

APPENDIX 10

Keeley Kent - NOAA Federal

From: Keeley Kent - NOAA Federal
Sent: Sunday, April 09, 2017 5:29 PM
To: Shannon Gleason - NOAA Affiliate
Cc: Glenn Merrill - NOAA Federal
Subject: D-1 motion
Attachments: D1_binding arbitration motion and talking points_to Shannon.docx

Shannon,

Could you print this and pass out to the Council? Thanks!

Keeley

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D-1: BSAI Binding Arbitration
North Pacific Fishery Management Council
April 9, 2017

The Council recommends that a letter be sent to the formula arbitrator noting that the formula arbitrator has the ability to consider operational costs under the existing standards for arbitration.

D-1 Motion: binding arbitration

North Pacific Fishery Management Council

April 9, 2017

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Talking points

- The arbitration systems exists to allow harvesters and processors to negotiate prices, the division of revenues, and delivery terms
- The arbitration standard allows the arbitrators to consider a range of factors that may affect the historical division of revenues, the arbitrator has requested feedback from the Council as to whether operational costs could be considered under the existing interpretation of arbitration standards
- The EIS for the CR Program notes that the arbitration system provides the arbitrator a breadth of discretion to include relevant evidence in making an arbitration decision
- The EIS also notes that over time, the division of revenues may change as the industry changes
- The decision as to whether to allow adjustments to the price formula or the inclusion of specific operational costs should be dealt with within the existing arbitration system
- If the parties to the arbitration system do not agree with the arbitrators decision, then they may seek to select a different arbitrator in the following year