

# The Wheel Watch

a newsletter of the  
Fishing Vessel Owners' Association  
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Thank you for your support!

Dear Longliner

This newsletter will bring you up-to-date on the Pacific and North Pacific Council meetings, actions taking place in Washington, D.C., and marketing issues.

## **\*\*North Pacific Council\*\***

I want to thank Jack Knutsen for attending on a weekend to cover our issues.

**IFQ Amendments.** At the June Council meeting, the Council reviewed a discussion paper prepared by Council staff on eight proposed amendments to the **halibut and sablefish individual fishing quota (IFQ) program**. The Council grouped the eight actions into three packages. The highest priority was given to amending IFQ and community development quota (CDQ) regulations to allow Area 4C fishermen to harvest Area 4C IFQ and CDQ in Area 4D. Another package would address amending regulations to: (1) allow the use of medical transfers; (2) tighten criteria to hire skippers; (3) amend check-in/check-out or vessel monitoring system requirements in the Bering Sea and Aleutian Islands sablefish fisheries; and (4) change the product recovery rate for bled sablefish. A third suite of amendments address changes to the halibut block program.

The Council also reviewed a discussion paper which addressed six proposed changes to **subsistence halibut** regulations. These include: (1) implementing a possession limit; (2) revising the definition of a charter vessel; (3) revising the customary trade limit; (4) allow fishing in non-subsistence areas; (5) add Naukati and Port Tongass village to the list of eligible communities; and (6) revise gear and annual limits in Kodiak road zone and Chiniak Bay, Prince William Sound, Cook Inlet, and Sitka local area management plan. These changes can only help your halibut holdings.

All analyses are scheduled for initial review in October and final action in December 2004. The discussion papers are posted on the Council website. Staff contact is Jane DiCosimo.

**Observer Program.** The Council is considering a fee-based program where you would pay a 1% fee based on the ex-vessel price and the processors would pay a matching fee. The change would establish a new fee-based Observer Program, in which NMFS would contract with observer providers and use the funds collected from the fee to pay for observer services. The fee would be assessed on all vessels over and under 60 feet. Vessels and processors not included in the program would remain under the existing pay-as-you-go program.

**Habitat of Particular Concern (HAPC).** I have prepared comments to the Council after discussions with members fishing in the areas that are being discussed for closures. A final action on this would come in October. Jack Knutsen, Arne Lee, Wade Bassi, Per Odegaard, Paul Clampitt, and Norm Ness have assisted me in our comments. If I were to get specific and explain what is going on on this subject, you would all move to Idaho and then I would have a problem. (Joe Smatlan—that's a joke!) Joe is already in Idaho. If you would like a copy of our written comments, please call and we will mail you our comments.

## \*\*Pacific Council\*\*

The Pacific Council met the week of June 14, 2004 in San Francisco. I would like to thank John Crowley for attending and representing your interests.

**2004 Tier Limit Corrections.** The Council approved tier limits for sablefish at the April meeting, which were calculated using the ABC (Allowable Biological Catch) rather than the OY. Those of you who have already fished on the higher limits got a “freebie” this year. The Council voted unanimously to correct the tiers on my motion. I was hopeful that this action would not be necessary, but it became apparent that NMFS did not want to penalize the open access participants, and other Council members agreed. The corrected tiers are as follows:

Tiers	Incorrect Tier Limits Based on ABC	Correct Tier Limits Using OY
1	69,600	64,300
2	31,600	29,200
3	18,100	16,700

For vessels fishing and delivering north of Grays Harbor, you may have 100 lbs. of dressed halibut to 1000/lbs. of dressed sablefish. The correction should be effective June 29, 2004.

**Harvest Limits for 2005 and 2006.** The Council now sets harvest limits two years in advance. This was forced on the Council by enviro litigation. The problem with this is that the Council cannot use this year’s survey information from the tri-annual trawl survey. The Council will take final action on the following harvest limits for sablefish in September in San Diego.

### **Council Preferred action in September for Years 2005 and 2006**

Tier 1	64,000
Tier 2	29,100
Tier 3	16,600

\*Halibut numbers will be available November 2004 for 2005.

**Overfished Species.** Ling cod are currently listed as overfished. However, the good news is that it appears that the northern area of ling cod is rebuilt and the southern portion is nearly rebuilt. The potential catch could go from 765 mt. to 2414 mt. The Council will discuss how to apportion this increase in the fall. However, the Council has proposed an increase to 800 lbs. of ling cod per two month period from the monthly 400 lbs. for 2005. This will benefit tiered permit holders.

