

**ATLANTIC HERRING SECTION
CONFERENCE CALL SUMMARY
THURSDAY APRIL 10TH, 2003
10:00 AM – 11:30 AM**

PARTICIPANTS:

Lew Flagg (ME, Vice Chair), John Nelson (NH), Dennis Abbott (NH), Ritchie White (NH), Bill Adler (MA), David Borden (RI, Chair), Eric Smith (CT), Bruce Freeman (NJ), Lori Steele (NEFMC staff), and Megan Gamble (ASMFC staff).

2003 IWP ALLOCATION:

The Atlantic Herring Section received two requests for an allocation of the 2003 IWP quota, one from New Hampshire and a second from Rhode Island. The processing vessel is the same for both applications. According to the 2003 annual specifications, there are 10,000 metric tons available for allocation to IWP operations.

The New Hampshire request is for 5,000 metric tons. A foreign factory vessel and 8 to 10 US fishing vessels would work as an IWP operation between May 1st and December 31st 2003 and process herring from Areas 2 and 3. The intended market for the filleted and frozen herring is Russia.

John Nelson explained that the same company has made this request in previous years, but has never actually operated in New Hampshire state waters. Mr. Nelson suggested that if the request is granted, the Section should add a provision that says, "If the processing vessel does not arrive within a month of the requested start date and has not requested an extension, then the vessel's allocation becomes available for other interested parties."

The Section discussed a number of concerns related to the operation of an IWP in New Hampshire state waters. An IWP operation may create competition and impact the availability of herring to the lobster bait fishery. The Maine sardine canneries are another competing demand for Atlantic herring. Market price for the different demands may resolve the competition. A positive contribution resulting from IWP operations is that they provide another outlet or opportunity for the harvesting sector.

The concept of IWP operations originally entered into Atlantic herring management because the US industry did not have the ability to process the entire harvest. The domestic shoreside facilities in Gloucester and New Bedford are now fully operational. An IWP operation in New Hampshire would create competition with these shoreside processing facilities, especially when these facilities are fully capable of processing the entire US harvest. When IWP operations submit a request to a state marine fisheries agency, the application should provide a description of the impact on the US industry.

With the recent tuna/herring controversy, there was further concern that an IWP operation may contribute to an already contentious issue. Another Section member countered that the scattering of herring schools is a problem around Jeffrey's Ledge in Area 1. The request is to process herring from Areas 2 and 3, so the catcher boats associated with the factory vessel will not contribute the tuna/herring controversy associated with Area 1. In fact, an IWP may encourage boats to operate in Areas 2 and 3 where the full quota is not harvested annually and effort is lower compared to Area 1. Without the IWP, these boats might harvest in Area 1A during the summer when the effort in this area is high.

The Section discussed observer coverage to be certain that the herring delivered to the processing vessel were harvested from Areas 2 and 3. Observers in the Joint Venture (JV) operations only see the Atlantic herring as the catch is offloaded from the harvesting boats. Observers on the factory vessel would not be able to provide information on the area of operation for the catcher boats. However, if the harvesting vessels catch more than 500 metric tons, they must be equipped with a

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vessel monitoring system (VMS). Information gathered by the VMS would reveal the areas of operation for the catcher boats.

The Atlantic Herring Section voted on the approval of New Hampshire's request for an allocation of 5,000 metric tons. The vote failed due to a lack of majority. Three states voted in favor (New Hampshire, Rhode Island, and Connecticut) and three states voted against the request (Maine, Massachusetts, and New Jersey). Staff was instructed to forward a letter to the Governor of New Hampshire informing him of the Section's recommendation.

The state of Rhode Island's request is also for 5,000 metric tons. A foreign factory vessel and 8 to 10 US fishing vessels would operate as an IWP operation from January through April and October through December 2003 and process herring from Areas 2 and 3. The intended market for the filleted and frozen herring is Russia.

