UNALASKA CRAB, INC. RESOLUTION 2022-01

A RESOLUTION OF UNALASKA CRAB, INC., APPROVING THE REGIONAL LANDING REQUIREMENT RELIEF FRAMEWORK AGREEMENT

WHEREAS, Unalaska Crab Inc. (the Corporation) is the authorized representative for Unalaska, an Eligible Crab Community (ECC) pursuant to the federal regulations generally known as the Crab Rationalization Program; and

WHEREAS, 50CFR 680.4(p) sets forth a process by which holders of an individual fishing quota (IFQ) or individual processing quota (IPQ) in certain crab fisheries (Exemption Applicants) may request a preseason exemption from otherwise applicable geographical restrictions on the delivery or processing of crab; and

WHEREAS, 50CFR 680.4(p)(4)(ii)(B) requires that Exemption Applicants certify that the Exemption Applicant has entered into a framework agreement signed by representatives of the ECC; and

WHEREAS, the Corporation has participated in the process of negotiating a framework agreement and has reviewed a proposed framework agreement for the 2022-2023 crab fishing season, which is intended to comply with 50CFR 680.4(p)(4)(ii) (B); and

WHEREAS, the Corporation finds the terms of the framework agreement acceptable to Unalaska as an ECC.

NOW THEREFORE be it resolved: (1) that Unalaska Crab, Inc., hereby authorizes the President of the Corporation to sign the framework agreement attached to this Resolution; (2) that any changes to the proposed agreement be subject to further review and approval of the Corporation; (3) that any specific provisions be subject to further review and approval of the Corporation; and (4) that any in-season exemptions required by 50CFR 680.4(p)(4)(ii)(B) be subject to further review and approval of the Corporation.

DULY ADOPTED at a meeting of the Board of Directors of Unalaska Crab, Inc., on October 11, 2022.

	UNALASKA CRAB, INC.
	President
ATTEST:	
Socretary	
Secretary	

FRAMEWORK AGREEMENT

October 15, 2022

This Regional Landing Requirement Relief Framework Agreement ("Framework Agreement") is entered into by and among Central Bering Sea Fishermen's Association, Unalaska Crab, Inc., Aleutian Pribilof Island Community Development Association, Kodiak Fisheries Development Association ("Community Representatives"), 57 Degrees North, LLC, Alyeska Seafoods, Inc., APICDA Joint Ventures, Inc., Arctic Sea Holdings LLC, Blue Dutch, LLC, Coastal Villages Region Fund, Kodiak Fisheries Development Association, Norquest Seafoods, Inc., Peter Pan Seafoods, Inc., RAS II, LLC, Royal Aleutian Seafoods, Inc., Trident Seafoods Corporation, Westward Seafoods, Inc.("IPQ Holders"), and Aleutian Islands Cooperative, Aleutian Pribilof Island Community Development Association, Alternative Crab Exchange, Coastal Villages Crabbing Cooperative, CPH Association, Dog Boat Cooperative, Inter-Cooperative Exchange, R&B Cooperative and Trident Affiliated Crab Harvesting Corporation ("IFQ Holders") (each individually, a "Party" and together, the "Parties") as of October 15, 2022 with respect to the following facts:

RECITALS

- A. The Bering Sea and Aleutian Islands Crab Rationalization Program adopted by the North Pacific Fishery Management Council (the "Council") as Amendments 18 and 19 to the Fisheries Management Plan for the Bering Sea and Aleutian Islands crab fisheries, and implemented through National Marine Fisheries Service ("NMFS") regulations at 50 C.F.R. 680 (the "Crab Rationalization Program") includes several regional landing requirements (the "Regional Landing Requirements"). The Regional Landing Requirements stipulate that certain amounts of crab harvested pursuant to Individual Fishing Quota ("IFQ") issued annually must be delivered in certain regions of the fishery based on historical delivery patterns, and regionally designate "Class A" IFQ and corresponding Individual Processing Quota ("IPQ") accordingly.
- B. The Parties acknowledge that the Regional Landing Requirements were included in the Crab Rationalization Program to provide certain Bering Sea and Aleutian Islands communities with protection from adverse economic consequences that could result from changes in crab delivery and processing locations made possible by the Crab Rationalization Program.
- C. The Parties intend that the Regional Landing Requirements fulfill their purpose under the Crab Rationalization Program, i.e., providing the beneficiary communities with crab deliveries and processing activity that promotes stable and healthy fisheries economies. However, the Parties acknowledge that circumstances outside of the Parties' control could impair IFQ holders from making crab deliveries in the designated region within a commercially reasonable period of time after crab harvests, or could prevent IFQ holders from doing so within the related crab fishing season. Under these circumstances, the Regional Landing Requirements could prevent crab that has been harvested from being delivered alive, resulting in loss of the related product value, or could prevent crab from being delivered during the regulatory fishing season. This

