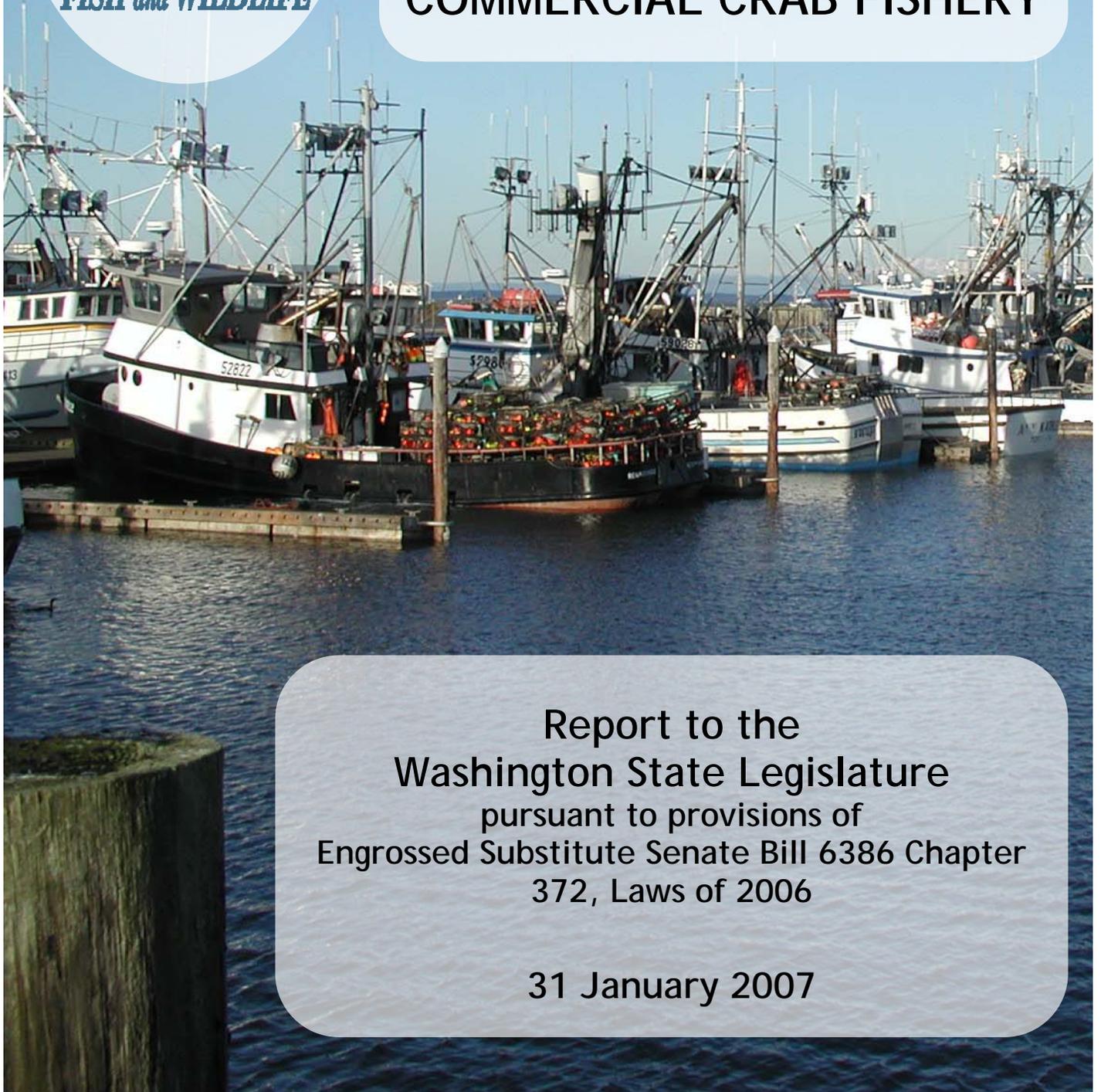




Washington Department of
FISH and WILDLIFE

**DEVELOPMENT
OF A
BUY-BACK PROGRAM
FOR THE
WASHINGTON COASTAL
COMMERCIAL CRAB FISHERY**



**Report to the
Washington State Legislature
pursuant to provisions of
Engrossed Substitute Senate Bill 6386 Chapter
372, Laws of 2006**

31 January 2007

DEVELOPMENT OF A BUY-BACK PROGRAM FOR THE WASHINGTON COASTAL COMMERCIAL CRAB FISHERY

EXECUTIVE SUMMARY

January 31, 2007

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In the 2006 Supplemental Budget, Washington Legislators asked Washington Department of Fish and Wildlife (WDFW) to provide a report outlining a program for license buy-back for the Washington coastal nontreaty commercial Dungeness crab fishery. Proviso language was as follows:

Within existing appropriations and utilizing all available federal moneys allocated for the crab buy-back program, the department shall develop and implement a crab buy-back program that allows commercial crab fishers the opportunity to sell their licenses back to the state and exit from the crabbing fishery. The department shall report to the office of financial management and the appropriate fiscal committees of the legislature its detailed implementation plan no later than December 1, 2006.

2006 Supplemental Budget, Engrossed Substitute Senate Bill 6386, Chapter 372, paragraph (32)

The total number of commercial crab licenses is limited and license holders are further limited by vessel length (less than 99 feet) and through pot limitations (maximum of 300 or 500 pots). Still, the fishery remains overcapitalized and the pace of achieving annual crab harvest objectives has been swift. Many industry members believe there are too many participants in the Washington coastal crab fishery for each to successfully achieve personal economic stability. Coastal communities relying on this fishery for economic stability are impacted when seasons are unpredictable.

WDFW identifies two key objectives for the coastal commercial crab fishery: 1) Provide for economic stability of the fishery for individuals and coastal communities, and 2) provide an even flow of product to the marketplace.

WDFW has initiated studies of a buy-back program for coastal commercial crab fishing licenses. Based on survey responses, about \$50 million would be needed to purchase the industry goal of 80 licenses. It is not clear whether reduction of the fleet to this extent would alter the dynamic of the fishery enough to reduce pressure created from treaty/nontreaty sharing requirements and to provide for even flow of product through additional months of the season. If a buy-back program is pursued, further work is necessary to design a buy-back program that is effective to its purpose, beneficial to individual fishery participants, and contributes to the fishery stability necessary to provide even product flow and maintain economic certainty for fishery-dependent coastal communities.

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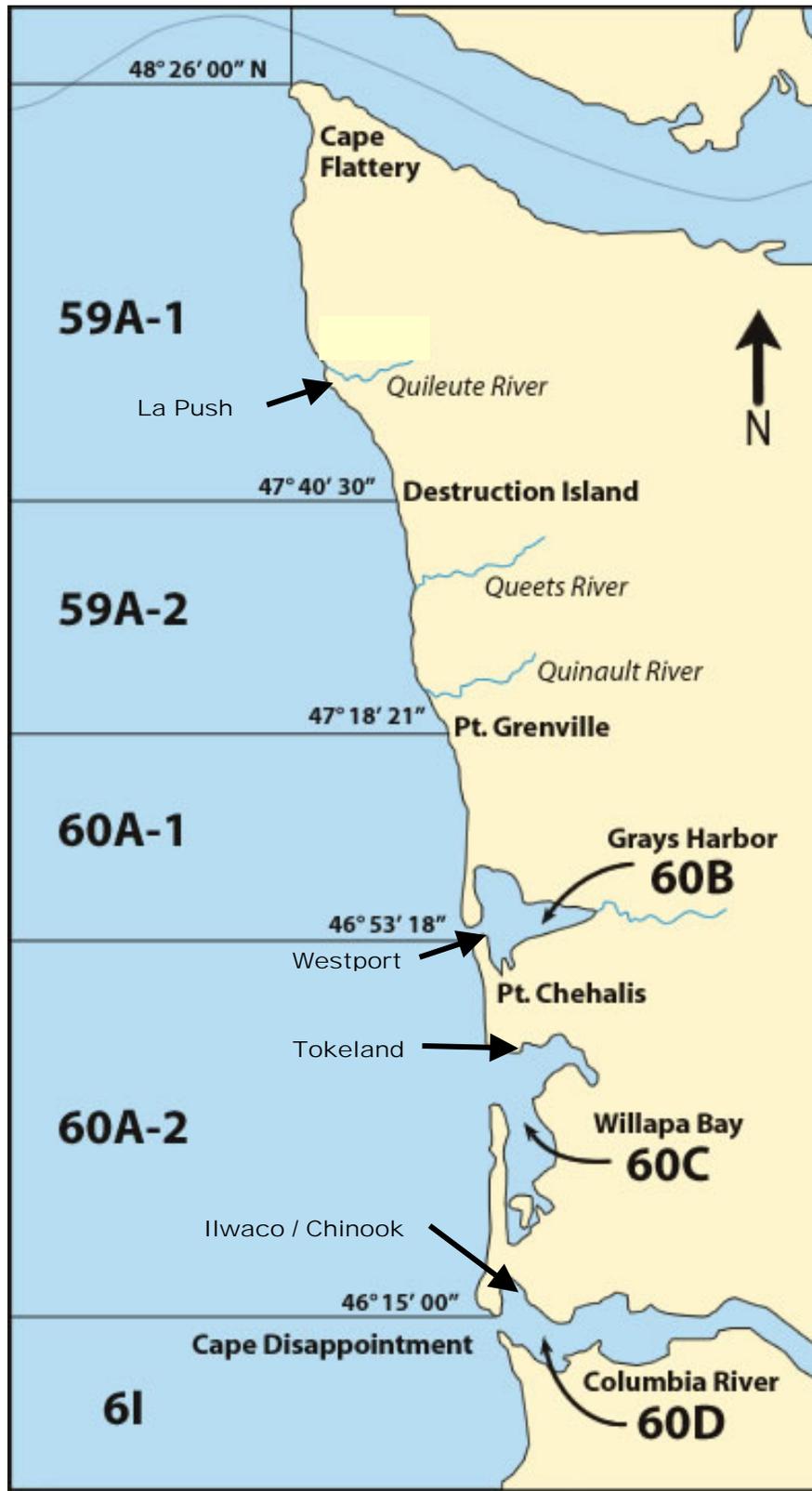
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Figure A Vicinity Map for Washington Coastal Dungeness Crab Fishery



1. Problem Statement

The 2006 legislature passed Engrossed Substitute Senate Bill 6386, a section of which directs the Washington Department of Fish and Wildlife to

“Within existing appropriations and utilizing all available federal moneys allocated for the crab buy-back program, the department shall develop and implement a crab buy-back program that allows commercial crab fishers the opportunity to sell their licenses back to the state and exit from the crabbing fishery. The department shall report to the office of financial management and the appropriate fiscal committees of the legislature its detailed implementation plan no later than December 1, 2006.”

2006 Supplemental Budget, Engrossed Substitute Senate Bill 6386, Chapter 372, paragraph (32)

The context for this directive is the longstanding concern for the continued economic stability of the Washington coastal Dungeness crab fishery¹ and its individual participants, as well as impacts on local community economic sustainability.

Many industry members believe there are too many fishers participating in the Washington coastal crab fishery for each to successfully achieve adequate individual income. On average, half the total annual crab harvest occurs within the first four to six weeks of the nine-month fishing season. This means that product availability to the marketplace and individual fishermen’s earnings diminish quickly as the season progresses. Coastal communities relying on this fishery for economic stability are impacted because of this pattern.

Because of these concerns, and with the 2006 legislative direction, WDFW launched studies to discover what it will take to build a buy-back program for the Washington Coastal Dungeness Crab fishery.

Management Goals and Objectives

Goals for management of the coastal crab fishery are to maintain an economically viable and stable fishery that is in balance with resource needs and treaty obligations, supports individual fishers as well as coastal communities, and provides a steady and reliable flow of product throughout the season. A series of complex regulatory reforms has been implemented, each building upon the success of the others. A remaining concern is the need to further reduce fishing effort and/or catch during the first two months of the season relative to the current level of the fishery, in order to spread the flow of product through additional months of the fishing season. The goal

¹ This study and any of its results pertain exclusively to nontreaty Coastal Dungeness Crab fishery license holders. All of the data presented herein are limited to nontreaty landing information.

is to do this in a manner that fairly and equitably distributes the impact of this reduction among the various segments of the fleet.

Study Process

WDFW initiated a survey of coastal crab fishers in May 2006 to determine level of interest and support for a crab license buy-back program. Results from that survey show that about \$50 million would be needed to achieve the minimum goal of 80 licenses purchased. If so directed, WDFW would conduct additional research and have further industry discussions in order to refine existing alternatives, or identify new ones, and select a small number of viable options for a follow-up industry survey.

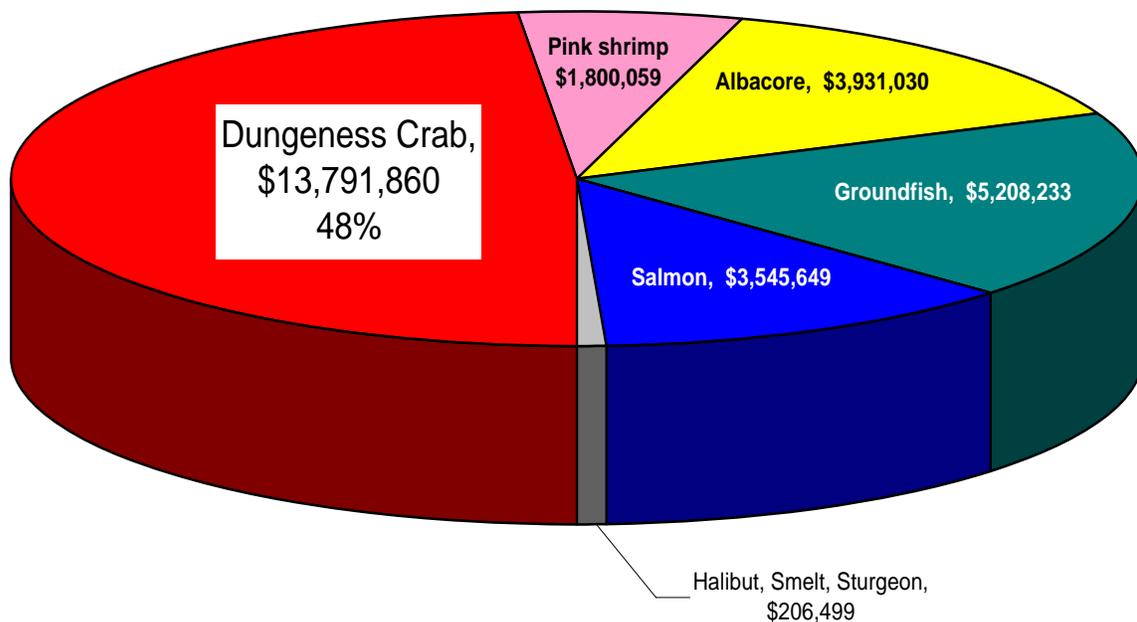


2. Background of Washington Coastal Commercial Dungeness Crab Fishery

Introduction

One of the most important commercial fisheries in Washington, the coastal commercial Dungeness crab fishery has a 1990-91 through 2005-06 average annual ex-vessel value (amount paid to fishers for their catch) of approximately \$22.1 million.

