



NORTH PACIFIC FISHERY MANAGEMENT COUNCIL

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Action Memo

File Number: Crab 16-021

Agenda Date 6/6/2016

Agenda Number: C4

Dan Hull, Chairman
Chris Oliver, Executive Director

SUBJECT:
Tanner Crab Custom Processing - Initial Review/Final Action

STAFF CONTACT: Jon McCracken

ACTION REQUIRED:
Initial Review/Final action

BACKGROUND:

At its December 2015 meeting, the Council determined that the unforeseen and recent exit of one processor from Tanner crab processing resulted in a consolidation of processors. As a result of this change in processing operations, the processors currently operating in the Bering Sea region are constrained by IPQ use caps in the Bering Sea (BS) *Chionoecetes bairdi* Tanner crab fisheries. The Tanner crab fisheries include the eastern *C. bairdi* Tanner (EBT) and the Western *C. bairdi* Tanner (WBT), respectively. Based on these conditions, the Council voted to request that NMFS promulgate an emergency rule to temporarily allow a custom processing exemption to the IPQ use caps for the 2015/2016 crab fishing year in the EBT and WBT crab fisheries, respectively.

According to the petition for emergency action submitted to the Council by one of the crab harvesting cooperatives, Inter-Cooperative Exchange (ICE), harvesters had already "share matched" with processors holding available IPQ as required by the regulations, and thus those harvesters reasonably concluded that they would be able to deliver their Class A Tanner crab IFQ under the matched shares. It was only made clear to harvesters after this process was completed that Icicle Seafoods stopped its Tanner crab processing operations and that the only BS processing facilities available for Tanner crab deliveries were constrained by the IPQ use cap. The result is that without the emergency action it would have been likely that 10 percent of the Tanner crab Class A IFQ would have been stranded.

In recommending the emergency rule, the Council recognized that processor consolidation could continue to constrain processors operating in the Tanner crab fisheries after the emergency rule expires. To address this situation, the Council initiated an amendment to the FMP and Federal regulations to add BS Tanner crab to the list of species for which custom processing arrangements do not count against the IPQ use cap.

The Council scheduled initial review for its June 2016 meeting. During the April 2016 meeting, NMFS advised the Council that its current schedule of final action in October or December 2016 does not provide sufficient time for NMFS to complete proposed and final rulemaking to permanently exempt the Tanner crab fisheries from the IPQ use caps for the 2016/2017 Tanner crab fishing season that ends on March 31, 2017. As a result, at the April 2016 meeting, the Council voted to schedule both initial review and final action on permanently exempting the Tanner crab fisheries from IPQ use caps. This schedule may provide an opportunity for, but does not guarantee that, NMFS can complete rulemaking in time to relieve the restriction for the 2016/2017 Tanner crab fishing season.