would not only result in communities failing to receive the benefit of the intended crab deliveries, but could also result in waste of Bering Sea and Aleutian Islands crab resources, which would be inconsistent with the Crab Rationalization Program's purposes and National Standard 1 of the Magnuson-Stevens Fishery Conservation and Management Act.

- D. Further, in the absence of an exemption to the Regional Landing Requirements, persons harvesting IFQ crab may have incentives to attempt crab deliveries under unsafe or marginally safe conditions, to avoid losing the value of their harvests.
- E. The Parties therefore wish to define certain terms and conditions under which a person harvesting crab IFQ may obtain relief from an otherwise applicable Regional Landing Requirement.

AGREEMENT

The Parties agree as follows:

- 1. <u>Purpose of Agreement</u>. This Agreement defines the general terms and conditions under which an exemption contract may be negotiated and executed among some or all of the Parties and an "Inseason Notice of Exemption" may be filed with NMFS pursuant to 50 CFR 680.4(p)(4)(iii), which, upon filing, will result in NMFS re-designating the Class A IFQ described in the related affidavit and the IPQ with which it is matched as free of any Regional Landing Requirements. This Agreement is entered into to enable the Parties to satisfy the affidavit requirement of 50 CFR 680.4(p)(4)(ii)(B).
- 2. <u>Eligible Applicants</u>. To be eligible to apply for a regional landing requirement exemption by filing an Inseason Notice of Exemption, a Party must be one of the following, and must have been conducting and be conducting its harvesting and processing operations in a manner consistent with the Fishery Guidelines and Reserve Pool approach (as defined in Section 4, below) then in effect for the Fishery or Fisheries (as defined in Section 2.1, below) for which the exemption is sought, unless the Fishery Guidelines and/or the Reserve Pool Agreement's terms have been waived in accordance with the applicable conditions of Section 5, below:
- 2.1 <u>IFQ Holders</u>. A person holding regionally designated IFQ for Bristol Bay red King crab ("BBRKC"), Bering Sea snow crab ("BSS"), St. Matthew blue King crab ("SMB"), Eastern Aleutian Islands golden King crab, Western Aleutian Islands red King crab, Pribilof Island blue King crab or Pribilof Island red King crab (each, a "Fishery," and together, the "Fisheries").
- 2.2 <u>IPQ Holders</u>. A person holding regionally designated IPQ for one or more of the Fisheries.

2.3 Community Representatives.

- 2.3.1 For communities that hold or formerly held the right of first refusal ("ROFR") pursuant to 50 CFR 680.41(I), the Eligible Crab Community entity, as defined at 50 CFR 680.2.
- 2.3.2 For North Region SMB crab processor quota shares ("PQS") and North Region BSS PQS that was issued without a ROFR, the community representatives for the communities of St. Paul and St. George shall be both the Aleutian Pribilof Island Community Development Association ("APICDA") and the Central Bering Sea Fishermen's Association ("CBSFA"), in accordance with 50 CFR 680.4(p)(2)(iii)(B)(2)(i).
- 3. <u>Fisheries Subject to Agreement</u>. This Agreement establishes the conditions for filing an exemption notice for each of the Fisheries.
- 4. Actions Taken to Reduce the Need for and Amount of an Exemption. To reduce the need for and amount of a BSS Regional Landing Requirement exemption, the Parties shall adopt annual fishery operational guidelines per Section 4.1, below (the "Fishery Guidelines") and shall operate under the reserve pool approach described in Section 4.2, below (the "Reserve Pool"). The actions taken to reduce the need for and amount of a Regional Landing Requirement exemption for the crab Fisheries other than the BSS Fisheries shall be developed by the Coordinating Committee (as defined in Section 7, below) from time to time.
- 4.1 Fishery Guidelines. The Parties holding North region BSS IFQ and IPQ will develop proposed Fishery Guidelines for the BSS Fishery, and will submit them to the Coordinating Committee for review and approval. The Fishery Guidelines will provide general guidance concerning the delivery period for the North region of the BSS Fishery and the types and amounts of harvesting and processing capacity to be employed in the North region of the BSS Fishery, which, absent circumstances outside of the Fishery participants' control, should enable the Fishery to be conducted without a Regional Landing Requirement exemption being necessary. The Fishery Guidelines will be consistent with the delivery periods and harvesting and processing capacity employed during the 2016-2017 through 2021-2022 seasons of the BSS Fishery, as adjusted to take into account the total allowable catch ("TAC") for the 2022-2023 BSS Fishery and 2022-2023 BSS market factors.
- 4.2 <u>Reserve Pool</u>. The Reserve Pool approach set forth in this Section 4.2 establishes a procedure under which North region BSS deliveries are scheduled and made on a basis that reduces the risk that North region ice conditions cause BSS IFQ and IPQ to be stranded, and certain amounts of South Region IFQ and IPQ are reserved to cover frustrated North region deliveries, as set forth below.
- 4.2.1 As long as the risks associated with delivering in the North region remain acceptable (as determined by vessel masters), on an IPQ holder by IPQ holder basis, reserve pool participants will give North region deliveries priority over South region deliveries.