Yellow-eye and Canary rock fish are the two problem rock fish off the northern coast for longliners. Yellow-eye seem to be rebuilding and Canary is uncertain. It is these two rock fish species that require you to fish seaward of 100 fathoms. Continuation of this depth restriction is

also a preferred action for the 2005 season.

**VMS.** There are four types approved for the lower Pacific Coast and four providers approved. They are as follows:

Communication Provider	Satellite Network	MTU's
Telenor	Inmarsat C	TT3022D, TT3026
Xantic	Inmarsat C	TT3022D, TT3026
Satamatics	Inmarsat D+	SAT 101
Skymate Wireless	Orbcomm	Stellar 2500G

83% of the units used are the Skymate unit. There is a procedure for turning the unit off when your season is over. Call enforcement at (360) 753-4409 (Dayna Matthews). There is no drifting provision at night across the 100 fathom line, so be careful.

### **\*\*Washington, D.C. Issues\*\***

**Country of Origin Labeling "Cool".** There is currently a big fight in D.C. between the National Fisheries Institute (NFI) and harvesters over the 2003 legislation that requires fish products to have the country of origin labeled. It appears that the U.S. consumer is making a deliberate decision when purchasing fish as to where it may come from. Examples are U.S. produced shrimp vs. Asian shrimp, Chilean Coho vs. Alaskan Coho, Vietnamese catfish vs. other U.S. products. Many of the processors and traders that import large amounts of foreign products want the labeling to be voluntary. That means it will not likely occur. The West Coast Pacific Fish Processor's Association wants the law changed as well. Some NFI members have threatened not to buy from domestic fishers if the law is not changed. The Federal Trade Commission was notified of this threat. Our D.C. legal counsel informed NFI that U.S. consumers have a right to know where their food comes from. NFI answered that this might not be in your clients best interest. This is absurd!

**Magnuson-Stevens Act.** It is not anticipated that anything will move on this until 2005 or 2006, after the new Congress takes over this coming January.

### **\*\*Marketing\*\***

**Farmed Sablefish.** FVOA, DSFU and the Canadian Sablefish Association have sponsored an economic report on sablefish that examines the potential impacts on the U.S. sablefish industry from farmed raised sablefish. It is true that B.C. has licensed some 40 fish grow-out pens to farm sablefish. It is unclear how many of these pens are capable of doing it or are truly interested. It is true that Sable Fin Hatchery is the only identified group that is raising sablefish from an egg. They have 95% to 97 % mortality from egg to post yoke sack. It is reported however, that sablefish have millions of eggs in an egg sack so some success is realized. It was anticipated that

there would be 1000 to 4000 tons raised in grow-out pens in the next 36 months. We have been informed that the hatch out this spring was not as successful as hoped and 20,000 fingerlings are available for grow-out. This might be 100,000 to 200,000 lbs. over the next 24 months. The transfer to pens has not happened yet and grow-out will take 14 months, should it occur. According to Sable Fin Hatcheries performance reports, they are not making money at these levels of sales of fingerlings. The biggest threat to farmed fish right now is a potential increase in Alaska quotas and reduction in prices. The recent drop in price was not anticipated by the farm groups. For more information on the sablefish report, go to our website at [www.fvoa.org](http://www.fvoa.org) or call us and we will mail you a report. The flesh quality issues are all undetermined at this time for farmed sablefish.

In recent news from the Canadian Sablefish Association (CSA), they will be filing a lawsuit to block the permits for grow-out. They said the government of British Columbia has not been helpful on this, but they will file anyway. **THE CSA HAS RECENTLY SENT OUT A REQUEST FOR FUNDING. OUR TRUSTEES ARE SENDING IN \$1000 EACH TO CSA. THEY ARE A LEGITIMATE HARVESTING ORGANIZATION AND DOING GOOD WORK FOR THE WILD FISH MOVEMENT. WE ENCOURAGE SOME LEVEL OF FINANCIAL SUPPORT. FVOA AND DSFU WILL BE SEPARATELY DONATING \$3000 TO CSA'S EFFORTS.**

**Sablefish.** There have been three consecutive years of increasing harvest limits from the lower West Coast, Canada and Alaska. Supply has simply caught up with demand and prices have slipped. Prices in Seward are reported at \$3.30 for 5 ups, \$2.90 for 4-5's, and \$2.20 for under 2's. I am told there are a lot of 3/4's being caught. Prices for the lower west coast sablefish in Bellingham were reported at a dime less, except for 7-ups, which were higher.