Figure B
2005-06 Washington Coastal Ex-Vessel Value by Species Group



(Note: Excludes cultured products such as oysters and aquaculture finfish.)

There are 228 Washington coastal commercial Dungeness crab license holders with approximately 200 fishers who are active participants in this highly competitive fishery. The season historically starts on or about December 1 and runs through about September 15, depending on the condition of the crab. The main ports of landing for the coastal commercial Dungeness crab fishery are Ilwaco, Chinook, Westport, Tokeland and La Push (identified on Figure A) where the economic impact of this fishery is substantial. The character of this fishery is evolving as license and pot limitations have been applied, and with the onset of tribal crabbing pursuant to the 1994 Rafeedie decision under U.S. v. Washington.

Status of the Stocks

Dungeness crab exist in commercial quantities in waters from Alaska to south of San Francisco, California. Along the Pacific coast, Dungeness crab live in the intertidal zone out to a depth of 90 fathoms (540 feet). Washington's coastal commercial crab grounds extend from the Columbia River to Cape Flattery near Neah Bay and include the estuaries of the Columbia River, Grays Harbor, and Willapa Bay.

Since 1950, the Washington coastal fishery has produced between 2.6 and 20 million pounds per season and averaged about 9.5 million pounds per season. Resource managers expect that variation in oceanographic conditions will continue to cause seasonal abundance to fluctuate as it has in the past, but barring the onset of persistent adverse environmental conditions, are optimistic about the future of the resource.

Dungeness crab management on the coast is based on a minimum size limit of 6 ¼ inches, prohibition of harvest of female crab, and a season closure during the primary male molt period. The minimum size limit assumes that male crab that are harvested have been sexually mature and have mated at least once before reaching legal size. Male crabs 6 ¼ inches or larger are assumed to be harvestable surplus; it is assumed that as much as 95 percent of the legal sized male crabs are harvested annually. In order for crab to grow they must shed their shell and expand to fill a new shell, this is referred to as molting.

During the early stage of the molt period, crabs are soft and vulnerable to mortality due to handling; therefore, the coastal commercial fishery is closed from September 15th to early December.

Management Authority

State authority for WDFW to manage the coastal crab fishery is derived from its legislative mandate to "preserve, protect, perpetuate, and manage the food fish and shell fish resources in a manner that does not impair the resource." WDFW is also mandated to "maintain the economic well-being and stability" of the state's fishing industry and to "promote orderly fisheries" (RCW 75.08.012). The Fish and Wildlife Commission adopts fishery regulations under the scope of their authority to adopt rules (RCW 75.08.080) in state waters and in the federal Exclusive Economic Zone (3-200 miles offshore) (RCW 75.08.052).

State Authority in Offshore Waters

The coastal Dungeness crab fishery takes place in both state (0-3 miles) and federal (3-200 miles) waters. Approximately 30% of the crab harvest takes place in state

waters and 70% in federal waters. The State of Washington has the authority to enforce its regulations on vessels registered in Washington and fishing in federal waters, including those waters adjacent to other states.

In 1997, Congress provided the states of California, Oregon, and Washington with the interim authority to enforce their respective rules and regulations applying to the Dungeness crab fishery (except those laws that pertain to limited entry) in adjacent federal waters of each respective state. Congress granted this authority to the states because the Dungeness crab is not presently covered by a federal fishery management plan. This unique authority was recently extended through September 30, 2016 when Congress reauthorized the Magnuson-Stevens Fishery Conservation and Management Act.

The interim authority not only allows the states to regulate vessels operating in the Dungeness crab fishery in adjacent federal waters, but goes a step farther by providing the states with the authority to impose uniform regulations on all vessels participating in the fishery. This authority has been used to implement restrictions such as pot limits, buoy tags, and area closures needed to slow the harvest rate and comply with federal laws pertaining to treaty Indian fishing rights. This authority has also been used by the states to uniformly apply season opening dates designed to address conservation issues associated with soft-shell crab. Absent this authority, the states would be faced with the potential of having vessels fishing side-by-side under different state regulations and/or subject to different penalties for violating the same fishery regulations.

Washington Fish and Wildlife Commission

Management Objectives for Coastal Dungeness Crab

Policy Number POL-C3604

Effective Date: August 6, 1999

Goals

- To protect the reproductive capacity of the stock
- To involve the commercial fishing industry representatives in the management of the fishery.
- To protect public health
- To maximize the economic benefit from the resource
- To adopt regulations which seek to achieve safe and orderly fisheries
- To provide a sustainable Dungeness crab fishery of high quality product consistent with the "even flow" legislative mandate
- To provide support to industry buy-back initiatives
- To protect Dungeness crab habitat

Policies

- Comply with the federal court order relative to treaty/non-treaty sharing of coastal shellfish resources
- Manage the fishery to primarily benefit the commercial fishery
- Cooperate with other states' fish and wildlife agencies
- Seek to achieve a fair and equitable distribution across industry sectors of the effects resulting from the design and implementation of "even flow" management measures
- Manage the coastal Dungeness crab fishery consistent with the preferred alternative in the Even Flow Harvest Management Plan.

Fishery Management Strategy

The basic fishery management strategy to protect the health and reproductive vitality of the crab resource is known as the “3-S” strategy, which stands for “size, sex, and season.” The minimum size limit (6 ¼ inches carapace width) protects mature, male crab until at least one year after they become sexually mature, thereby helping to ensure a perpetual breeding stock. Harvest of female crab is prohibited and the fishing season is closed in the fall (September 16 through November 30) to coincide with the time that recruitment molting usually occurs. This seasonal closure protects soft-shelled crab, which are very vulnerable to mortality from handling and sorting during normal fishing operations.

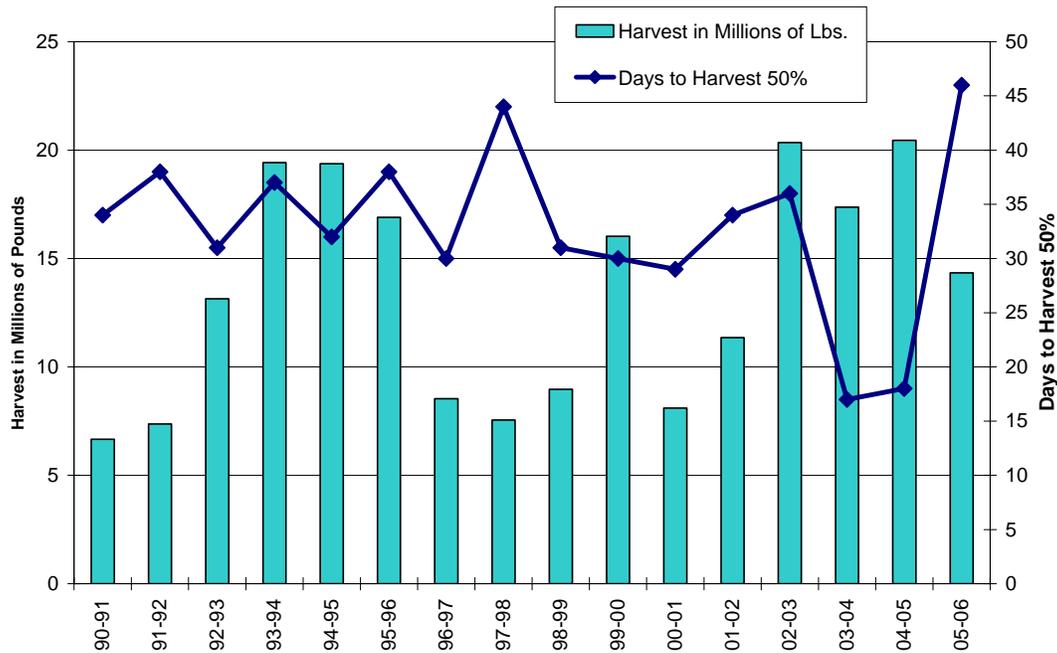
Fishery Evolution

The coastal Dungeness crab fishery has evolved through the years in response to a variety of regulatory measures intended to meet management objectives. External market-related forces also play a large role in fishery evolution. Changes within the fishing fleet, itself, also present challenges to management of coastal crab.

Growth in the size of the fleet and fishing effort since 1990 has resulted in a large proportion of the annual catch being taken in the first two months of the season. In recent years, approximately 75 percent of the total harvest has been taken during the first two months of the season compared to about 50 percent in the mid-1980's (Figure C). Simply stated, the fishery has become a derby wherein each fisher is attempting to catch a maximum amount of the resource as quickly as possible.

There is no discernable relationship in Figure C between crab abundance (measured as season total pounds landed; left vertical axis) and the number of days (right vertical axis) it took to harvest half (50%) of the total annual crab landings from the 1990-91 to 2005-06 crab seasons. For example, in 1997-98, it took about 45 days to land 3.75 million pounds (50% of the total season harvest), whereas in 2004-05 it took about 18 days to land 10.2 million pounds of crab. Clearly, there are a number of factors at play requiring a combination of actions if the industry is to achieve an even flow of product to the marketplace.

Figure C Nontreaty Season Total Dungeness Crab Harvest (lbs.) and Number of Days to Land 50% of the Season's Total



Fishery managers and industry participants have identified some key factors inhibiting achievement of fishery management objectives for fishery economic stability and steady flow of product throughout the season:

1. The need for a license limitation program;
2. The effect of the federal court order granting up to 50 percent of the harvestable shellfish resources to the treaty tribes within their previously adjudicated usual and accustomed fishing grounds; and
3. The question of whether the offshore crab resource would be under federal or state jurisdiction.

Limited Entry

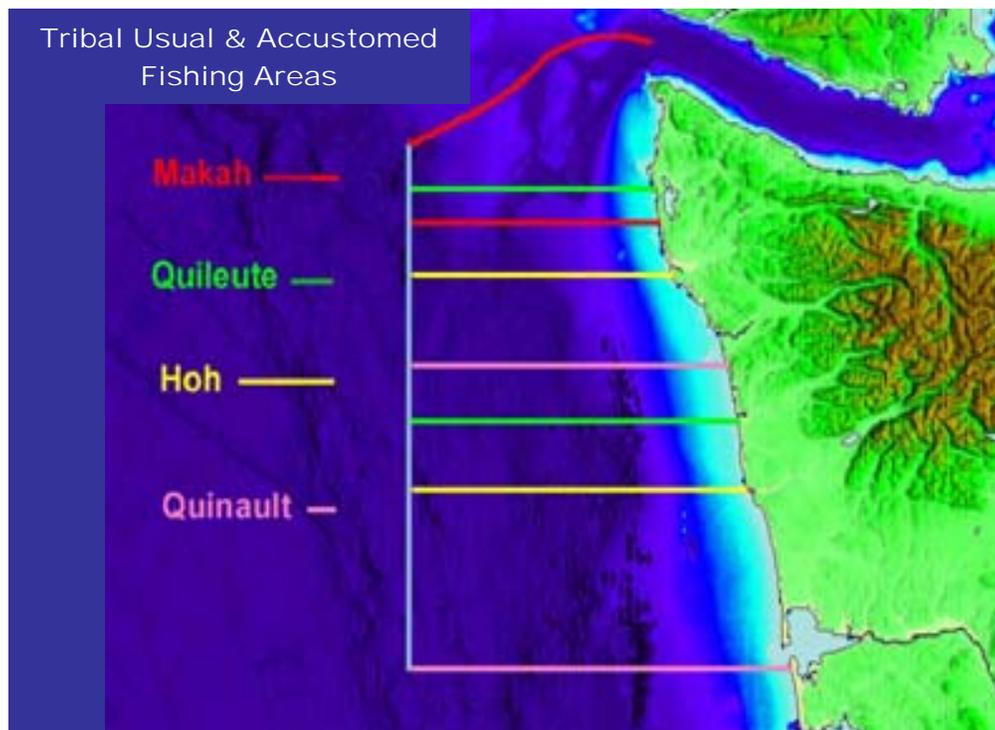
In 1994, the Washington State Legislature enacted legislation that established a license limitation program for the coastal Dungeness crab fishery, established vessel size limits, and initiated study of an even flow harvest concept (Second Engrossed Substitute House Bill 1471). Limited entry has been the first step in a series of effort reductions designed to address and promote long term stability of the coastal Dungeness crab fishery.

Treaty Indian Fishing Rights

In December 1994, a federal court decision by Judge Edward Rafeedie affirmed the entitlement of Washington treaty tribes to harvest shellfish. The four coastal treaty tribes affected by the decision are the Quinault, Hoh, Quileute, and Makah tribes. The four tribes' usual and accustomed areas (U&As) (Figure D) include Grays Harbor and ocean waters from Point Chehalis (just south of the entrance to Grays Harbor) to the U.S. - Canada border. Approximately 50 percent of the productive crab fishing grounds off the Washington coast are located in this area north of Grays Harbor. Only the Makah Tribe has an adjudicated western (seaward) boundary for its U&A; the ruling placed the boundary at approximately 40 miles offshore. National Marine Fisheries Service has since adopted a federal regulation extending the adjudicated western boundary of the Makah tribe south to Point Chehalis.