4.2.2 If the risks associated with delivering in the North region become unacceptable (as determined by vessel masters), South region IFQ will be used first to cover any frustrated North region deliveries, and then used as follows:

4.2.2.1 Immediately following the suspension of North Region deliveries due to adverse conditions, on an IPQ holder by IPQ holder basis, the affected IFQ holder(s) will assign South region IFQ in amounts approximating the remaining balance to be delivered to that IPQ holder (or on its account) in the North region to a "reserve pool." When all South region IFQ in excess of an IPQ holder's share of the reserve pool has been delivered, if the North region is still closed to deliveries, the affected IFQ holder(s) and each IPQ holder with whom they are matched may, by mutual agreement, either (i) use such IPQ holder's share of the South region reserve pool until it has been exhausted or the North region has been re-opened for deliveries, and/or (ii) initiate a request for a Regional Landing Requirement exemption in accordance with Section 5, below, and if it is approved, may deliver North region designated IFQ to the South region for processing.

4.2.2.2 If the North region re-opens during the BSS season, such that there is a reasonable likelihood of delivering a substantial amount of IFQ in the North region prior to season closure, the IFQ holder(s) with remaining North region IFQ will (in consultation with North region IPQ holders) prioritize North region deliveries over South region deliveries. If IFQ holder(s) and an IPQ holder with whom the IFQ holder(s) are matched have been delivering North region IFQ in the South region under an exemption pending such re-opening, they may initiate compensatory landings in the North region.

4.2.2.3 If at any point in time a North region IPQ holder and the North region IFQ holder(s) with whom it is matched conclude in their reasonable discretion that it will not be feasible to make additional landings in the North region in the same crab fishing season, then any remaining balance of such IPQ holder's and IFQ holder(s)' compensatory landing obligation will roll over to the following year.

5. Inseason Notice of Exemption Procedure. One or more share-matched IFQ holder(s) and IPQ holder(s) may initiate the request for a Regional Landing Requirement exemption. The determination whether any specific set of circumstances justifies filing an Inseason Notice of Exemption shall be made by the authorized representatives of the "Affected Parties." For purposes of this Agreement, "Affected Parties" shall mean (i) the community or communities to which the exempted crab would normally be delivered under the regional landing requirements; (ii) the community or communities from which compensatory deliveries would originate; (iii) the IFQ holder(s) whose IFQ would be exempted from otherwise applicable regional landing requirements; and (iv) the IPQ holder(s) whose IPQ would be exempted from otherwise applicable regional landing requirements. No Inseason Notice of Exemption may be filed without the approval of all Affected Parties.

An Inseason Notice of Exemption may not be filed unless and until the Affected Parties determine that each of the following conditions is satisfied or (if permissible) is waived by all Affected Parties.

