

AGENDA D-3
Supplemental
OCTOBER 2005

PACIFIC NORTHWEST CRAB INDUSTRY ADVISORY
COMMITTEE (PNCIAC)

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October 4, 2005

Wayne Donaldson,
Acting Supervisor
ADFG, Westward Region
Kodiak, Alaska

Dear Wayne:

On behalf of the members of the PNCIAC, I wish to express our sincere thanks to you and your staff for coming to Seattle yesterday to make presentations on the Status of the BSAI Crab Stocks and ongoing related research and analysis of crab stocks.

I also wish to reiterate PNCIAC members concern and recommendations regarding the issue of clean and dark shell components of the snow crab TAC that ADFG managers raised again yesterday at the meeting. As I noted yesterday, PNCIAC responded to the ADFG request for input on industry recommendations for monitoring and controlling harvests of snow crab to limit the quantities of clean shell recruit crabs to maintain compliance with State of Alaska regulations.

PNCIAC responded to ADFG's request in an email memorandum dated September 21, 2005, following an informal meeting and teleconference of PNCIAC members and a few other industry participants at the Icicle Building in Seattle on September 20th. The essence of the memorandum and the recommendations are as follows:

In the two weeks prior to the meeting on September 20th, I had a number of meetings with both processing sector and harvesting sector representatives of the Bering Sea crab industry to discuss dark shell crab issues as you requested. On September 20th, we had an informal meeting of more than a dozen industry members, including both current PNCIAC members and other industry representatives. Here is a summary of the input I have received:

1. This is considered a huge policy issue by the industry, because it will impact (a) the relationship between harvesters and processors as they attempt to establish a value for dark shell crab and (b) the relationship between the industry and the marketplace.

2. If the policy is not well designed, it has the potential to re-start the race for fish. This is a universal concern. As you know we have just completed a very bruising, nearly 6-year effort to stop the race for fish and the consequent loss of life and harm to the resource. An ill-designed dark shell policy has the potential for re-starting that race, as

harvesters try to be the first on the grounds to catch clean shell crab; leaving the late-starters to harvest the dark shell component of the TAC. We must all work together in the development of a new policy to avoid this outcome.

3. The industry wants to fully participate in the development of a new policy approach, and they have asked me (as PNCIAC chair) to request the following:

a. A clear definition of "dark shell" crab including photo examples and descriptions; further, some clarifications as to the Department's basis for drawing distinctions between dark shell, old shell and skip-molt crab. It was further pointed out that the Department's definition may or may not be consistent with the marketplace definitions (standards) and that an open discussion between industry and the Department would be very beneficial.

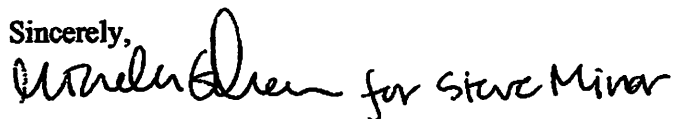
b. A proposed Department policy to frame the discussion, in particular, industry members asked how the policy would be applied to the new IFQ/TAC management regime.

c. Some understanding of how the new policy would be enforced: at the vessel level? at the aggregate TAC level? and what role will observers play in the enforcement process?

4. Concerns were raised about the recent gap between survey results and fishing results. In other words, even though recent surveys have shown significant dark shell populations in some areas, fishing results have been quite different. No one is sure why this is occurring; and under the new IFQ/TAC regime we would expect that harvesters will fish even "cleaner" by avoiding areas where lesser value crab are believed to be ... so again, this is an area where an open dialogue between the Department and industry would be very useful.

5. Finally, there is a very significant concern that the development of this policy (a) requires some market analysis on the part of industry but (b) the new crab rationalization anti-trust provisions will severely limit that conversation.

Sincerely,



Steve Minor, Chair
PNCIAC

cc: McKie Campbell, Commissioner, ADFG
Denby Lloyd, Director, Commercial Fisheries and Development, ADFG
Diana Stram, Crab Plan Team Coordinator, NPFMC