Cooperative management plans establish harvest regimes that provide treaty tribes with harvest opportunity prior to the non-treaty fishery opening. Additional tribal opportunity is provided using Special Management Areas that remain closed to non-treaty fishers for portions of the non-treaty fishing season. A 200 pot limit is in place for both treaty and nontreaty fishers in Grays Harbor.

Figure D Coastal Treaty Tribal Usual and Accustomed Fishing Areas (U&A)



Even-Flow

By July 1999, the three factors limiting fishery stability had been resolved to a certain extent:

- Congress had extended the state's authority to manage the Dungeness crab fishery in the exclusive economic zone adjacent to Washington.
- Since 1996, the Department has negotiated Dungeness crab annual management agreements with each of the coastal treaty tribes to implement the federal court decision by Judge Rafeedie, and
- By the end of 1996, the license limitation program had been fully implemented.

As a result of limited entry, further legislation directed WDFW, with input from coastal Dungeness crab fishery licensees and processors, to prepare a resource plan to achieve even-flow harvesting and long-term stability of the coastal Dungeness crab resource. The plan was to include investigation of pot limits, further reduction in the number of vessels, individual quotas, monthly limits, area quotas, or other measures as determined by the department as tools to help meet management objectives

In 1999, WDFW submitted to the legislature its resource plan for even flow harvesting and long-term stability in the coastal Dungeness crab fishery.² The plan recommended pot limits and a system of pot and buoy tagging.

Pot limits:

The response of individual fishers to increased competition had been to increase their fishing capacity either by obtaining a larger vessel or by increasing the number of pots fished, or both. In some cases, fishers employed more pots than they can fish efficiently and expose themselves to greater risk by fishing during adverse weather conditions.

New regulations to implement the even-flow harvest plan were adopted by the Washington Fish and Wildlife Commission on August 11, 2000, including a two-tier pot limit system and a pot and buoy tag system. Each fisher is limited in the number of pots s/he can deploy; from 300 to 500 pots per vessel, based on analysis of catch data for the 170 vessels that fished during the 1996-97, 1997-98, and 1998-99 seasons.

The new pot limit regulations were intended to be another step in a complex long-term management program designed to provide a sustainable Dungeness crab fishery of high quality product consistent with the "even-flow" legislative mandate. However, the goal of reducing harvest rates sufficiently to catch no more than 50 percent of the non-treaty season catch during the first two months of the season is

² Barry, Steve, H. Reed, and M. Robinson. July 1999. *Coastal Dungeness Crab Even Flow Harvest Management Plan*. Updated by Heather Reed and Jay Odell, August 2001. WDFW.

not likely to be achieved without additional measures to reduce effort. Several additional measures were suggested in the 1999 Even-Flow report, including elimination of the pre-season pot setting, elimination of pot barging, vessel length restrictions, license stacking, and buy-back. In light of these fishery developments, current discussions on developing a buy-back program are timely.

Harvest

Washington coastal Dungeness crab landing data back to 1950 shows a large fluctuation in harvest, ranging from a low of 2.5 million pounds in 1981 to a high of 25 million pounds in 2004-05 averaging at 9.5 million pounds. It is believed that this large fluctuation in landings is not a result of harvest patterns, but is likely due to varying ocean conditions including water temperature, food availability, and ocean currents. Additional harvest statistics are presented in Section 3.

License Requirements and Limitations

Coastal Commercial Dungeness Crab licenses are limited by statute. An existing license may be transferred to another owner, but no new licenses may be issued.

Coastal Dungeness crab license authorizes the taking of coastal crab using specified gear and only in designated Washington waters and offshore waters (outside the three-mile limit).

Each Coastal Dungeness crab license has been assigned a 300 or 500 pot limit as determined by seasonal regulations. Each pot is required to have one buoy with a buoy tag affixed. Replacement buoy tags are available for purchase if buoy tags are lost. Lost buoy tags must be replaced.

Table 1 Commercial/Special License Fees For 2006 License Year

License Type	License Fees		Transfer of Ownership Fees	
	Resident	Non-Resident	To Resident	To Non-Resident
Coastal Dungeness Crab	\$415.00	\$640.00	\$500.00	\$725.00

The skipper of each vessel landing Dungeness crab in Washington is responsible for carrying, maintaining, and submitting a logbook provided by the Washington Department of Fish and Wildlife (WAC 220-52-040).

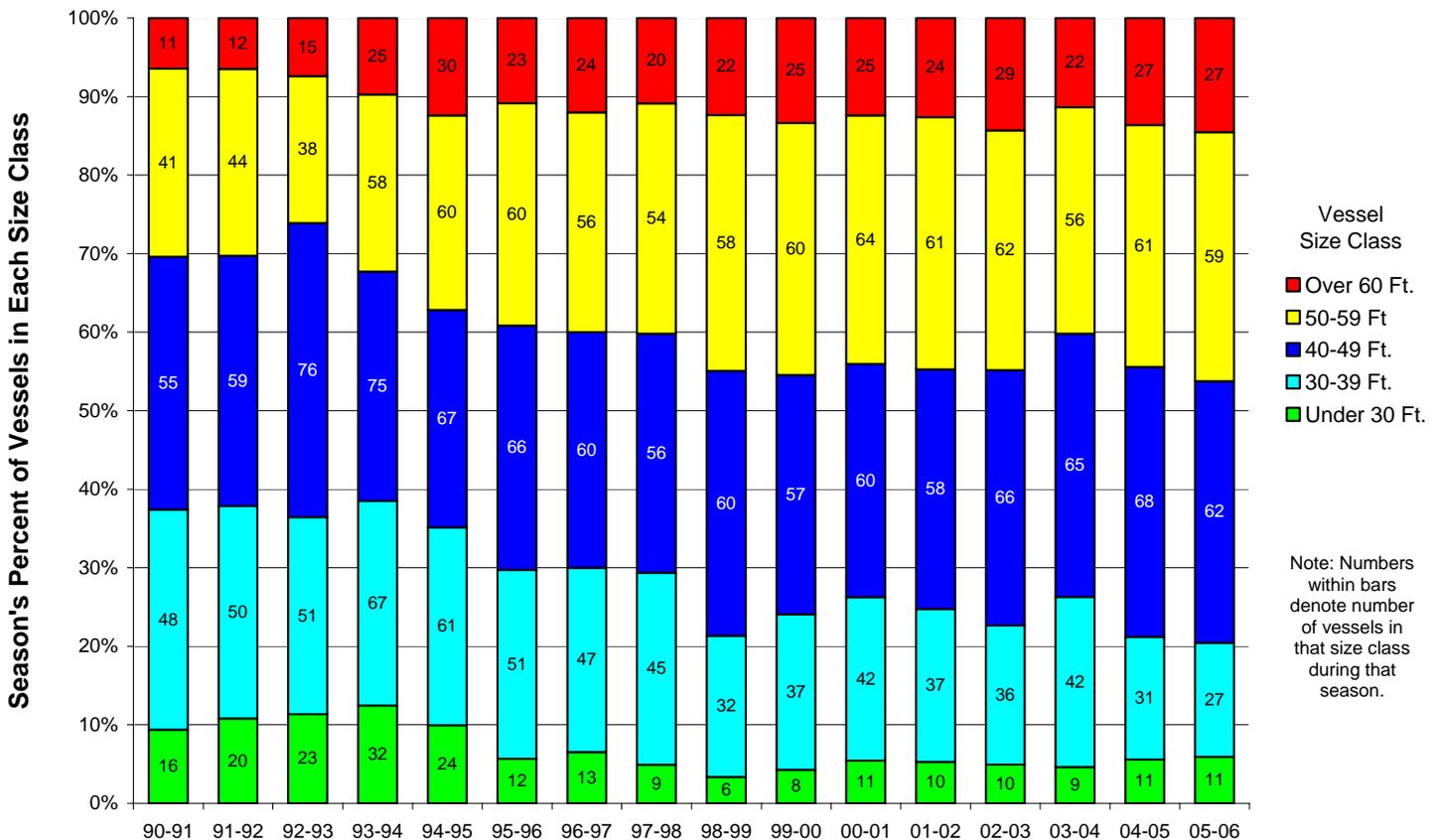
3. Profile of Washington Coastal Commercial Crab Fishery; Licenses, Seasons, Harvest, and Income

Licenses

Nontreaty Fleet Components

Nontreaty fishery components include a wide range of vessel lengths (Figure E). The proportion of vessels over 50 feet in length has been increasing relative to smaller vessels over the years. Larger vessels made up about 30 percent of the fleet in 1990-91, and comprise about 45 percent in 2005-06. Vessels in the smallest category, less than 30 feet in length, have remained a stable component of the fleet (about 5 percent) since about 1995.

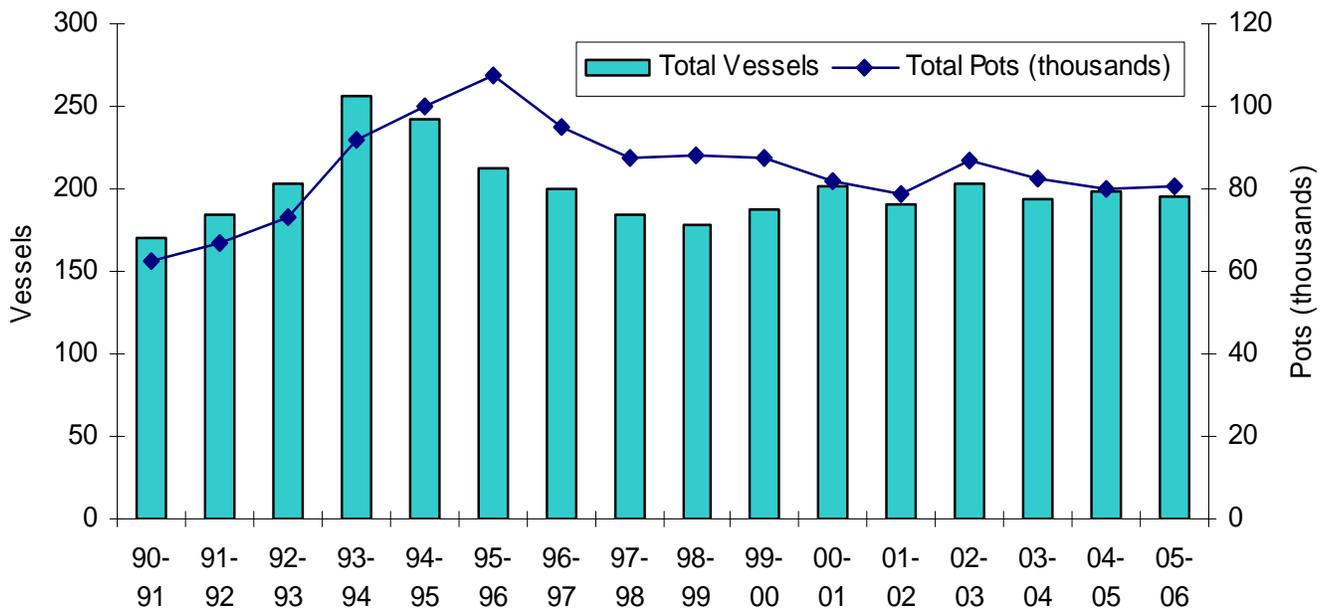
Figure E Distribution of Coastal Crab Vessels by Size Class from 1990 to 2006



Historic License Ownership

There are presently 228 coastal Dungeness crab fishing licenses, held by about 200 active fishers deploying an estimated 81,000 pots. As expected, the number of pots and vessels is closely related (Figure F). The numbers of both pots and vessels were increasing steeply prior to the onset of limited entry in 1994, but have been relatively stable since 1999.

Figure F Number of Vessels and Pots in the Coastal Dungeness Crab Fishery; 1990-91 through 2005-06

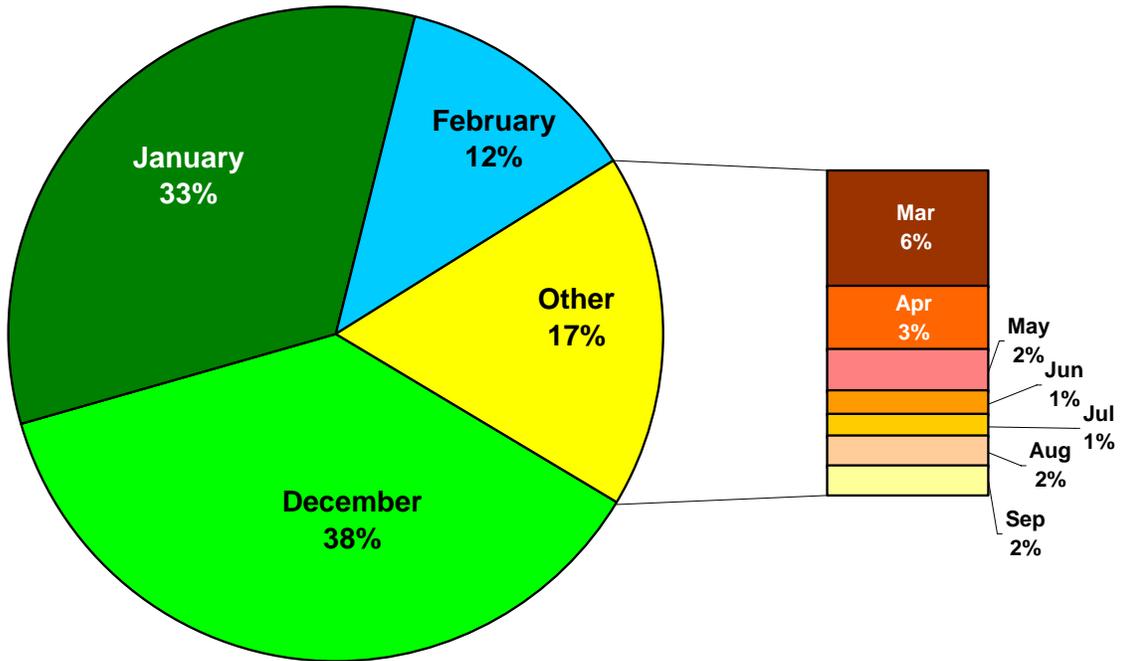


Seasons

The coastal Dungeness crab fishing season typically starts on December 1st; however the start date is dependent upon shell-condition and state/tribal management agreements. WDFW conducts preseason shell condition testing to ensure that, at the start of the season, the majority of male crabs have recovered from the fall molt period. The season typically runs through September 15th, but can end sooner if summer on-board sampling indicates that crab are molting earlier than usual.