- 5.1 Circumstances outside of the Parties' control have resulted in essential crab processing capacity within a designated region becoming inaccessible or unavailable such that there is a risk that the affected IFQ holder(s) will not be able to land all regionally designated crab in such region prior to the end of the crab fishing season.
- 5.2 If a Regional Landing Requirement exemption is requested for the BSS Fishery, the Fishery Guidelines referenced in Section 4.1, above have been approved by the Coordinating Committee, and the IFQ holder(s) and IPQ holder(s) requesting an exemption have conducted and are conducting their harvesting and processing operations in a manner consistent with such Fishery Guidelines and the Reserve Pool approach described in Section 4.2, above. If a Regional Landing Requirement exemption is requested for a Fishery other than the BSS Fishery, the actions taken to reduce the need for and amount of a Regional Landing Requirement exemption for the Fishery at issue shall be those developed by the Coordinating Committee from time to time, if any.
- 5.3 The Affected Parties on a processor/IPQ holder by processor/IPQ holder basis have entered into an exemption contract on a processor/IPQ holder by processor/IPQ holder basis that:
- 5.3.1 Identifies the IFQ amount and IPQ amount, by Fishery, that is subject to the exemption contract;
- 5.3.2 Describes the circumstances under which the exemption is being exercised;
- 5.3.3 Specifies the action that the Parties must take to mitigate the effects of the exemption;
- 5.3.4 Specifies the compensation, if any, that any Party must make to any other Party; and
- 5.3.5 Specifies any arrangements for compensatory deliveries in that crab fishing year or the following fishing year.
- 5.4 The Affected Parties may waive one or more of the conditions set forth in Sections 5.1 and 5.2 for good cause shown. If a Party is seeking a waiver of one or more such conditions because it was prevented from satisfying such condition(s) by circumstances outside of its control, such Party must have notified the Affected Parties of such circumstances within ten (10) days of their occurrence. The Affected Parties may not waive the exemption contract requirement set forth in Section 5.3.
- 6. <u>Mitigating the Effects of an Exemption</u>. The Parties shall take the following actions to mitigate the effects of a Regional Landing Requirement exemption.
- 6.1 In connection with circumstances involving a BSS Regional Landing Requirement exemption for up to five (5) million pounds of crab, the IFQ and IPQ holders shall make compensatory landings, which for IPQ holders shall be calculated on a processor/IPQ holder by processor/IPQ holder basis by a qualified independent third-party data collector which will yield a ratio of regionally

designated shares for each processor/IPQ holder (regional ratio), in an amount equal, so long as each processor/IPQ holder has the opportunity to seek a portion of the exemption up to its regional ratio, to the amount of crab delivered outside of its originally designated region. Such compensatory landings shall be made during the same crab fishing year that the exemption was obtained and used, or during the following crab fishing year.

- 6.2 In connection with events involving a BSS Regional Landing Requirement exemption for five (5) million or more pounds of crab, the type and amount of compensation shall be negotiated as part of each individual exemption contract. The compensation may include, but is not limited to, compensatory landings and monetary relief.
- 6.3 The Coordinating Committee may amend the BSS thresholds set forth in Sections 6.1 and 6.2, above, in particular based on the changing size of the TAC, and may adopt compensation thresholds for other Fisheries from time to time.
- 7. Coordinating Committee. On or before October 15, 2022, the Parties shall form a "Coordinating Committee," composed of the Parties or their designees, which shall, before the start of the BSS Fishery: (i) approve the BSS Fishery Guidelines per Section 4.1, above; and (ii) amend the thresholds set forth in Sections 6.2 and 6.3, above, as needed; and may, from time to time: (i) specify the actions to be taken by IFQ and IPQ holders to reduce the need for and amount of a Regional Landing Requirement exemption for one or more of the Fisheries other than the BSS Fishery, and (ii) develop compensation thresholds for Fisheries other than the BSS Fishery. Decisions of the Coordinating Committee at any given meeting shall require the consent of all Coordinating Committee members present either in person or on the telephone conference line. The Coordinating Committee may appoint Fishery subcommittees from time to time, and may delegate its authority to such sub-committee(s) as it deems appropriate.
- 8. <u>Season Extension</u>. If the re-opening of the North region is delayed such that a season closure could prevent additional landings from being made in the North region in the same crab fishing season, the Affected Parties may seek a season extension from the Alaska Department of Fish and Game if the extension could make it feasible to deliver a substantial amount of IFQ in the North region prior to the extended season's closure. A decision to seek a season extension shall require the consent of all Affected Parties.
- 9. Reporting Requirements. Each IFQ holder that is a party to this Agreement shall prepare a "Regional Delivery Exemption Report" (the "Report") as required under the Crab Rationalization Program regulations. Each IFQ holder shall deliver a copy of its Report to the IPQ holders and community representatives who are party to this Agreement on or before July 15, 2023, and shall deliver a copy of its Report to NMFS on or before July 30, 2023, but no Report shall be submitted to NMFS less than fifteen (15) days after it was delivered to the IPQ holders and community representatives. The Report shall contain all information required by the Crab Rationalization Program regulations, including but not limited to explanations of:

