PROCESSOR ADVISORY GROUP **January 10,2000**

Fifth Annual Meeting Report

Chair: Bill Kelliher: Kelliher Fish Company, Washington

Vice Chair: Gordon Nesbitt (for Blake Tipton S.M. Products), Canada

Chairman Bill Kelliher called meeting to order at 2:45 p.m. PAG minutes from 1999 were unanimously approved.

CATCH LIMITS

The PAG recommends supporting staff recommendations for catch limits in the year 2000 with two exceptions: 1) Area 2B was increased slightly to reflect the improved recreational data in Canada and 2) Area 3A was increased because of soft data and confusing bait adjustments. We suggest that the survey in 2000 and greater consideration of the fishermens' cpue data are in order before implementing such a drastic catch reduction in that area in 2000.

Area 2A	0.83
Area 2B	10.60
Area 2C	8.40
Area 3A	21.13
Area 3B	15.03
Area 4A	4.97
Area 4B	4.91
Area 4CDE 4.13	

TOTAL 70.00 million pounds

FISHING PERIODS

With the exception of the Canadian participants, the PAG unanimously agreed to recommend different season openings in the U.S. and Canada. The reason for this was to compensate for live penning in Canada and to level the playing field between the two countries

> U.S.: March 1 - November 15 Canada: March 15 - November 15.

INDUSTRY PROPOSALS

PENNING LIVE HALIBUT

After a lengthy discussion, the PAG Group, again as they did in 1999, opposes halibut deliveries in the round and penning them live. Earl Kreiger from the Alaska Department

of Fish & Game clarified for PAG that penning would have to be expressly allowed, either by statute or regulation in Alaska, and that this practice is currently not legal there.

PAG objects to Canada's refusal to approve the regulation prohibiting penning live halibut and believes they are violating the <u>spirit</u> of the International Treaty and the Halibut Act. PAG understands that each country has the authority to approve or disapprove individual regulations and that Canada may, therefore, be within its <u>legal</u> rights to do so. However, in doing so they are establishing a grossly inequitable precedent that has a substantial impact on international trade and markets. If Canada continues its refusal to accept this prohibition and intends to pump fresh halibut into the marketplace year around, then the PAG wants the IPHC to balance the inequity in some other fashion – an earlier season opening in Alaska, for example.

If Canada continues to refuse to join the U.S. in supporting the prohibition then for enforcement and management reasons, the PAG agrees with the IPHC that there needs to be a regulatory framework for the landing and penning of live halibut and we ask that a system be established immediately. Operators should bear enforcement costs. (Canadian members abstained on this issue)

PROHIBIT CRUCIFIERS

PAG supports continued practice of requiring careful release of halibut. Enforcement difficulties make banning of crucifiers impractical.

32" SIZE LIMIT FOR ALL HALIBUT LANDINGS AND IMPORTS INTO THE U.S. & CANADA

PAG recognizes this is a long term goal but encourages the IPHC to take the proper initiative to begin to move on requiring a 32" size limit for halibut imports. Perhaps new excluder devices outlined to PAG and the Conference Board would be a good starting point with Russia.

AREA 4 CHECK-IN PROCEDURES

Because this is essentially a fisherman's issue, PAG has no formal position on this matter.

ESTABLISHMENT OF LEGAL HALIBUT LENGTH IN SPORT FISHERY

The recreational fishery should reflect similar conservation concerns as the commercial fishery. The PAG, therefore, recommends a 32" limit on sport caught halibut. PAG further recommends that all halibut landed over 32" must be retained.

ESTABLISHMENT OF COASTAL FISHERY IN AREA 4 CLOSED AREA

The closed area is a nursery and should remain protected. Furthermore, IPHC funding for surveys is scarce and should remain focused as outlined by the IPHC staff on Monday. Therefore, the PAG opposes this proposal.

PERSONAL USE FILLETING

The PAG opposes this proposal. While the Enforcement Division and the PAG are sympathetic to the notion behind the proposal to allow filleting halibut on board for personal use, too many questions yet remain to be addressed. For example: how is a port defined? Can it be moved between ports? Could it be frozen or must it remain fresh? What if it is on board a vessel but the cardholder is not. While the proposal may make some sense and seem simple in Petersburg, statewide it opens Pandora's box for enforcement.

AREA 4E RETENTION OF SUB-LEGAL HALIBUT FOR PERSONAL USE IN CDQ FISHERY

We support the staff recommendation for allowing this to continue for two more years.

AGENCY PROPOSALS

LENGTH OVERALL DEFINITION

John Kingeter advised the PAG that the NMFS Enforcement Division will reluctantly withdraw its proposal for the IPHC to change its definition of "Length Overall" until the National Marine Fisheries Service completes its changes to the definition in their regulations.

His reason is that NOAA General Counsel advised them that the NMFS must change its definition first and then the IPHC regulation could be rewritten to conform to it. to the Further defining bulwarks and asking for some certification for length overall and NOAA general counsel said need NMFS and IPHC regs have to be in conformity. NMFS regulatory process too slow and hasn't changed definition so now IPHC change stands alone so Kingeter in awkward position so will withdraw until next year in hopes NMFS will have new definition in place by next year.

OFFLOADING RESPONSIBILITY

The PAG supports an amended version of the NMFS Enforcement Division's proposal regarding offloading responsibilities. We continue to support the prohibition again splitting loads. Responsibility for <u>compliance</u> should rest entirely with vessel operators and not with either processors or processors and vessel operators jointly. Processors lack authority to inspect vessels and should, therefore, be removed from the equation entirely.

OTHER RECOMMENDATIONS

1. The PAG again wants to go on record that the current offload inspection level of less than 5% observed landings is unacceptable and threatens the integrity of the IFQ program in Alaska. Fewer than 2 million pounds of landings were observed in 1999 by NMFS Enforcement and the Coast Guard combined, contrasted to 100% observed landings in Canada. While 2000 promises to achieve a somewhat higher level, 10 percent, it still will fall far below the NMFS's own prescribed 20 percent minimum. As lead managers of the

- halibut resource, the PAG believes it is entirely appropriate for the IPHC to register a formal complaint with the NMFS and is hereby asking that this be done.
- 2. The PAG met with John Kingeter and Al Samuels from the NMFS Enforcement Division and Captain Vince O'Shea from the U.S. Coast Guard. Although not the purview of the IPHC, we do want to note our recommendation for changing the definition of "Clearing Officer" to include the Coast Guard. This followed lengthy discussions about the difficulties processors are experiencing in obtaining landing waivers. The PAG also recommends that the IPHC establish an industry group to work out more flexible and appropriate enforcement procedures.

COMPANIES IN ATTENDANCE:

Wards Cove Packing Company
Icicle Seafoods
Orca Bay Seafoods
Peter Pan Seafoods
S.M. Products
Northport Fisheries
NorQuest Seafoods
Halibut Association of North America
Kelliher Fish Company
Einmo Consulting Company
Cannon Fish Company
Atka Pride Seafoods
The Plitt Company

William Kelliher Chairman