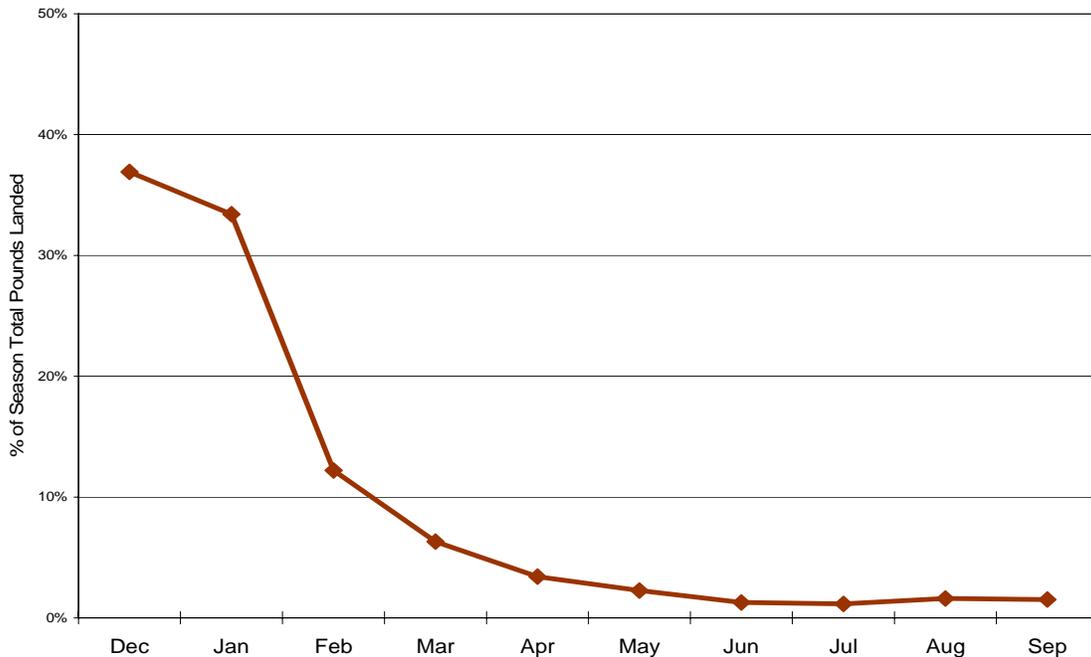
As mentioned above, both managers and fishers are concerned about the speed with which the fishery proceeds. Observed over the long term (1990-91 through 2004-05 season average), about 83 percent of total season landings (lbs.) are landed in the first three months of the fishery (Figure G).

Figure G Monthly Pounds Landed as Percent of Total Season Landings
(1990-2004 Average)



Generally, over 50 percent of each season's landings (in pounds) occur within 4-to-6 weeks of the season start. Clearly, product availability to the marketplace diminishes as the season progresses (Figure H).

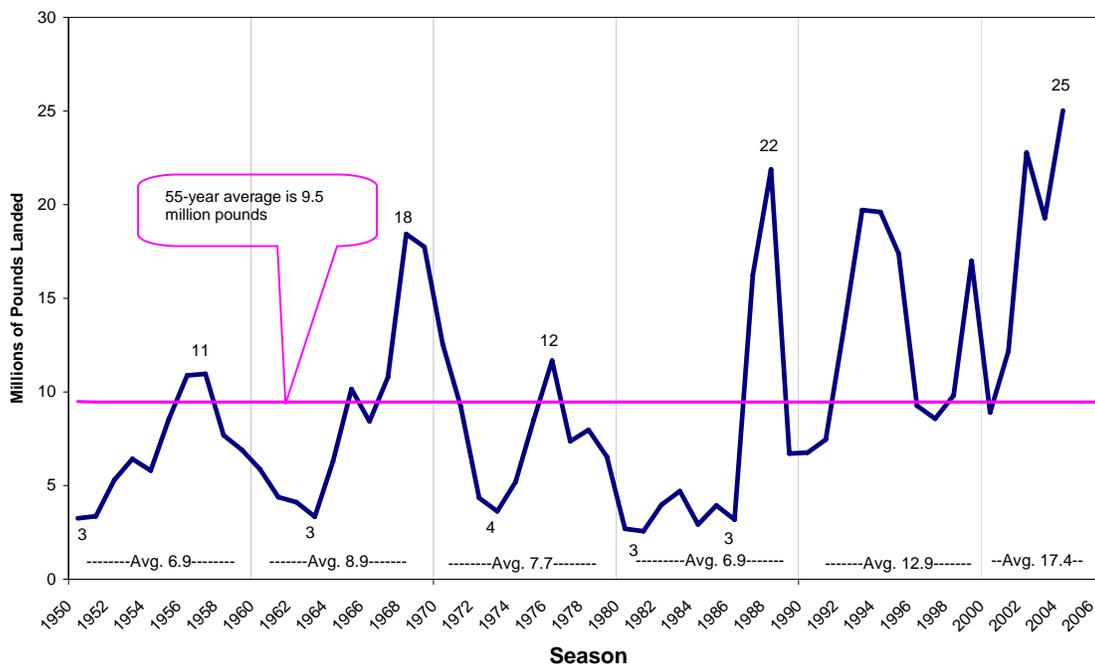
Figure H Average Distribution of Landings (Lbs.) by Month
(1990-91 through 2004-05 Seasons)



Harvest

Harvest in the coastal Dungeness crab fishery has varied from less than 3 million pounds to over 25 million pounds between 1950 and 2005 (Figure I). The 55-year average is 9.5 million pounds per year, but examination of averages by decade shows that average pounds per season have increased from about 6.9 million pounds in the decade 1950-1959, to an average of 12.9 million pounds in 1990-1999.

Figure I Washington Coastal Dungeness Crab Landings (lbs.), 1950 - 2005



Historic crab landings (in pounds) by month are presented in Table 2. The slowing of the harvest through the season is evident.

Monthly data examined from the 1990 through 2004 seasons shows trends are similar for various fishery attributes. Monthly pounds landed (Figure J) and monthly vessel participation (number of vessels landing) and individual income (Figure K) show compatible trends through the season. Again, the highest landings, participation, and fleet/individual incomes occur in December and January, and drop steeply from February through the end of the season.

No relationship is apparent between abundance (measured by total season landings in pounds) and average price over a season (Figure L). Although a line drawn through the points shows a slightly higher price at lower abundances, this relationship is weak.

Nontreaty landings are generally fairly evenly distributed between areas north of Pt. Chehalis (including Grays Harbor) and south of Pt. Chehalis) (including Willapa Bay and the Columbia River estuaries) (Figure M).

Table 2 1990-91 through 2004-05 Washington Coastal Commercial Dungeness Crab Landings (in pounds) by Month

Annual Landings for Non-Treaty Fishers (in pounds) by Year & Month											
Season	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Total
1990-1991	3,219,062	1,803,122	544,222	247,407	207,734	171,955	126,323	140,976	115,102	84,745	6,660,648
1991-1992	959,792	2,914,393	1,336,471	520,925	195,836	218,937	135,283	158,907	443,574	484,531	7,368,649
1992-1993	6,505,608	3,347,631	1,393,961	480,257	272,493	344,298	172,159	193,261	276,867	151,829	13,138,364
1993-1994	8,794,483	5,632,297	1,573,946	1,230,973	681,888	422,920	296,123	242,413	318,644	232,754	19,426,441
1994-1995	4,051,153	8,295,185	3,159,308	1,478,933	864,616	543,170	408,942	246,761	195,631	131,956	19,375,655
1995-1996	501,943	10,132,816	3,317,639	1,593,254	497,902	402,616	147,029	92,659	112,162	101,434	16,899,454
1996-1997	5,131,542	1,490,682	372,695	172,010	175,813	136,402	93,722	124,474	191,978	650,199	8,539,517
1997-1998	5,038,310	753,865	373,929	389,753	185,368	64,067	98,857	153,916	356,113	136,582	7,550,760
1998-1999	4,483,407	2,196,951	307,298	659,061	491,823	375,785	154,019	75,997	88,014	134,790	8,967,145
1999-2000	8,284,440	3,666,900	1,588,921	831,820	425,791	377,671	216,094	226,390	236,236	168,025	16,022,288
2000-2001	2,346,617	2,720,724	702,720	305,045	235,401	176,986	217,670	358,814	618,373	421,978	8,104,328
2001-2002	5,108,461	3,894,021	979,310	396,098	286,164	182,241	110,514	109,914	140,289	138,309	11,345,321
2002-2003	6,415,789	8,222,290	2,946,227	1,014,488	671,532	315,934	144,597	143,467	303,198	170,427	20,347,949
2003-2004	11,467,873	2,837,861	1,276,315	751,238	528,503	195,951	91,986	71,184	85,543	67,756	17,374,210
2004-2005	Closed	10,112,518	5,579,428	2,765,353	1,052,504	447,915	162,892	136,196	104,519	69,897	20,431,222
Avg %	37%	33%	12%	6%	3%	2%	1%	1%	2%	2%	

Landings for Non-Treaty Fishers-Updated May 31, 2006
* 2005-2006 Season is preliminary and incomplete

Figure J Average Monthly Landings (Lbs.);1990-91 through 2004-05 Seasons

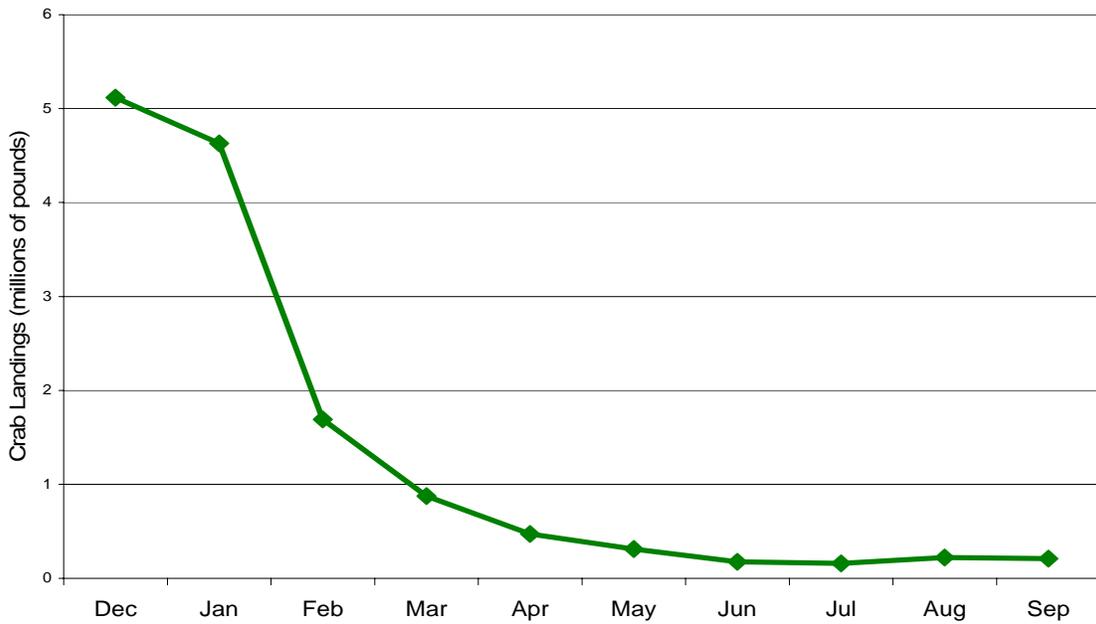
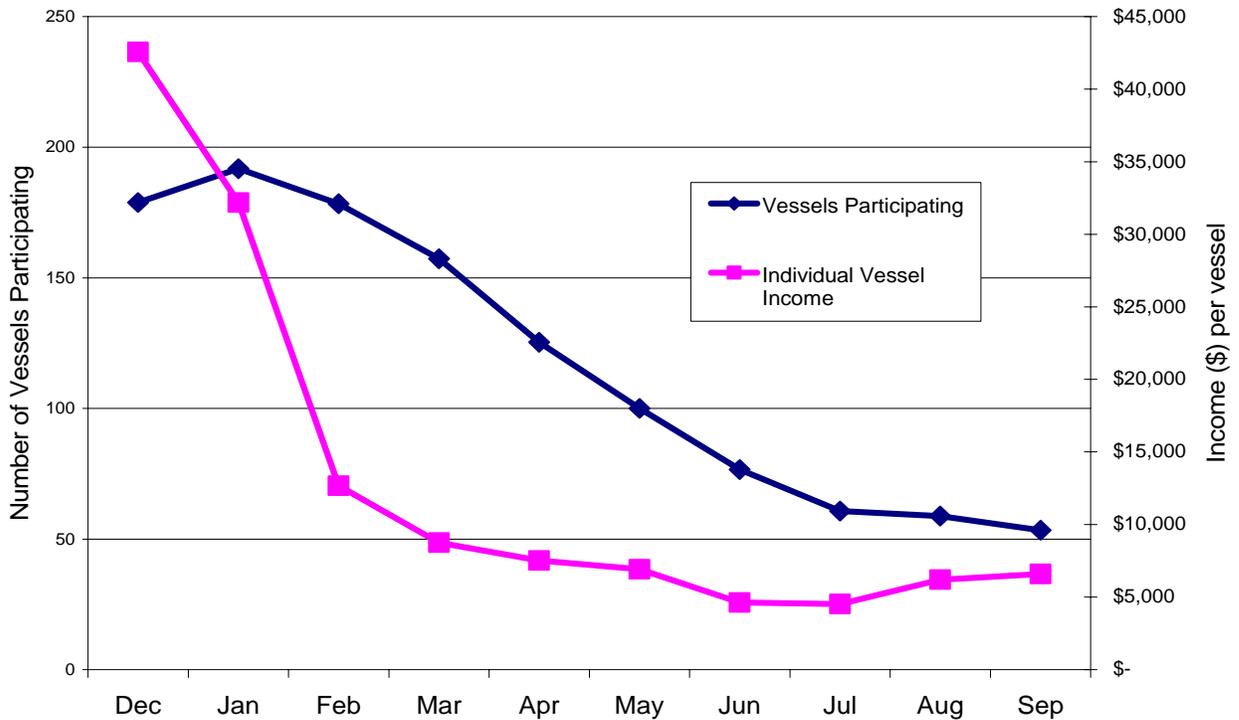