- 9.1 The amount of IFQ, if any, set aside to reduce the need for, and the amount of, an exemption;
 - 9.2 The mitigation measures employed before submitting an Inseason Notice;
 - 9.3 The number of times an exemption was requested and used;
- 9.4 The arrangements for any compensatory deliveries, including all compensatory deliveries made during the crab fishing year and any outstanding compensatory delivery obligations for the following crab fishing year;
 - 9.5 Whether the exemption was necessary; and
- 9.6 Any impacts resulting from the exemption on fishery participants and communities that signed the preseason application.
- 10. <u>Term and Termination</u>. This Agreement shall take effect as of the date set forth above and shall expire as of midnight, June 30, 2023.

11. Miscellaneous.

- 11.1 No amendment to this Agreement shall be effective against a Party hereto unless in writing and duly executed by such Party. The Parties agree to amend this Agreement as reasonably necessary to comply with changes in law, and policies and regulations implementing Regional Landing Requirement relief.
- 11.2 This Agreement shall be governed by and construed in accordance with applicable federal law and the laws of the State of Alaska.
- 11.3 This Agreement may be executed in counterparts which, when taken together, shall have the same effect as a fully executed original. Delivery of a signed copy of this Agreement by electronic transmission shall have the same effect as delivering a signed original.
- 11.4 The Parties agree to execute any documents necessary or convenient to give effect to the intents and purposes of this Agreement.
- 11.5 All notices required to be given under this Agreement shall be deemed given five (5) days following deposit in certified first class U.S. mail, postage prepaid, with the correct address, or upon the first business day following confirmed electronic transmission to the recipient. Each Party agrees to provide all other Parties with the name, postal address, email address and fax number of its representative(s) for purposes of receiving notices under this Agreement within three (3) days of executing this Agreement.
- 11.6 In the event that any provision of this Agreement is held to be invalid or unenforceable, such provision shall be deemed to be severed from this Agreement, and such holding shall not affect in any respect whatsoever the validity of the remainder of this Agreement.

EXECUTED as of the date set forth above.

Community Representatives

CENTRAL BERING SEA FISHERMEN'S ASSOCIATION By: Its:	_
ALEUTIAN PRIBILOF ISLAND COMMUNITY DEVELOPMENT ASSOCIATION By: Its:	By: Its:
Community Representatives for Non-ROFR IPQ	
CENTRAL BERING SEA FISHERMEN'S ASSOCIATION	ALEUTIAN PRIBILOF ISLAND COMMUNITY DEVELOPMENT ASSOCIATION
By: Its:	
IPQ Holders	,
57 DEGREES NORTH, LLC	ALYESKA SEAFOODS, INC.
By:	_ ' -
ALEUTIAN PRIBILOF ISLAND COMMUNITY DEVELOPMENT ASSOCIATION	APICDA JOINT VENTURES, INC. By:
By: Its:	lts:

IPQ Holders Continued

ARCTIC SEA HOLDINGS LLC	BLUE DUTCH, LLC
Ву:	Ву:
Its:	Its:
COASTAL VILLAGES REGION FUND	KODIAK FISHERIES DEVELOPMENT ASSOCIATION
By:	By:
16.	
NODOLIEST SEAFOODS, INC	DETER DANICEAEOODS INC
NORQUEST SEAFOODS, INC.	PETER PAN SEAFOODS, INC.
By:	Ву:
Its:	Its:
RAS II, LLC	ROYAL ALEUTIAN SEAFOODS, INC.
Ву:	Ву:
Its:	Its:
TRIDENT SEAFOODS CORPORATION	WESTWARD SEAFOODS, INC.
Ву:	Ву:
Its:	Its:
IFQ Holders	
ALEUTIAN ISLANDS COOPERATIVE	ALEUTIAN PRIBILOF ISLAND COMMUNITY
Dr.c.	DEVELOPMENT ASSOCIATION
By: Its:	Ву:
	its:

IFQ Holders Continued

ALTERNATIVE CRAB EXCHANGE	COASTAL VILLAGES CRABBING COOPERATIVE
By: Its:	By: Its:
CPH ASSOCIATION	DOG BOAT COOPERATIVE
By:	By: Its:
INTER-COOPERATIVE EXCHANGE By: Its:	R&B COOPERATIVE By: Its:
	TRIDENT AFFILIATED CRAB HARVESTING CORPORATION By: Its: