August 6, 2007

Dear BSAI Crab Buyer:

The National Marine Fisheries Service (NMFS) published a notice in today’s Federal Register to adjust fee rates for two reduction endorsement fisheries within the Bering Sea and Aleutian Islands (BSAI) King and Tanner crab fishing capacity reduction program. The new fee rates are effective September 5, 2007.

The fee rate for the Bristol Bay red king reduction endorsement fishery will increase from 1.9% to 2.5%. The fee rate for the Aleutian Islands brown king crab reduction endorsement fishery will increase from 2.6% to 5%. The fee rate increases are necessary to repay the amortized principal and interest on the loans within the 30-year loan term. Please see the enclosed notice for more details.

Accordingly, we have modified the fee collection report to account for the fee rate adjustments and enclose the revised version. The fee rates for the other 4 reduction endorsement fisheries have not changed. The online BSAI crab buyback loan fee collection report at Pay.gov will also be modified to reflect these increased fee rates.

No other changes are being implemented at this time, and the previous change to the drop-down menu for “Month of Landings” “Price Adjustment” remains in effect and the same as in the last notice that was sent on May 21, 2007. If you select Price Adjustment, the system will require that you check the verification box before your payment is processed.

We encourage crab buyers to disburse collected fee deposits electronically by using the Pay.gov system. We believe this method is more efficient and more reliable. Please visit the Pay.gov website at: https://www.pay.gov/paygov/ and search for NOAA or Department of Commerce.

Crab buyers who use the Pay.gov system to disburse their collected fee deposits can complete the fee collection report at the same time they are reporting fees on the Pay.gov website. This form is easy to complete electronically, and will be transmitted electronically at the same time they make their electronic disbursements. Crab buyers can even arrange for the electronic form to remember most of their identifying information so they will not have to retype this each time they complete a disbursement’s fee collection report.

The link to the Pay.gov website can also be found on our website at: http://www.nmfs.noaa.gov/mb/financial_services/buyback.htm.

If a crab buyer does not have access to the internet or simply, for whatever reason, does not want to use the Pay.gov system, you may still continue to mail a paper check to NOAA’s lockbox, as you have been doing. You must still complete a paper copy of the new BSAI Crab Buyback
Loan Fee Collection Report form which is enclosed, and send the completed form to NOAA’s lockbox along with a paper check for the amount being disbursed.

Please contact us at the following numbers and addresses if you need further buyback information of any kind:

<table>
<thead>
<tr>
<th>PERSON</th>
<th>TELEPHONE (301) 713-2390</th>
<th>E-MAIL ADDRESS</th>
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<tbody>
<tr>
<td>Meredith Walz</td>
<td>Extension 206</td>
<td><a href="mailto:meredith.walz@noaa.gov">meredith.walz@noaa.gov</a></td>
</tr>
<tr>
<td>Patrick Wilbert</td>
<td>Extension 210</td>
<td><a href="mailto:patrick.wilbert@noaa.gov">patrick.wilbert@noaa.gov</a></td>
</tr>
<tr>
<td>Mike Sturtevant</td>
<td>Extension 212</td>
<td><a href="mailto:michael.a.sturtevant@noaa.gov">michael.a.sturtevant@noaa.gov</a></td>
</tr>
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Sincerely,

[Signature]

For Leo Erwin, Chief
Financial Services Division

Enclosures