Figure K Average Vessel Participation and Incomes by Month; 1990-91 through 2003-04 Seasons



(199-91 through 2003-04 averages)

Figure L Relationship of Coastal Dungeness Crab Price and Abundance for the 1990-91 through 2003-04 seasons

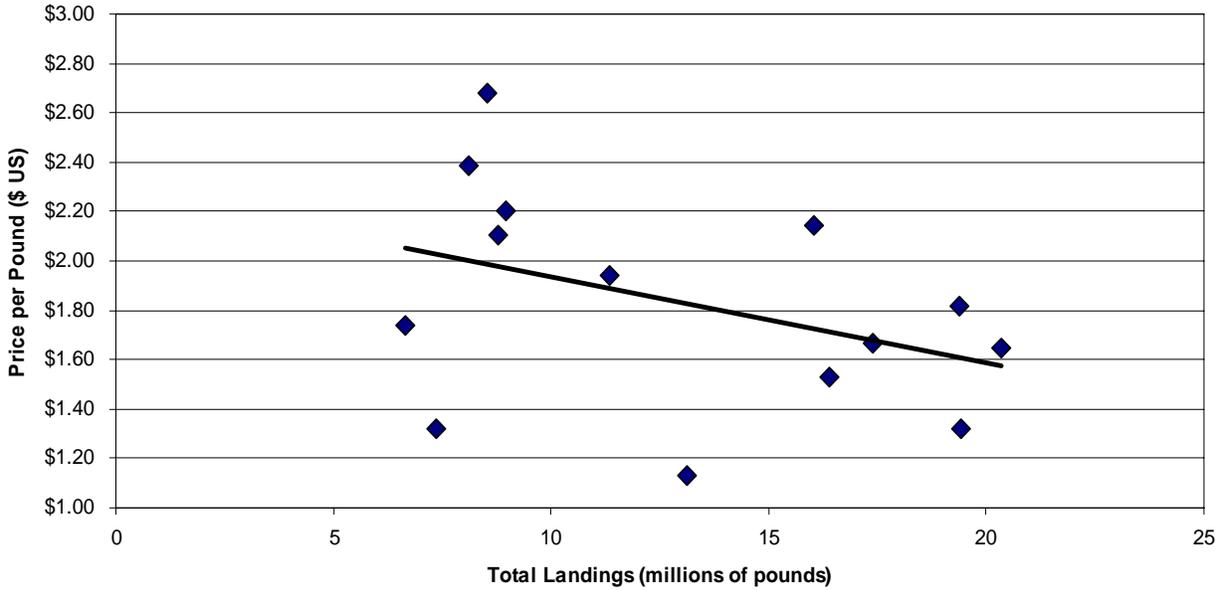
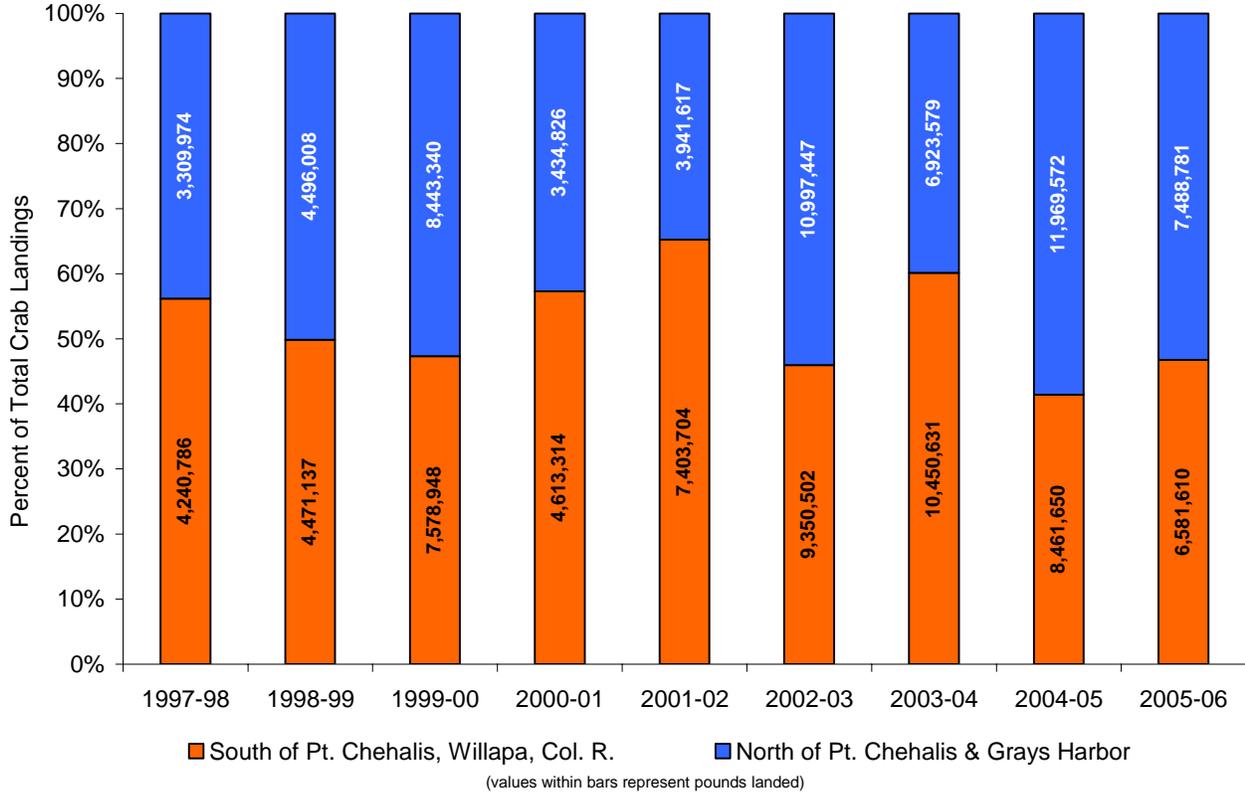


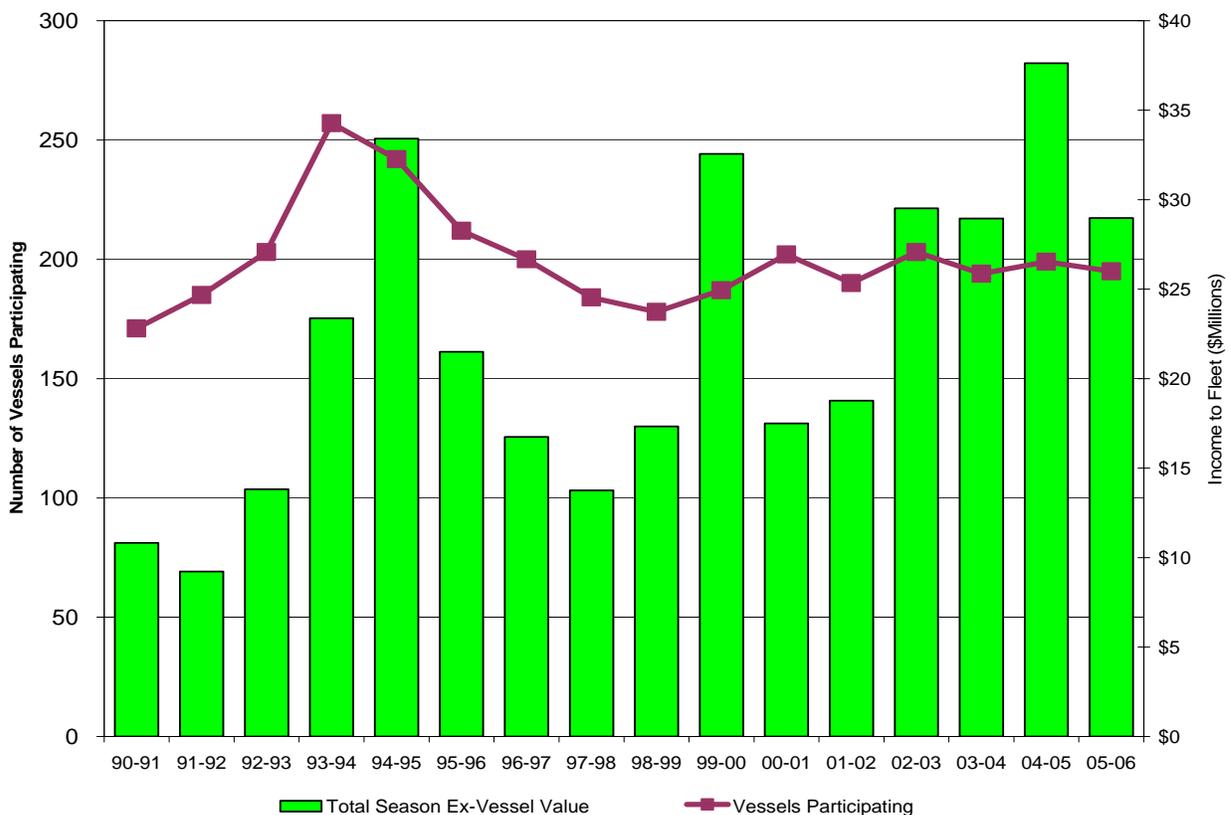
Figure M Geographic Distribution of Nontreaty Crab Landings



Fishery Income

Direct income (also called “ex-vessel value”) generated by the coastal Dungeness crab fishery is uneven over the years, but an overall increasing trend (greater than expected based on inflation, alone) between 1990 and 2005 can be detected (Figure N). There does not appear to be a significant relationship between numbers of vessels participating in the fishery and the total fleet income generated.

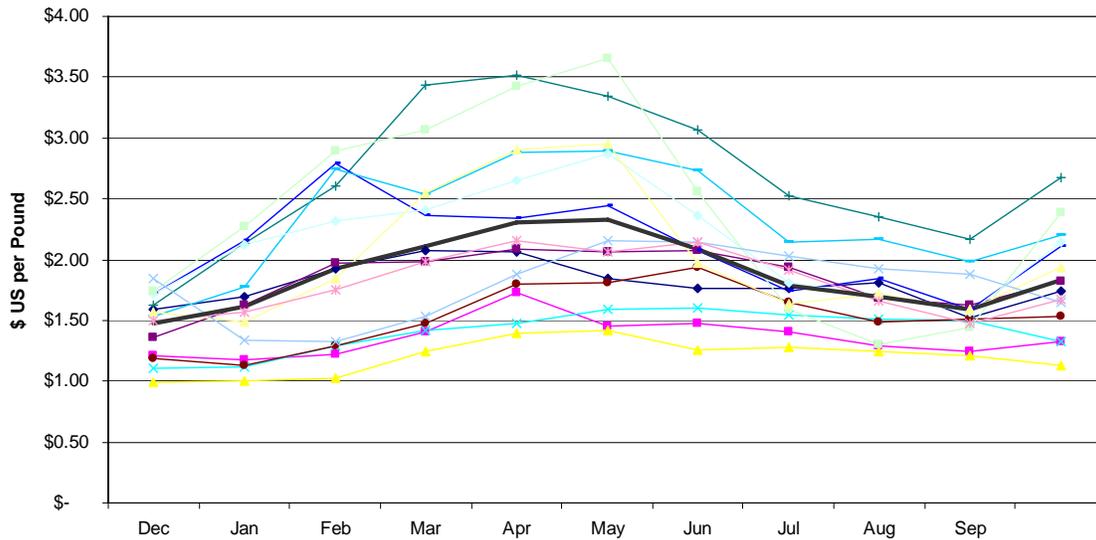
**Figure N Fleet Income and Vessels Participating;
1990-91 through 2005-06 Seasons**



Factors Influencing Ex-Vessel Prices

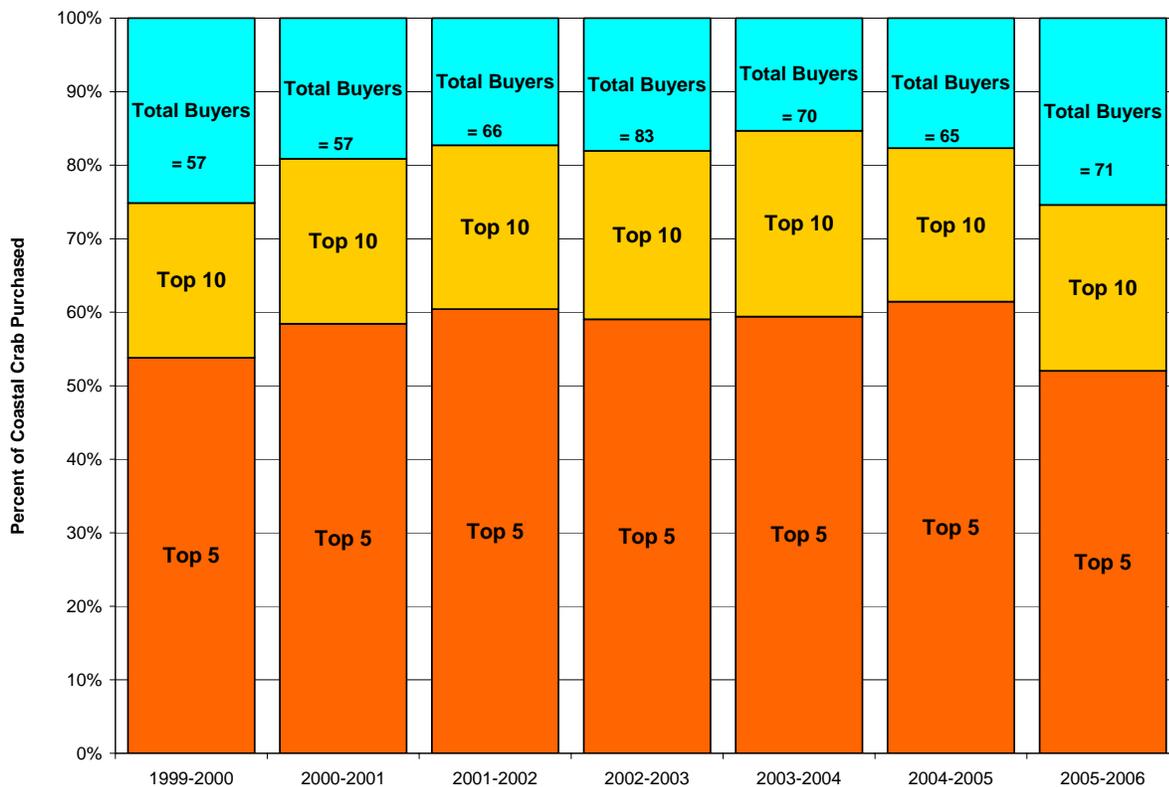
Moderately higher per-pound prices (Figure O) are observed as the season progresses, with the highest prices occurring from February through June. Factors potentially influencing price-per-pound include diminishing supply of crab in the marketplace and improvement in the condition of crab (e.g., average weight) as the season progresses.

