program

### **Q88. Is the loan program available for purchasing crab quota share?**

Yes. NMFS can make loans to individuals to purchase BSAI crab QS. To get more information, contact the Northwest Financial Services Branch. After discussing your proposal, and if it appears to meet the program's requirements, you will be sent an application form to complete and submit along with a one-time filing/commitment fee equal to 1/2 of 1% of your proposed loan amount.

Financial Services Branch, NW Region  
7600 Sand Point Way NE  
BIN C15700, Bldg 1  
Seattle, WA 98115  
Email: [NW.Finance@noaa.gov](mailto:NW.Finance@noaa.gov)  
PH: (206) 526-6122  
FX: (206) 526-6306

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## List of Acronyms and Abbreviations

ADF&G	Alaska Department of Fish and Game
AFA	American Fishing Act
AFSC	Alaska Fisheries Science Center
APICDA	Aleutian Pribilof Island Community Development Association
BBR	Bristol Bay red king crab
BSAI	Bering Sea and Aleutian Islands
BSS	Bering Sea snow crab
CAS	Catch Accounting System
CBSFA	Central Bering Sea Fishermen's Association
CDQ	Community Development Quota
CFEC	Commercial Fisheries Entry Commission (State of Alaska)
CFR	Code of Federal Regulations
CMP	Catch monitoring plan
COAR	Commercial Operators Annual Report
Council	North Pacific Fishery Management Council
CP	Catcher-processor
CPC	Catcher-processor crew (QS)
CPO	Catcher-processor owner (QS)
CR	Crab Rationalization
CVC	Catcher vessel crew (QS)
CVO	Catcher vessel owner (QS)
EAG	Eastern Aleutian Islands golden king crab
EBT	East Bering Sea Tanner crab
ECC	Eligible crab community
eCFR	Electronic Code of Federal Regulations
FR	<i>Federal Register</i>
FRFA	Final Regulatory Flexibility Analysis
FCMA	Fishermen's Collective Marketing Act
GOA	Gulf of Alaska
IFQ	Individual Fishing Quota
IPQ	Individual Processing Quota
LLP	License Limitation Program
mt	Metric ton
NAO	NOAA Administrative Order
NEPA	National Environmental Policy Act
NMFS	National Marine Fishery Service
NOAA	National Oceanographic and Atmospheric Administration
PIK	Pribilof Islands red and blue king crab
PQS	Processor quota share
QS	Quota share
RAM	Restricted Access Management Program
RCR	Registered crab receiver
SFP	Stationary floating (crab) processor
SMB	St. Matthew Island blue king crab
SPF	Shoreside processing facility
TAC	total allowable catch
USCG	United States Coast Guard
USFWS	United States Fish and Wildlife Service
VMS	Vessel monitoring system
WAG	Western Aleutian Islands golden king crab
WAI	Western Aleutian Islands red king crab
WBT	Western Bering Sea Tanner crab