

PROCESSOR ADVISORY GROUP

January 14, 2009

FOURTEENTH ANNUAL MEETING REPORT

CHAIR: Blake Tipton, S.M. Products (B.C.) Ltd., Canada
VICE-CHAIR: Joe Kyle, "APICDA" Joint Ventures, United States

The Processor's Advisory Group meeting was called to order at 2:30 p.m. by HANA President Joe Kyle. The first order of business was to nominate a Canadian chair for the meeting. Blake Tipton was nominated and approved unanimously.

Nineteen companies with 27 representatives attended the PAG meetings this year, representing a majority of halibut bought and processed in Alaska, British Columbia, Oregon and Washington. This attendance is the highest representation of the industry that PAG has ever had in our history.

The PAG affirms its support for the Coastwide Assessment. However, given the continued uncertainties regarding apportionment, the PAG recommends, as we did last year, a slower "fast down" approach to all catch limits. Therefore, rather than a 50% step down in declining limits, the PAG supports a 33% step down, resulting in the following catch recommendations. We also do not utilize a hook correction adjustment in any areas, particularly in Area 4, where there is less survey data to support it.

CATCH LIMITS

Area 2A	0.95
2B	7.63
2C	5.02
3A	22.74
3B	11.23
4A	2.78
4B	2.03
4CDE	<u>3.68</u>
TOTAL	56.06

SEASON DATES

The PAG recommends a March 28 to November 15, 2009 season this year. We support a later opening date for two reasons.

FIRST, THE EFFECT OF THE GLOBAL RECESSION ON CONSUMER SPENDING.

SECOND—AND MOST IMPORTANTLY—A VERY HIGH FROZEN HALIBUT INVENTORY. IT SHOULD BE NOTED THAT THIS ECONOMIC SITUATION IS NOT JUST BEING FELT BY FIRST-BUYERS, BUT BY OUR CUSTOMERS AND IN SOME CASES THEIR CUSTOMERS AS WELL.

THE PAG RECOGNIZES THE UNCERTAINTY OF EVENTS THAT MAY AFFECT THIS SITUATION, BUT NOTES THAT IN THE U.S., AN ECONOMIC STIMULUS PACKAGE MAY BE IN EFFECT BY LATE MARCH, ENCOURAGING BUYERS AND CONSUMERS TO PURCHASE HIGH-PRICED FOOD ITEMS LIKE HALIBUT.

Lent begins later than usual this spring, supporting a later opening. Delaying the season even for a few weeks to spur movement of frozen product may likely whet the markets appetite for halibut and, more importantly, keep market interest high for a longer period of time.

It should be noted that in previous years that PAG has recommended an Oct. 31 closure. PAG realizes that asking for a delay in the opening date shorten the season, so this year PAG recommends a Nov. 15 closure to compensate for lost fishing time at the beginning of the season.

The PAG also reiterates our long-held preference for an opening date on a Saturday or Sunday. The importance of a Saturday or Sunday opening puts halibut in the market for midweek sales and promotions.

The PAG supported an opening date of March 28 by a vote of 16 in favor, 2 opposed, and one abstention. The minority supported earlier dates to avoid conflicts in production with herring, and whale predation on black cod and halibut fishery.

Catch-sharing plans: Area 2A and 4CDE

The PAG supported this proposal with a unanimous vote.

Section 28 (2): Holding filleted halibut

The PAG supported this proposal with a unanimous vote.

Section 18 (3): Changing text of regulation to ensure the intent if correct.

The PAG supported this proposal with a unanimous vote.

Section 19 (7, 8): Changing Area 2A regulation restricting setline gear use 72 hours prior to the fishery.

The PAG supported this proposal with a unanimous vote.

INDUSTRY PROPOSALS

1. Allow retention of Area 4A IFQ halibut during Bering Sea sablefish pot fishery.

The PAG takes no action on this proposal by a vote of 8 in favor, 3 opposed.

2. Eliminate the legal size limit for the commercial halibut fishery.

The PAG continues to support the 32” minimum size rule. Passed by unanimous vote.

3. No flatbar or automated hook stripper unless IPHC approved EVMS and

4. No automated hook stripper

and

5. No flatbar outboard or above roller to release under-sized halibut

The PAG determined that in the absence of any significant evidence of damage by hook stripping gear, we do not support these three proposals. The motion was carried by unanimous consent.

6. At-sea monitoring for all commercial fisheries.

The PAG took no action on this proposal. The PAG believes these issues do not belong under the jurisdiction of the IPHC, but rather under the jurisdiction of the respective countries' management agencies. We note that the North Pacific Management Council is current considering the issue of vessel monitoring programs in the IFQ fisheries.

7. Continued use of electric reels by recreational anglers

The PAG recommends that the IPHC support the Alaska Board of Fish proposal to discontinue the use of electric reels in sports fishing in Alaska.

8. AK sport fishers filleting halibut: state regulation or new booklet & record catch

and

9. Allow possession of fillets from AK sport halibut after inspection at ports

and

10. Preserved halibut not to be included in daily/possession limit in Alaska

Given the lack of accurate catch accounting from the sports industry, the PAG supports a strict application of the current daily and possession limits. The motion carried by unanimous consent.

11. Develop a harvest tag or ticket for data collection for all AK recreation halibut

From all indications we have, it is very clear to the PAG that there are two serious conservation issues facing the halibut resource today. These are:

- 1) The continuing over harvest of the sports catch limits in Areas 2B, 2C and 3A. Noting that in 2C the overage exceeded 100%.

- 2) The notable and serious lack of accurate catch accounting by the sports industry.

Both of these issues need to be addressed immediately by the regulatory community and all elements of the industry to assure the halibut resource is not negatively impacted over the short- and long-term. We urge the IPHC to use all influence at their disposal to rectify this situation.

12. Use best catch estimate for guided sportfish removals (not GHL)

The PAG opposes this proposal by unanimous consent.

13. One bag limit for guided anglers in Area 2C

PAG supports this proposal by unanimous consent. As part of our support, PAG recognizes the need for all sectors of the halibut industry to be accountable to their catch limits.

14. Comment on charter halibut task force proposals especially “at-sea monitoring”

and

15. Area 2C CEY, catch limit & sport size limit

PAG considered both of these proposals as comments and took no action on them.

The PAG also supports the continued effort to reduce halibut bycatch by other fisheries in all regulatory areas.

PAG Attendees 2009

United States	Canada
APICDA Joint Ventures	Aero Trading
Arrowac Fisheries Inc.	Canadian Fish Co.
Bering Sea Fisheries & Logistics	PASCO
Bellingham Cold Storage	SM Products (BC) Ltd.
Dana F. Besecker Co., Inc.	<i>Harbour Marine Products</i>
French Creek Fisheries	
Icicle Seafoods	
Island Seafoods	
North Pacific Seafoods	
Northport Fisheries	
Pacific Star	
Peter Pan Seafoods	
Plitt North America	
Seafood Producers Coop	
Trident Seafoods	