Figure O 1990-2003 Coastal Dungeness Crab Price (\$US) per Pound by Month



On average during the 1999-00 to 2005-06 seasons, the five top buyers purchased over 50 percent and the top 10 buyers bought about 80 percent of all Dungeness crab landed in coastal Washington (Figure P)

Figure P Percent of Coastal Crab Purchased by Top Five and Ten Buyers

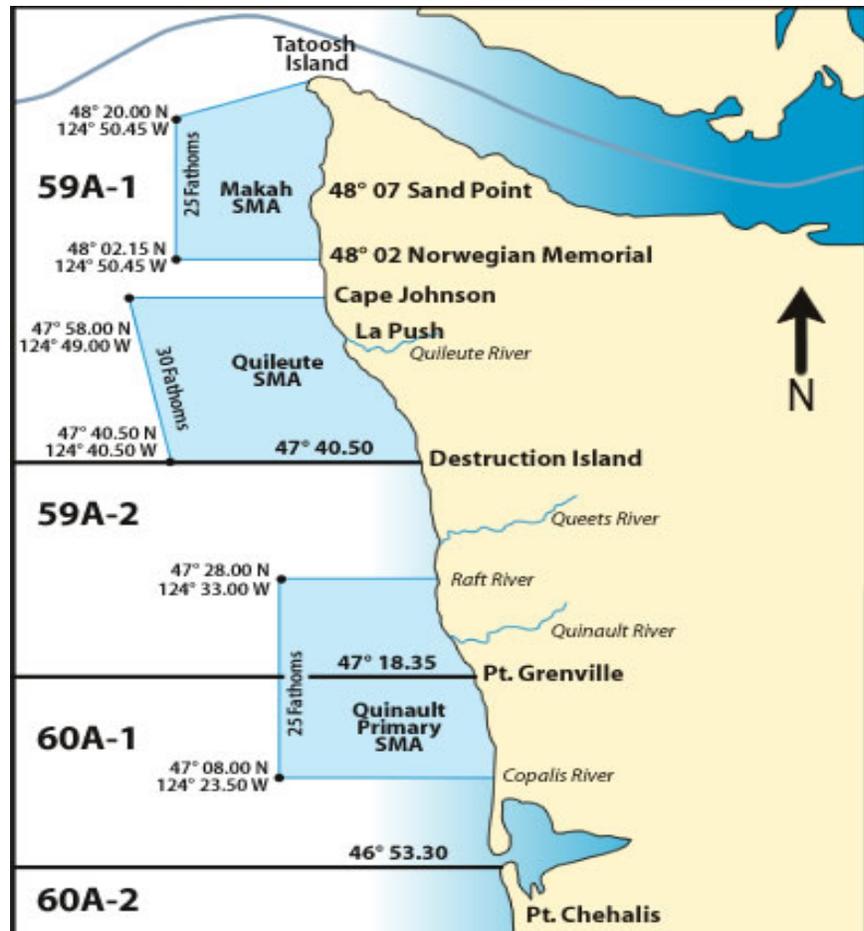


Treaty - Nontreaty Harvest Distribution

The Quinault, Quileute, and Makah Tribes each have fishers active in the crab fishery. The Hoh Tribe also has treaty shellfish rights in certain coastal waters but has not yet engaged in the fishery. The combined tribal fleet is currently estimated to total about 30 vessels. The first state/tribal coastal Dungeness crab fishery management plans required under federal court order were implemented for the 1995-96 season.

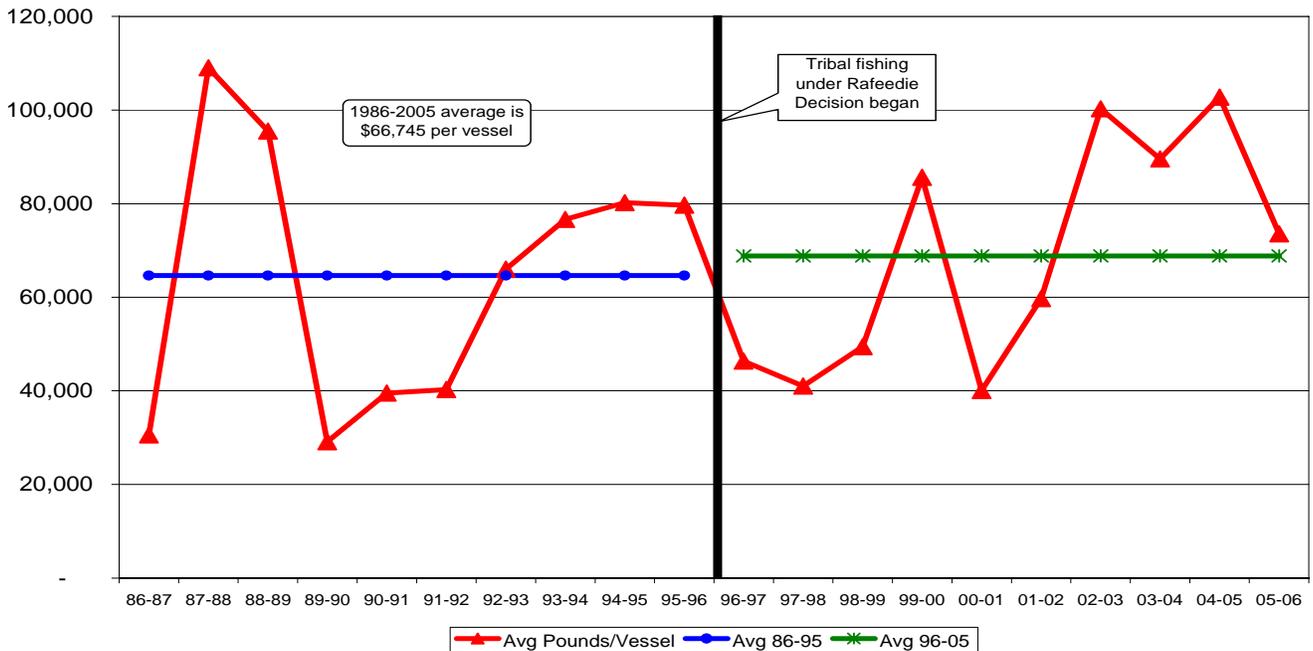
Figure Q 2006-07 Special Management Areas for Tribal Coastal Crab Fisheries

WDFW and coastal treaty tribes negotiate new fishing plans each year that contain specific management measures designed to meet state-tribal sharing objectives. Management measures include area closures and different starting dates consistent with the state-tribal plans. Special Management Areas (Figure Q) are negotiated annually to provide areas within which tribal fishers may fish and nontreaty fishers are prohibited although tribal fishers have access to all of the waters of their Usual & Accustomed fishing areas.



Members of the nontreaty crab fishery are concerned that tribal Dungeness crab harvest is impacting their overall landings and income. Figure R shows that pounds landed per vessel per season have varied a huge amount through the years, and that average pounds landed per vessel over the season has increased slightly since the onset of tribal fisheries in the 1996-97 season.

Figure R Washington Coastal Dungeness Crab Non-Tribal Landings in Average Pounds per Vessel; 1986-2005



While tribal fishers have increased their crab landings since 1996, nontreaty fishers still harvest the majority of crab (Figure S) in areas subject to tribal sharing (north of Point Chehalis). It is not known whether tribal crab fishing effort will increase in future years, however there is an increasing demand to share the harvest on a 50:50 basis.

Figure S Distribution of Treaty and Nontreaty Coastal Dungeness Crab Harvests in Areas Subject to Tribal Sharing; 1997-2005

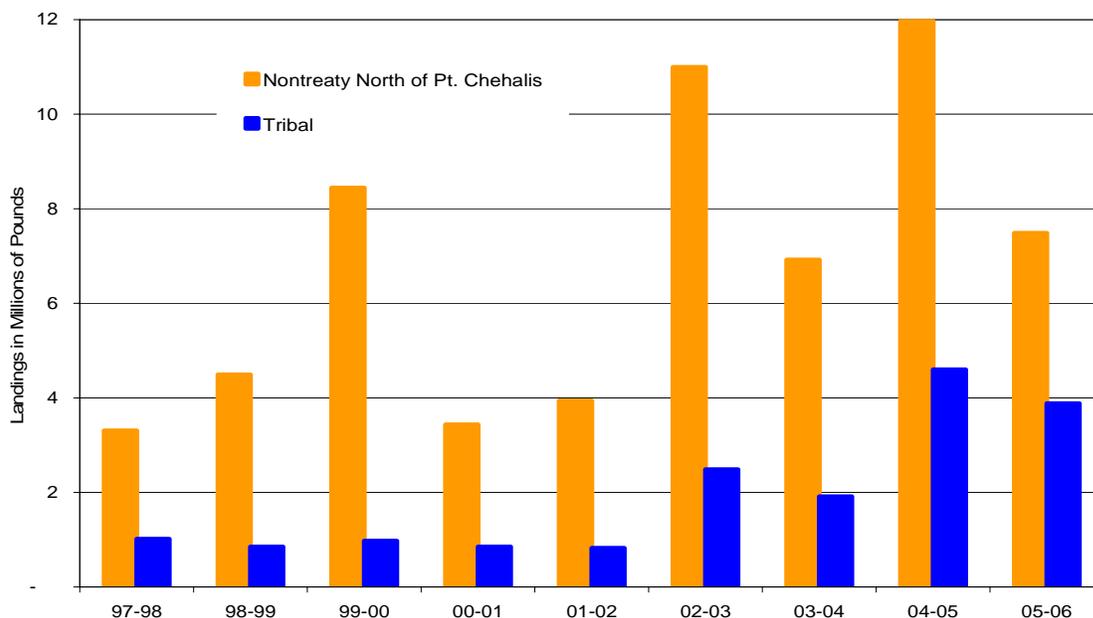
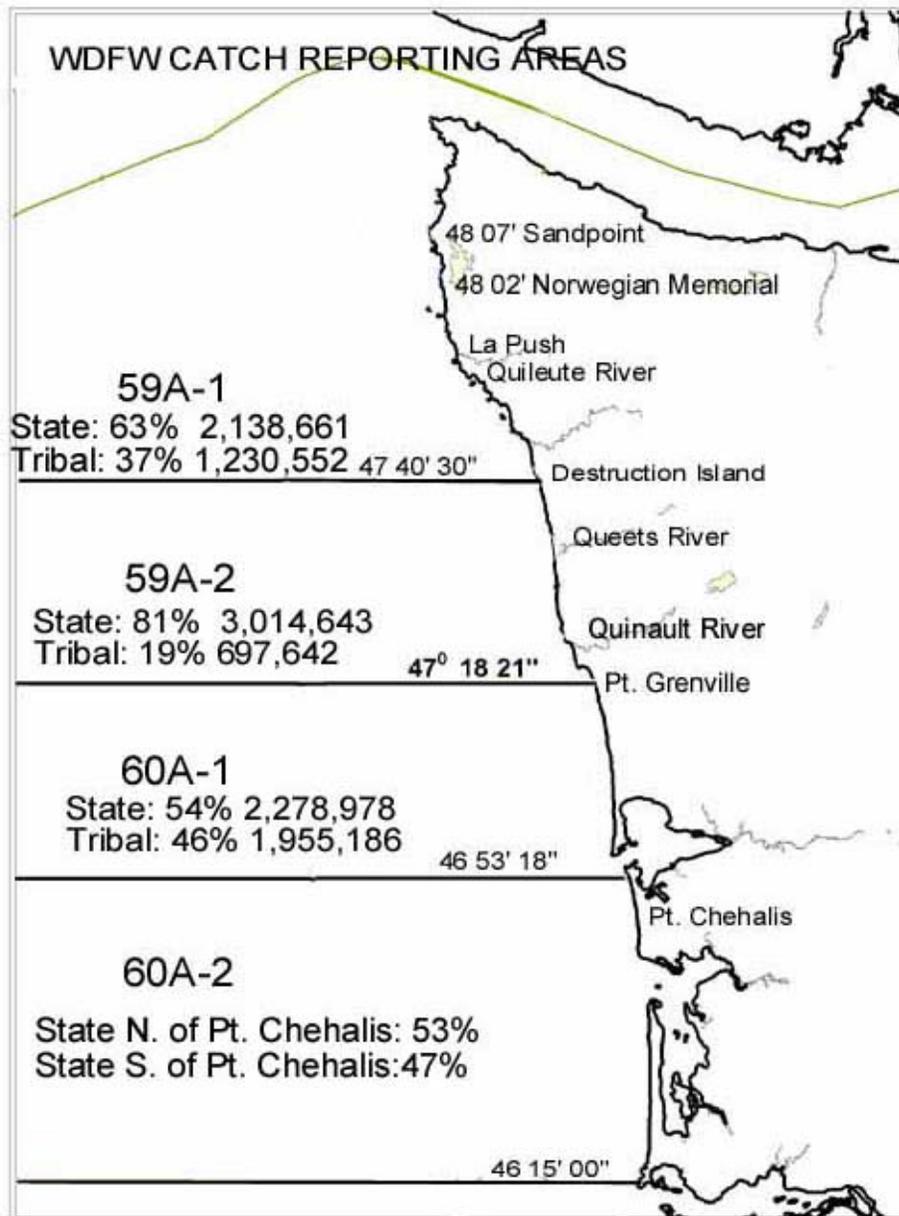


Figure T shows the relative harvest sharing between tribal and nontreaty crab landings by catch area during the 2005-06 crab season.

