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|  | Annual  Crab Non-binding Price Formula Report | U.S. Dept. of Commerce/NOAA  http://home.nmfs.noaa.gov/ocioweb/webguide/cdprint/images/logo-noaa.gifNational Marine Fisheries Service  Sustainable Fisheries Division  P.O. Box 21668  Juneau, AK 99802-1668  (800) 304-4846 toll free /  (907) 586-7228 in Juneau  (907) 586-7354 fax |

The Crab Arbitration Organization must provide its members with a copy of the contracts for the Market Analyst, Formula Arbitrator, and Contract Arbitrator for each fishery in which the member participates.

The Formula Arbitrator is required to conduct a single annual fleet-wide analysis of the markets for crab to establish a Non-Binding Price Formula. NMFS requires the production of a Non-binding Price Formula Report for each crab fishery. This report is designed to serve as a starting point for negotiations between fishermen and processors, or as a starting point for an arbitrator in evaluating offers in an arbitration process. The recommended formula is not considered the only possible formula for all fishermen and processors—negotiations between individual fishermen and processors may find that other price formulas work better for their specific needs. The Price Formula Report for each fishery will be presented as a report with complete documentation as to how each formula was developed, and with detailed analysis of each of the elements entering into each Non-binding Price Formula calculation. The number of annual reports is dependent upon how many crab fisheries are open. If a crab fishery is closed, a report is not required.

The Non-Binding Price Formula may rely on any relevant information available to the Formula Arbitrator, including, but not limited to, information provided by the quota share, processor quota share, individual processor quota, and individual fishing quota holders in the fishery, and the Market Report for the fishery, and the Formula Arbitrator.

The Price Formula and the Market Report may be combined to provide an analysis of the market for products of a specific fishery and report on activities occurring within three months prior to its generation. Data must be sufficiently aggregated in the report such that it would not identify specific price information by an individual provider.

**Non-Binding Price Formula**

May be based on the historical distribution of first wholesale revenues between fishermen and processors in the aggregate based on arm’s length first wholesale prices and ex-vessel prices, taking into consideration the size of the harvest in each year;

May establish a price that preserves the historical division in the fishery revenues in the fishery while considering the following:

Current ex-vessel prices, including ex-vessel prices received for crab harvested under Class A, Class B, and CVC IFQ permits;

Consumer and wholesale product prices for the processing sector and the participants in arbitrations (recognizing the impact of sales to affiliates on wholesale pricing);

Innovations and developments of the harvesting and processing sectors and the participants in arbitrations (including new product forms);

Efficiency and productivity of the harvesting and processing sectors (recognizing the limitations on efficiency and productivity arising out of the management program structure);

Quality (including quality standards of markets served by the fishery and recognizing the influence of harvest strategies on the quality of landings);

The interest of maintaining financially healthy and stable harvesting and processing sectors;

Safety and expenditures for ensuring adequate safety;

Timing and location of deliveries; and

Cost of harvesting and processing less than the full IFQ or IPQ allocation (underages) to avoid penalties for overharvesting IFQ and a mechanism for reasonably accounting for deadloss.

Identification of various relevant factors such as product form, delivery time, and delivery location.

Consider the “highest arbitrated price” for the fishery from the previous crab fishing season, where the “highest arbitrated price” means the highest arbitrated price for arbitrations of IPQ and Arbitration IFQ which represent a minimum of at least 7 percent of the IPQ resulting from the PQS in that fishery.

**Due Date**: The Non-Binding Price Formula must be produced not later than 50 days prior to the first crab fishing season for each crab QS fishery, except that the Non-Binding Price Formulas for the western Aleutian Islands golden king crab fishery and the eastern Aleutian Islands golden king crab fishery must be produced not later than 30 days prior to the first crab fishing season for those crab QS fisheries.

The Formula Arbitrator must submit documents and reports to NMFS as follows:

by mail to NMFS Regional Administrator

P.O. Box 21668

Juneau, AK 99802

by courier to NMFS

709 West 9th Street

Juneau, AK 99801

Or, by fax to 907-586-7465

In addition, the Formula Arbitrator must provide the Non-binding Price Formula Report to:

♦ Each Arbitration Organization in each crab fishery

♦ Formula Arbitrator, and

♦ Contract Arbitrator(s) for the fishery

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***PUBLIC REPORTING BURDEN STATEMENT***

Public reporting burden for this collection of information is estimated to average 4 hours per response, including the time for reviewing the instructions, searching the existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden estimate or any other aspect of this collection of information, to Assistant Regional Administrator, Sustainable Fisheries Division, NMFS, Alaska Region, P.O. Box 21668, Juneau, AK 99802-1668.

***ADDITIONAL INFORMATION***

Before completing this form, please note the following: 1) Notwithstanding any other provision of law, no person is required to respond to, nor shall any person be subject to a penalty for failure to comply with, a collection of information subject to the requirements of the Paperwork Reduction Act, unless that collection of information displays a currently valid OMB Control Number; 2) This information is mandatory and is required to manage commercial fishing efforts under 50 CFR part 680, under section 402(a) of the Magnuson-Stevens Act (16 U.S.C. 1801, et seq.) and under 16 U.S.C. 1862(j); 3) Responses to this information request are confidential under section 402(b) of the Magnuson-Stevens Act. They are also confidential under NOAA Administrative Order 216-100, which sets forth procedures to protect confidentiality of fishery statistics.

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