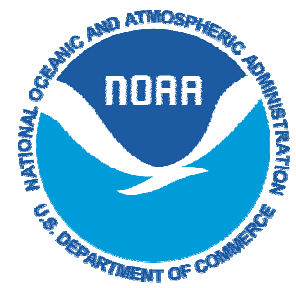


# National Marine Fisheries Service BSAI Crab Rationalization



## PQS/IPQ for Processors

### What is PQS?

PQS is a long-term privilege to process a percentage of the crab harvest. PQS yields IPQ.

### What is IPQ?

IPQ is the pounds of crab that PQS yields each year. IPQ is needed to process any amount of Class A IFQ. The amount of IPQ issued every year is equal to the pounds issued as Class A IFQ.

### Who can receive PQS?

U.S. citizens or corporations with processing history in 1998 or 1999, and in the qualifying years.

- Includes persons to whom processing history has been transferred based on a clear contract.
- A special exemption allows persons who processed snow crab during 1988-1997 and invested \$1,000,000 in processing operations to qualify.
- Special provisions apply for allocating crab that were harvested under "custom processing" agreements.

### How do I get PQS?

Have valid processing history and submit an application **BEFORE** the June 3, 2005 deadline.

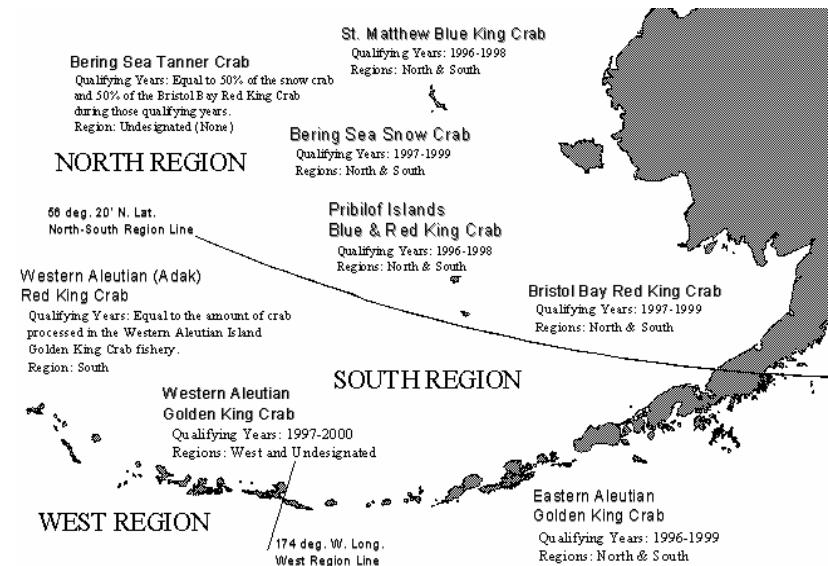
### How do I get IPQ?

By August 1, each year PQS holders must submit an application to NMFS. All fees and data reports have to be submitted before NMFS issues IPQ. IPQ is issued once the TAC is set, typically in mid-August.

### What Can I Do with PQS and IPQ?

	PQS/IPQ
What can I do with it?	Process any crab harvested under a Class A IFQ permit.
Do I have to process my crab in a specific region?	YES, PQS and IPQ must be used in a specified region.
Can I transfer the PQS and IPQ?	YES, PQS and IPQ can be transferred to anyone. IPQ can be transferred separately from the PQS. All transfers must be approved by NMFS. Some restrictions on transfers of PQS and IPQ apply in specific communities. "Right of first refusal contracts" may be signed with representatives of specific communities before any PQS is issued. The restrictions are tighter during the first two years of the program – the "cooling off" period.
Do I have to have IPQ to process crab?	NO, you need IPQ only to process crab harvested with Class A IFQ. Crab harvested with Class B IFQ or with CVC IFQ until July 1, 2008, and CDQ allocation crab does not need to be delivered to a processor with IPQ.
Is there are limit on how much PQS or IPQ I can have?	YES, no one may hold or use more than 30 % of the PQS or IPQ in a fishery. Also, no person can use more than 60 % of the snow crab IPQ in the North Region only.
Is there a "custom processing cap?"	YES, If an IPQ holder also owns a 10% or more interest in a processing facility, all crab custom processed at a facility owned by that person are considered to be added to that person's IPQ for purposes of calculating the IPQ use cap (see §680.7 for detail).

### Crab Fisheries - PQS Qualifying Years



**Small Entity Compliance Guide:** NMFS has provided this small entity compliance guide to satisfy the Small Business Regulatory Enforcement Fairness Act of 1996, which requires a plain language guide to assist small entities in complying with this rule. This synopsis provides a general overview as a public service. For exact regulatory language, please refer to the final rule at [www.fakr.noaa.gov](http://www.fakr.noaa.gov).