Figure T Treaty and Nontreaty Harvest by Geographic Area; 2005-06



4. Discussion

Program Objectives

Basic management objectives for the Washington coastal Dungeness crab fishery include:

- Fleet size (number of license holders actively fishing) sufficient to harvest the state's portion of the resource of Dungeness crab each year;
- Even flow of product (no more than 50 percent of the annual harvest before March 15);
- Stable contributions to local communities through fishery-related transactions;
- Equity among fleet components; and
- Sufficient individual income to sustain participants in the fishery over the long term.

Buy-back program

Industry members, particularly from the Columbia River area, have indicated strong support for a license buy-back program to further reduce the number of coastal crab fishery permits. WDFW views a reduction in the number of participants as a key component of a long-term effort to reduce overcapitalization. This will eliminate latent fishing effort and reduce the fleet size to a level commensurate with the average annual crab abundance.

There are many factors to consider when designing a buy-back program; including defining the goal of the program and identifying how it will be funded. It is unclear what entity, or combination of entities, would provide the funds to purchase coastal crab licenses, whether the industry would be willing to raise monies, or whether state or federal funding would be available as a loan or grant to the industry.

Other factors to consider when designing a buy-back program include:

- Determining the appropriate number of licenses to "buy-back;"
- Calculating the purchase price of the licenses to determine the total cost of the program; and
- Identifying the method of financing the program (e.g. state or federal low-interest loan re-paid through license fees surcharge or landing tax).

2006 Survey Results

WDFW distributed a survey to Washington coastal crab license holders in May 2006 requesting assistance in initial scoping for a coastal crab buy-back program. Responses were received for 71 percent of coastal crab licenses. Few, only 14 percent of respondents, possess more than one (and none more than two) coastal crab licenses. A vast majority of respondents, about 90 percent, supported a buy-back program for this fishery. However, responses began to differ as details of implementation were suggested. 60 percent of respondents indicated they believed only licenses should be purchased, leaving the vessel available for use in other fisheries, 20 percent thought both permit and vessel should be purchased, and only 18 percent chose the option of all permits and vessel. It was not clear within the survey whether “all permits” referred only to coastal crab permits, or to all Washington fishing licenses. Half of respondents said persons leaving the fishery should be prohibited from acquiring another Washington crab permit for some period of time.

Each survey question (provided in Appendix II) posed a different set of circumstances to the respondent, as depicted in Table 3. Distinctions between questions 9 and 12, each of which presented the “full-meal-deal” buy-back scenario, were too subtle to be evaluated for this survey. When reporting responses to the “full-meal-deal,” responses to question 9 are applied.

Table 3 Circumstances Posed by Survey Questions

Permit Scenarios	Vessel Scenarios	
	Vessel use not restricted	Vessel use restricted
A Coastal Washington crab permit	Q7	Q8
All Washington crab permits	Q10	Q11
All Washington permits		Q9 & Q12

Seventy percent of respondents indicated they would submit a bid for the program (Table 4). The percentage indicating interest reduced to 36 percent for intermediate scenarios, and to 42 percent for the “full-meal-deal” scenario (required to sell all Washington licenses and vessel can’t be used for Washington fishing into the future). This leads to the conclusion that license holders’ interest in the program diminishes by roughly half when vessel use is restricted.

Table 4 Percent of Respondents Indicating Interest by Scenario

Permits Sold	Vessel Use	Vessel use not restricted	Vessel use restricted
	Any Washington crab permit		70%
All Washington crab permits		36%	36%
All Washington permits		n/a	42%

Table 5 shows the potential number of licenses that could be purchased based on fishers' responses to survey questions. It was unclear whether respondents on questions 9, 10, and 11 (questions relating to all crab, or all Washington permits) were requesting the stated amount per license or in total for all licenses.

Table 5 Number of Permits Potentially Purchased by Scenario and Funding Level

Cost (Millions)	Scenario				
	(7) One Coastal Crab License Only	(8) Crab License and Vessel Restricted	(9) All Washington Permits and Vessel Restricted	(10) All Washington Crab Permits	(11) All Washington Crab Permits and Vessel Restricted
\$ 5	23	14	11	17	12
\$ 10	34	21	17	27	18
\$ 15	44	27	19	34	24
\$ 20	53	32	19	40	29
\$ 25	59	37	31	44	33
\$ 30	65	41	33	47	36
\$ 35	70	43	39	49	38
\$ 40	75	45	40	50	39
\$ 45	78		43	51	40
\$ 50	81	48	45		41
\$ 55	84		46		41
\$ 60	86		48		42
\$ 65	87		49		
\$ 70	88		49		
\$ 75	89				
\$ 80	90				
\$ 81	91				

The coastal Dungeness crab fishing industry's goal is to reduce the current number of licenses by 80 to 100 licenses. Under Scenario 7, 80 licenses would cost about \$50 million, an average of about \$600,000 per license. However, under this option, there would be no restriction on vessel use. None of the other scenarios achieved enough willing participants in this initial survey to meet the 80 to 100 license objective.

In contrast, \$34 million in federal and state dollars were dedicated in 1999 to the purchase of Puget Sound commercial salmon licenses because of changes to nontreaty sockeye allocations upon renegotiation of the Pacific Salmon Treaty. The \$34 million set aside was divided among the gear types based upon their intergear allocation of Fraser River sockeye. WDFW planned to purchase 185 purse seine licenses at \$103,000 each; 475 gill net licenses at \$27,000 each, and 30 reef net licenses at \$58,000 each. Implementation of this buy-back comprised three phases, two of which were completed. Phase I purchase of Puget Sound commercial fishing licenses included \$4.625 million (federal funds) and \$2.340 million (state funds) that purchased 282 commercial fishing licenses (37 charter, 184 gill net, 9 per seine, 11 reef net, 41 troll) at an average of approximately \$25,000 per license. Phase 2 funds were entirely from federal Economic Adjustment Assistance Act and included \$19.956 million, which bought 337 commercial fishing licenses (193 gill net, 133 per seine, 11 reef net) at an average of about \$60,000 per license.

Impacts on Crab Fisheries Managed by Other States

Impacts to crab fisheries managed by Oregon and California could be profound. The ability of the buy-back program to obtain federal funding for the Washington coastal crab fishery will depend on this program not harming the crab fisheries in Oregon and California. In particular, if federal financing is involved, it will be imperative that mechanisms are built into the program to avoid impacts to Oregon and California resulting from transferring Washington's displaced effort to their fisheries.



5. Next Steps

Given these results and concerns, WDFW is requesting further legislative direction. Options include:

1. **Continue to develop an implementation plan using existing data.** The objective would be to purchase a minimum of 80 permits. Public funding for such a program would be required at a cost of approximately \$50 million for 80 licenses.
2. **Study other buy-back programs, and investigate potential impacts on crab fisheries managed by Oregon and California.** Similar buy-back programs (e.g. west coast groundfish trawl buy-back program) could be investigated to determine whether strategies and targets employed (and lessons learned) can yield additional options for Washington coastal crab fleet reduction. Working with industry members, WDFW could further develop a range of options, after which coastal crab fishery participants would again be queried about their interest in the new range of options. At that point, WDFW would return to the legislature to report findings and seek direction.

6. For Further Information:

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Intergovernmental Resources Management Program
Washington Department of Fish and Wildlife
(360) 902-2720 anderpma@dfw.wa.gov

Heather Reed, Coastal Marine Resources Policy Coordinator
Intergovernmental Resources Management Program
Washington Department of Fish and Wildlife
(360) 249-4628 ext. 202 reedhjr@dfw.wa.gov





Appendix I - Relevant Laws and Rules

RCW 77.70.280

Crab fishery -- License required -- Dungeness crab-coastal fishery license -- Dungeness crab-coastal class B fishery license -- Coastal crab and replacement vessel defined -- Federal fleet reduction program.

(1) A person shall not commercially fish for coastal crab in Washington state waters without a Dungeness crab -- coastal or a Dungeness crab -- coastal class B fishery license. Gear used must consist of one buoy attached to each crab pot. Each crab pot must be fished individually.

(2) A Dungeness crab -- coastal fishery license is transferable. Except as provided in subsections (3) and (8) of this section, such a license shall only be issued to a person who proved active historical participation in the coastal crab fishery by having designated, after December 31, 1993, a vessel or a replacement vessel on the qualifying license that singly or in combination meets the following criteria:

(a) Made a minimum of eight coastal crab landings totaling a minimum of five thousand pounds per season in at least two of the four qualifying seasons identified in subsection (5) of this section, as documented by valid Washington state shellfish receiving tickets; and showed historical and continuous participation in the coastal crab fishery by having held one of the following licenses or their equivalents each calendar year beginning 1990 through 1993, and was designated on the qualifying license of the person who held one of the following licenses in 1994:

(i) Crab pot -- Non-Puget Sound license, issued under RCW 77.65.220(1)(b);

(ii) Nonsalmon delivery license, issued under RCW 77.65.210;

(iii) Salmon troll license, issued under RCW 77.65.160;

(iv) Salmon delivery license, issued under RCW 77.65.170;

(v) Food fish trawl license, issued under RCW 77.65.200; or

(vi) Shrimp trawl license, issued under RCW 77.65.220; or

(b) Made a minimum of four Washington landings of coastal crab totaling two thousand pounds during the period from December 1, 1991, to March 20, 1992, and made a minimum of eight crab landings totaling a minimum of five thousand pounds of coastal crab during each of the following periods: December 1, 1991, to September 15, 1992; December 1, 1992, to September 15, 1993; and December 1, 1993, to

September 15, 1994. For landings made after December 31, 1993, the vessel shall have been designated on the qualifying license of the person making the landings; or

(c) Made any number of coastal crab landings totaling a minimum of twenty thousand pounds per season in at least two of the four qualifying seasons identified in subsection (5) of this section, as documented by valid Washington state shellfish receiving tickets, showed historical and continuous participation in the coastal crab fishery by having held one of the qualifying licenses each calendar year beginning 1990 through 1993, and the vessel was designated on the qualifying license of the person who held that license in 1994.

(3) A Dungeness crab-coastal fishery license shall be issued to a person who had a new vessel under construction between December 1, 1988, and September 15, 1992, if the vessel made coastal crab landings totaling a minimum of five thousand pounds by September 15, 1993, and the new vessel was designated on the qualifying license of the person who held that license in 1994. All landings shall be documented by valid Washington state shellfish receiving tickets. License applications under this subsection may be subject to review by the advisory review board in accordance with *RCW 77.70.030. For purposes of this subsection, "under construction" means either:

(a)(i) A contract for any part of the work was signed before September 15, 1992; and

(ii) The contract for the vessel under construction was not transferred or otherwise alienated from the contract holder between the date of the contract and the issuance of the Dungeness crab-coastal fishery license; and

(iii) Construction had not been completed before December 1, 1988; or

(b)(i) The keel was laid before September 15, 1992; and

(ii) Vessel ownership was not transferred or otherwise alienated from the owner between the time the keel was laid and the issuance of the Dungeness crab-coastal fishery license; and

(iii) Construction had not been completed before December 1, 1988.

(4) A Dungeness crab -- coastal class B fishery license is not transferable. Such a license shall be issued to persons who do not meet the qualification criteria for a Dungeness crab -- coastal fishery license, if the person has designated on a qualifying license after December 31, 1993, a vessel or replacement vessel that, singly or in combination, made a minimum of four landings totaling a minimum of two thousand pounds of coastal crab, documented by valid Washington state shellfish receiving tickets, during at least one of the four qualifying seasons, and if the person has participated continuously in the coastal crab fishery by having held or by having owned a vessel that held one or more of the licenses listed in subsection (2) of this

section in each calendar year subsequent to the qualifying season in which qualifying landings were made through 1994. Dungeness crab -- coastal class B fishery licenses cease to exist after December 31, 1999, and the continuing license provisions of RCW 34.05.422(3) are not applicable.

(5) The four qualifying seasons for purposes of this section are:

(a) December 1, 1988, through September 15, 1989;

(b) December 1, 1989, through September 15, 1990;

(c) December 1, 1990, through September 15, 1991; and

(d) December 1, 1991, through September 15, 1992.

(6) For purposes of this section and RCW 77.70.340, "coastal crab" means Dungeness crab (cancer magister) taken in all Washington territorial and offshore waters south of the United States-Canada boundary and west of the Bonilla-Tatoosh line (a line from the western end of Cape Flattery to Tatoosh Island lighthouse, then to the buoy adjacent to Duntz Rock, then in a straight line to Bonilla Point of Vancouver island), Grays Harbor, Willapa Bay, and the Columbia river.

