

PROCESSOR ADVISORY GROUP**January 22, 2002****SEVENTH ANNUAL MEETING REPORT****CHAIR:** John Woodruff, Icicle Seafoods, Inc., U.S.**VICE CHAIR:** Blake Tipton, S.M. Products, Canada**CATCH LIMITS**

Area 2A	1.31
Area 2B	11.75
Area 2C	8.50
Area 3A	22.63
Area 3B	17.13
Area 4A	4.97
Area 4B	4.03
<u>Area 4CDE</u>	<u>4.45</u>
TOTAL	74.77

With the exception of Area 4B, the PAG supports the staff's recommendations for the 2002 catch limits. With respect to Area 4B, however, the PAG believes the total removal percentage should be 11 percent of the exploitable biomass. This includes the commercial catch as well as all other removals. This 11% figure is well under the 20% exploitation rate that was typically applied in Areas 2B, 2C and 3A and is under the total removal rate in Area 3B. We understand this 20% exploitation rate to be conservative. Yet, the staff's proposed quota for Area 4B is for a removal rate of 8.9% of the exploitable biomass, which we believe, puts us in a world of caution on top of caution.

At the same time, the PAG believes that, in no case in Area 4, should the quota for 2002 exceed the quotas in 2001. This adds an additional layer of conservatism to our approach.

The IPHC should continue to develop the methodology used by staff in assessing the halibut resource and use a reasonably conservative and consistent approach when setting area quotas.

FISHING PERIOD

The PAG reported at the IPHC's Annual Meeting last year that, assuming eight-month seasons, it supports routinely opening the seasons at noon on the Sundays closest to March 15. Fridays are generally difficult openings for market reasons, with Sunday

being more ideal because the halibut will hit the market by Wednesdays and weekend shoppers. Again, the PAG reports that opening the season on Sundays will maximize the opportunities for the first fish by getting it to the market with the best possible timing.

Accordingly, the PAG endorses opening the 2002 season on Sunday, March 17. Because the derby mentality remains at play at the openings, Sunday openings will also minimize costs for companies that don't then yet normally operate on Saturday and Sunday. We again respectfully request the IPHC's commissioners to consider these factors when setting the opening date for 2002 and future years.

The PAG asks the IPHC to return to the custom of including tide tables in future Blue Books.

EXTENDING SEASONS: If the IPHC considers extending the season in 2002 or future years, PAG supports extensions closer to current March openings rather than the November closure. The reasons for this are: greater incidence of chalk in November and increased consumer interest in turkey and other traditional Thanksgiving and Christmas fare.

The PIT and PSTATS tag studies will produce some important information about migration patterns and percentage changes between areas that will be useful in determining the feasibility of longer seasons. Therefore, the PAG requests that the IPHC work closely with HANA to also develop a thoughtful and comprehensive analysis from processors about the impacts that extending seasons might have on the markets, and develop a list of issues that includes the pros and cons of each.

The PAG encourages the IPHC to continue to expand its PSTATS study of spawning grounds fidelity and spatial population structures of North Pacific halibut in all areas, but especially Area 2B along the coast of British Columbia.

REGULATORY PROPOSALS

IPHC

- A. **Catch Sharing Plan:** The PAG concurs with the IPHC staff recommendation
- B. **Subsistence:** The concept looks good. The PAG wishes you luck in this seemingly simple endeavor of defining "subsistence".
- C. **BAIT:** We concur with the NMFS enforcement's request to revise the regulations to allow the crab fishery to use halibut heads or carcasses as bait, providing there is documentation to prove the bait was purchased legally

D. AREA 4 Sub-Legals: We concur with the NMFS and IPHC staff recommendations for retention of sub legals for personal use in Areas 4D and 4E.

INDUSTRY

A./F. Vessel Monitoring System: The PAG supports the use of a VMS system as a substitute for checking in and out of Area 4. A VMS system should be an option for anyone wanting to use it.

C./E. Bycatch Out of Season: The PAG does not support either regulatory proposal that would allow halibut to be retained and sold out of season. The concern is that fishing effort will rise dramatically, bycatch mortality would go up, and the same provisions would have to be applied coastwise. Hedges against farm-raised halibut are better applied to extending the season at the opening end as explained above, rather than as proposed.

CHALKY HALIBUT

Chalky halibut continues as the processing sector's most pressing problem. The PAG appreciates the extraordinary efforts and energy that the IPHC staff has applied to the matter and to working with processors to better understand the condition. We encourage the IPHC to now work with industry to advance our understanding of the physiology behind chalkiness in hopes that we can ultimately prevent or control the condition's development. Also toward this end, we ask the IPHC to establish a database and collect information about chalky fish, especially the areas and times of year of high incidence. This database needs to be maintained and made available in real time and posted on the web so fishermen can reduce fishing efforts when appropriate.

BYCATCH

The bycatch of halibut coastwise is about ten percent of the commercial halibut quota. While the bycatch levels coastwise have declined since 1990, we note from the table on page 89 of the Blue Book that catch levels in certain areas increased last year. Specifically, bycatch was down in Area 2, but increased slightly in Areas 3A and 4. The PAG wants to reiterate the importance of maintaining efforts to reduce bycatch mortality coastwise and asks the IPHC to continue to pressure on industry and government agencies to reduce it further.

ADDITIONAL COMMENT

The PAG supports the IPHC's research program for 2002. The PAG is disappointed that the PIT tag study cannot proceed as planned for 2002. We are very supportive of the study and recognize that the data it produces will give us a much better understanding of the resource and biomass in areas west of 3A. We encourage the IPHC to move forward with all due speed.

ATTENDANCE

Aleut Enterprise Corp.
APICDA/Atka Pride Seafoods
Halibut Association of North America
Icicle Seafoods
Peter Pan Seafoods
Seafresh/Wards Cove Packing Co.
S.M. Products