David Borden explained that the state of Rhode Island has submitted a request because Atlantic herring were being caught as bycatch while an IWP operation was targeting mackerel. As of March 22nd, the operation processed about 181 metric tons of Atlantic herring this year. Mr. Borden explained that he did not think the IWP operation would process the total amount requested. The operation in state waters is almost complete, but the vessel will likely begin operating again in October of this year.

Some members of the Section believe the Rhode Island IWP operation is different from the New Hampshire request because the herring are caught while targeting another species. Again, a Section member emphasized the importance of gathering information on the impact of JV and IWP operations on the US industry. One member requested that applications state how the IWP operation is designed to help develop the US fishery and not compete with the US herring product in the industry and market. The Section acknowledges that the short-term impact is an opportunity for the US catcher boats, but more information should be obtained from these operations when they apply for an allocation of the IWP quota.

The Atlantic Herring Section voted on the approval of Rhode Island's request for an allocation of 5,000 metric tons to be applied retroactive to January 1st, 2003. The vote passed with four states in favor (Maine, New Hampshire, Rhode Island, Connecticut) and two states opposed (Massachusetts and New Jersey). Staff was again instructed to forward a letter to the Governor of Rhode Island informing him of the Section's recommendation.

NEFMC'S DEVELOPMENT OF AMENDMENT 2:

Lori Steele provided the Section with a brief overview of the New England Fishery Management Council's (NEFMC) plan for developing Amendment 2 to the Atlantic Herring Management Plan. The amendment will address issues such as limited access, new scientific information from the Transboundary Resource Assessment Committee (TRAC), and other management issues. The scoping hearings for Amendment 2 have been set and are as follows:

Monday April 28th, 2003 from 7-9 pm
Holiday Inn
31 Hampshire Road
Mansfield, MA 02048
(508-339-2000)

Tuesday April 29th, 2003 from 7-9 pm
King's Grant
Trask Road/Route 128
Danvers, MA 01923
(978-774-6800)
Monday May 6th, 2003 from 7-9 pm

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Samoset Resort
220 Warrenton Street
Rockport, ME 04856
(207-594-2511)

Monday May 12, 2003 from 7-9 pm
Clarion Hotel
6821 Black Horse Pike
Atlantic City, NJ
(609-272-0200)

A copy of the Atlantic herring scoping document can be accessed from the Council's website (www.nefmc.org). Comments on the scoping document will be accepted through June 2nd, 2003.

Bruce Freeman expressed some concern about dealing with limited access through the Council's amendment and wondered if the Commission may be a better forum to deal with controlling effort in Area 1. He believes it may be counterproductive to have a federal limited access program when the industry is being encouraged to increase its harvest in Areas 2 and 3.

In early July, there will be a joint meeting of the Atlantic Herring Oversight Committee and the Atlantic Herring Section to review the PDT/TC's recommendations for the 2004 annual specifications, prior to the July NEFMC meeting. The annual specification process will differ next year because the 2005 annual specifications will be part of Amendment 2. The Council intends to have Amendment 2 implemented by the start of the 2005 fishing year.

The Section reaffirmed their commitment to work in a coordinated manner with the Council when managing Atlantic herring. The Commission intends to budget for the development of an amendment to the Interstate Fishery Management Plan for Atlantic Herring in 2004 and to implement the amendment by the start of the 2005 fishing year.

STATE COMPLIANCE REPORTS:

Staff informed the Section that all of the states have submitted an annual compliance report for 2002, except for the Commonwealth of Massachusetts. The Section Chair said that if Massachusetts has not submitted an annual report before the next Section meeting, the Section would entertain a finding of non-compliance for the Commonwealth.

COMMITTEE MEMBERSHIPS:

In anticipation of developing an amendment to the Interstate Fishery Management for Atlantic Herring, the Commission is updating all the Atlantic herring related committees. Commission staff will contact the states to make sure the representatives on record are accurate.