(7) For purposes of this section, "replacement vessel" means a vessel used in the coastal crab fishery in 1994, and that replaces a vessel used in the coastal crab fishery during any period from 1988 through 1993, and which vessel's licensing and catch history, together with the licensing and catch history of the vessel it replaces, qualifies a single applicant for a Dungeness crab -- coastal or Dungeness crab -- coastal class B fishery license. A Dungeness crab -- coastal or Dungeness crab -- coastal class B fishery license may only be issued to a person who designated a vessel in the 1994 coastal crab fishery and who designated the same vessel in 1995.

(8) A Dungeness crab -- coastal fishery license may not be issued to a person who participates in the federal fleet reduction program created in RCW 77.70.460 within ten years of that person's participation in the federal program, if reciprocal restrictions are imposed by the states of Oregon and California on persons participating in the federal fleet reduction program.

[2003 c 174 § 5; 2000 c 107 § 76; 1998 c 190 § 108; 1995 c 252 § 1; 1994 c 260 § 2. Formerly RCW 75.30.350.]

RCW 77.70.350

Restrictions on vessel designations and substitutions on Dungeness crab-coastal fishery licenses.

(1) The following restrictions apply to vessel designations and substitutions on Dungeness crab-coastal fishery licenses:

(a) The holder of the license may not:

(i) Designate on the license a vessel the hull length of which exceeds ninety-nine feet; or

(ii) Change vessel designation if the hull length of the vessel proposed to be designated exceeds the hull length designated on the license on June 7, 2006, by more than ten feet. However, if such vessel designation is the result of an emergency transfer, the applicable vessel length would be the most recent permanent vessel designation on the license prior to June 7, 2006;

(b) If the hull length of the vessel proposed to be designated is comparable to or exceeds by up to one foot the hull length of the currently designated vessel, the department may change the vessel designation no more than once in any two consecutive Washington state coastal crab seasons unless the currently designated vessel is lost or in disrepair such that it does not safely operate, in which case the department may allow a change in vessel designation;

(c) If the hull length of the vessel proposed to be designated exceeds by between one and ten feet the hull length of the designated vessel on June 7, 2006, the department may change the vessel designation no more than once on or after June 7, 2006, unless a request is made by the license holder during a Washington state coastal crab season for an emergency change in vessel designation. If such an emergency request is made, the director may allow a temporary change in designation to another vessel, if the hull length of the other vessel does not exceed by more than ten feet the hull length of the currently designated vessel.

(2) For the purposes of this section, "hull length" means the length overall of a vessel's hull as shown by marine survey or by manufacturer's specifications.

(3) By December 31, 2010, the department must, in cooperation with the coastal crab fishing industry, evaluate the effectiveness of this section and, if necessary, recommend any statutory changes to the appropriate committees of the senate and house of representatives.

[2006 c 159 § 1; 1994 c 260 § 10. Formerly RCW [75.30.430](#).]

RCW 77.70.360

Dungeness crab-coastal fishery licenses – Limitation on new licenses – Requirements for renewal.

Except as provided under *RCW 77.70.380, the director shall issue no new Dungeness crab-coastal fishery licenses after December 31, 1995. A person may renew an existing license only if the person held the license sought to be renewed during the previous year or acquired the license by transfer from someone who held it during the previous year, and if the person has not subsequently transferred the license to another person. Where the person failed to obtain the license during the previous year because of a license suspension, the person may qualify for a license by establishing that the person held such a license during the last year in which the license was not suspended.

[2000 c 107 § 81; 1994 c 260 § 13. Formerly RCW 75.30.440.]

RCW 77.70.400

Coastal Dungeness crab resource plan.

The department, with input from Dungeness crab -- coastal fishery licensees and processors, shall prepare a resource plan to achieve even-flow harvesting and long-term stability of the coastal Dungeness crab resource. The plan may include pot limits, further reduction in the number of vessels, individual quotas, trip limits, area quotas, or other measures as determined by the department. The provisions of such a resource plan that are designed to effect a gear reduction or effort reduction based upon historical landing criteria are subject to the provisions of RCW 77.70.390 with respect to the consideration of extenuating circumstances.

[2001 c 228 § 1; 1998 c 245 § 154; 1994 c 260 § 20. Formerly RCW 75.30.480.]

RCW 77.80.010

Definitions.

As used in this chapter:

(1) "Case areas" means those areas of the Western district of Washington and in the adjacent offshore waters which are within the jurisdiction of the state of Washington, as defined in *United States of America et al. v. State of Washington et al.*, Civil No. 9213, United States District Court for Western District of Washington, February 12, 1974, and in *Sohappy v. Smith*, 302 F. Supp. 899 (D. Oregon, 1969), as amended,

affirmed, and remanded 529 F. 2d 570 (9th Cir., 1976), or an area in which fishing rights are affected by court decision in a manner consistent with the above-mentioned decisions;

(2) "Program" means the program established under RCW 77.80.010 through 77.80.060.

[2000 c 107 § 88; 1985 c 7 § 150; 1983 1st ex.s. c 46 § 155; 1977 ex.s. c 230 § 3; 1975 1st ex.s. c 183 § 3. Formerly RCW 75.44.100, 75.28.505.]

Notes:

Legislative finding and intent -- 1975 1st ex.s. c 183: *"The legislature finds that the protection, welfare, and economic well-being of the commercial fishing industry is important to the people of this state. There presently exists an overabundance of commercial fishing gear in our state waters which causes great pressure on the fishing resources. This results in great economic waste to the state and prohibits conservation and harvesting programs from achieving their goals. This adverse situation has been compounded by the federal court decisions, United States of America et al. v. State of Washington et al., Civil No. 9213, United States District Court for the Western District of Washington, February 12, 1974, and Sohappay v. Smith, 302 F. Supp. 899 (D. Oregon, 1969), as amended, affirmed, and remanded 529 F. 2d 570 (9th Cir., 1976). As a result, large numbers of commercial fishermen face personal economic hardship, and the state commercial fishing industry is confronted with economic difficulty. The public welfare requires that the state have the authority to purchase commercial fishing vessels, licenses, gear, and permits offered for sale, as appropriate, in a manner which will provide relief to the individual vessel owner, and which will effect a reduction in the amount of commercial fishing gear in use in the state so as to insure increased economic opportunity for those persons in the industry and to insure that sound scientific conservation and harvesting programs can be carried out. It is the intention of the legislature to provide relief to commercial fishermen adversely affected by the current economic situation in the state fishery and to preserve this valuable state industry and these natural resources."* [1977 ex.s. c 230 § 2; 1975 1st ex.s. c 183 § 2. Formerly RCW 75.28.500.]

RCW 77.80.020

Program authorized – Conditions.

The department may purchase commercial fishing vessels and appurtenant gear, and the current state commercial fishing licenses, delivery permits, and charter boat licenses if the license or permit holder was substantially restricted in fishing as a result of compliance with *United States of America et al. v. State of Washington et al.*, Civil No. 9213, United States District Court for Western District of Washington, February 12, 1974, and *Sohappay v. Smith*, 302 F. Supp. 899 (D. Oregon, 1969), as amended, affirmed, and remanded 529 F. 2d 570 (9th Cir., 1976).

The department shall not purchase a vessel without also purchasing all current Washington commercial fishing licenses and delivery permits and charter boat licenses issued to the vessel or its owner. The department may purchase current licenses and delivery permits without purchasing the vessel.

[1984 c 67 § 1; 1983 1st ex.s. c 46 § 156; 1979 ex.s. c 43 § 1; 1977 ex.s. c 230 § 4; 1975 1st ex.s. c 183 § 4. Formerly RCW 75.44.110, 75.28.510.]

RCW 77.80.030

Determination of purchase price — Maximum price.

The purchase price of a vessel and appurtenant gear shall be based on a survey conducted by a qualified marine surveyor. A license or delivery permit shall be valued separately.

The director may specify a maximum price to be paid for a vessel, gear, license, or delivery permit purchased under RCW 77.80.020. A license or delivery permit purchased under RCW 77.80.020 shall be permanently retired by the department.

[2000 c 107 § 89; 1983 1st ex.s. c 46 § 157; 1975 1st ex.s. c 183 § 5. Formerly RCW 75.44.120, 75.28.515.]

RCW 77.80.040

Disposition of vessels and gear — Prohibition against using purchased vessels for fishing purposes.

The department may arrange for the insurance, storage, and resale or other disposition of vessels and gear purchased under RCW 77.80.020. Vessels shall not be resold by the department to the seller or the seller's immediate family. The vessels shall not be used by any owner or operator: (1) As a commercial fishing or charter vessel in state waters; or (2) to deliver fish to a place or port in the state. The department shall require that the purchasers and other users of vessels sold by the department execute suitable instruments to insure compliance with the requirements of this section. The director may commence suit or be sued on such an instrument in a state court of record or United States district court having jurisdiction.

[2000 c 107 § 90; 1983 1st ex.s. c 46 § 158; 1979 ex.s. c 43 § 2; 1975 1st ex.s. c 183 § 6. Formerly RCW 75.44.130, 75.28.520.]

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Appendix II - May 2006 Survey and Results

Survey cover letter, distributed to each license holder for the coastal Dungeness crab fishery:



May 22, 2006

Dear Coastal Dungeness Crab License Owner:

The Washington Department of Fish and Wildlife (Department) has been working with our Coastal Dungeness Crab Advisory Group including the leadership of the Columbia River Dungeness Crab Fisherman's Association and the Washington Dungeness Crab Fisherman's Association in addressing the management issues associated with this fishery. With the recent adoption of LE 200, a crab fisher is required to possess a Washington license to participate in the fishery in waters adjacent to Washington State. Moreover, LE 200 gives all of us the opportunity to consider new management measures such as a buy-back program to address the issues of overcapitalization and the impact on state license holders connected to the increasing share of the catch harvested by treaty Indian fishers.

With this letter and the attached survey, we are taking the first step to explore the potential of developing and implementing a buy-back program for the coastal Dungeness crab fishery. The first step is to determine the potential interest in participating in such a program and an approximate cost to purchase individual fishers interest in the fishery. Pete Leipzig, Executive Director of the Fishermen's Marketing Association led the groundfish trawl fishery through a recently completed buy-back program in 2003; he is familiar with the issues and the process of conducting such a program and has provided valuable assistance in preparing a survey.

Since a buy-back program could be structured in a number of different ways, the survey asks about your level of interest and possible asking price for several different conditions. Issues concerning the source of funding and the bidding structure will be addressed later if there is sufficient interest to proceed.

This survey is intended to obtain your opinions about:

1. Should a buy-back program purchase only the Washington crab license(s) or the license and the vessel?
2. Should the program purchase the licenses that the individual holds for other fisheries?
3. Should a participant be required to sell all Washington crab licenses that the participant owns?
4. Should a person whose license is purchased in the program be prohibited from participating in the crab fishery for some specified period of time?

We need your help. Please take a few minutes to complete the survey and return it in the enclosed envelope at your earliest convenience. The Department will summarize the results of the surveys but will treat individual respondents answers with confidence. To insure that responses are not duplicated, each survey has been assigned a unique number identifying the recipient.

If you have questions about the survey or the questions, please contact Heather Reed at 360-249-4628 extension 202. Thank you very much for your help.

Sincerely,

Philip Anderson
Special Assistant to the Director
Intergovernmental Resource Management

May 2006 Washington Coastal Dungeness Crab Buy-back Survey Results

Compiled by Heather Reed

October 5, 2006

Total responses: 141 responses representing 161 (71%) of 228 licenses.

- 1) How many Washington State Coastal Dungeness crab limited entry permits do you own?

1	121	86%
2	20	14%

Total 141 *

* Representing 161 Licenses

- 2) Do you own other limited entry fishing permits?

Yes	115	82%
No	26	18%
	141	

- 3) Generally do you believe a buy-back program should be established for the WA coastal Dungeness crab fishery?

Yes	127	90%
No	11	8%
blank	3	
Total	141	

- 4) If a buy-back program was conducted for the WA coastal fishery, should the program include?

Only the permit	84 *	60%
Permit and vessel	28 *	20%
All permits and vessel	25	18%
blank	3	
Total*	140	

* two respondents checked both "only the permit" and "permit and vessel" choices

- 5) If a buy-back program is created, should the person leaving the fishery be prohibited from acquiring another WA crab permit for some period of time?

Yes	71	50%
No	68	48%
blank	2	
Total	141	

6) If a buy-back program is created, should the person leaving the fishery be required to offer all of the WA crab permits that he/she owns?

Yes	71	50%
No	68	48%
blank	2	
Total	141	

7) If a buy-back program is created that only purchased WA crab permits, would you likely submit a bid?

Yes	96	68%
No	42	30%
blank	2	
Undecided	1	
Total	141	

8) If a buy-back program is created for the WA fishery that purchased WA crab permits and the vessel could not be used for fishing in the future, would you likely submit a bid?

Yes	55	39%
No	79	56%
Undecided	3	
blank	4	
Total	141	

9) If a buy-back program was created for the WA crab fishery that purchased WA crab permits and all other permits associated with your boat, and the vessel could not be used for fishing in the future, would you likely submit a bid?

Yes	55	39%
No	77	55%
blank	7	
Undecided	2	
Total	141	

10) If a buy-back program was created for the WA crab fishery that only purchased WA coastal crab permits, but you had to sell all WA crab permits that you own, would you likely submit a bid?

Yes	60	43%
No	71	50%
blank	10	
Total	141	

4 "yes" responses from 3 multiple-CDC license holders
15 "no" responses from 9 multiple-CDC license holders.
19 total responses from 12 multiple CDC licenses owners

11) If a buy-back program was created for the WA crab fishery that purchased WA crab permits and the vessel could not be used for fishing in the future, and you had to sell all of the WA crab permits that you own, would you likely submit a bid?

Yes	48	34%
No	84	60%
blank	9	
Total	141	

4 "yes" responses from 3 multiple-CDC license holders.

15 "no" responses from 9 multiple-CDC license holders

19 total responses from 12 multiple CDC licenses owners

12) If a buy-back program is created for the WA crab fishery that purchased WA crab permits and all other permits associated with your boat, and the vessel could not be used for fishing in the future, and you had to sell all of the WA crab permits that you own, would you likely submit a bid?

Yes	51	36%
No	80	57%
blank	10	
Total	141	