Individual Fishing Quota (IFQ) Allocations and Landings						
From 29-FEB-04 through 29-JUN-04						
				----- TAC -----		
Area	Species	Vessel Landings	Total Catch Pounds	Allocation Pounds	Remaining Pounds	Percent Landed
AI	sablefish	53	1,313,255	4,100,556	2,787,301	32
BS	sablefish	64	546,412	2,557,336	2,010,924	21
CG	sablefish	416	9,615,669	12,874,864	3,259,195	75
SE	sablefish	398	4,635,311	8,311,342	3,676,031	56
WG	sablefish	69	2,450,230	5,167,582	2,717,352	47
WY	sablefish	155	3,392,075	4,925,076	1,533,001	69
<b>Total</b>		<b>1155</b>	<b>21,952,952</b>	<b>37,936,756</b>	<b>15,983,804</b>	<b>58</b>

As you can see, over half of the Alaskan harvest is in. I suspect the boats in the Aleutians and Bering Seas will not harvest all their quota. I would estimate the fleet is within the last 37 percent of the 2004 harvest. Almost 40 to 50 percent of the Washington, Oregon and California quotas are harvested. (Note: Lower Pacific Coast quotas will not increase in 2005 or 2006, but Alaska and BC harvests could increase).

**Halibut.** Buyers continue to be amazed at the strength of the halibut market. The IFQ program has allowed it to be put on all major restaurant menus. I was in San Francisco last week and ate at Kincaids. It was on their menu twice. I was in Portland the week before and it is there, it's everywhere, sometimes 4 to 5 times on a single menu. It sells for \$11/lb. at the QFC in Bothell. My wife complains. I smile. So should you. Smile, that is!

**Individual Fishing Quota (IFQ) Allocations and Landings**

From 29-FEB-04 through 23-JUN-04

		----- TAC -----				
Area	Species	Vessel Landings	Total Catch Pounds	Allocation Pounds	Remaining Pounds	Percent Landed
2C	halibut	1,288	6,092,106	10,500,000	4,407,894	58
3A	halibut	1,367	14,387,155	25,060,000	10,672,845	57
3B	halibut	375	7,581,465	15,600,000	8,018,535	49
4A	halibut	82	829,489	3,470,000	2,640,511	24
4B	halibut	36	599,290	2,248,000	1,648,710	27
4C	halibut	19	133,076	860,000	726,924	15
4D	halibut	5	78,474	1,204,000	1,125,526	7
<b>Total</b>		<b>3,172</b>	<b>29,701,055</b>	<b>58,942,000</b>	<b>29,240,945</b>	<b>50</b>

Catches started out slow for this year and several spring storms have helped strengthen prices. In Seward, recent prices have been \$2.80 for 20/40's, \$2.90 for 40/60's, and \$3.10 for 60 ups. I have heard catches are slow in 3B. I suspect 4C may have trouble harvesting all of their harvestable quota. June 30 marks the halfway point for the season and I am going to guess that 51% will be harvested by that time.

**Good News.** Halibut farming has proved difficult for Stolts and they are shutting down production in Greenland. Eastern Canada land-based halibut farms are not breaking even based on reports from the Canadian Sablefish Association.

**MSC Project.** I talked to the head coordinator this week on our Marine Stewardship Certification project. The process is now moving ahead for the three-person review team to meet in July and August and draft a recommendation for Pacific Halibut and Alaskan Sablefish in September. This project is about nine months behind schedule. The funds to pay for it have been collected and two extensive bibliographies on 28 pages of questions were completed two months ago by Bob Trumble and Jack Tagart on our behalf. Alaskan Pollack was just recently certified by MSC. This certification will help their sales in the future. It may be objected to by at least one green group.

**\*\*Second Watch\*\***

Old photos wanted for PBS video program titled "Wild Pacific Halibut: A Fisherman's Story". Any photos showing lots of halibut arriving at dock or good on-board shots. Contact via e-mail: [wondervisions2@aol.com](mailto:wondervisions2@aol.com) or call Liz at (650) 566-0400. We have helped sponsor this through 'Eat on the Wild Side'.

**The Seafood Choices Alliance** announced “Pick Pacific Halibut, the worry-free fish,” in terms of taste and environmental impact. It is in their top-10 list.

**The Blue Ocean Institute’s** “Guide to Ocean-Friendly Seafood” state, “Halibut remains abundant due to responsible management where annual catches and bycatch are strictly capped.”

**Governor Murkowski** is asking for legislation to provide loans for eligible communities to buy halibut and sablefish IFQs. Won’t this just push prices up to Alaskan family operations? Doesn’t this pit tax-free government money against family operations in Alaska? Why is this a good thing?

**Victoria, B.C.** - According to information obtained from British Columbia rendering plants and U.S. Court documents, chicken parts, including blood, carcasses and feathers are ingredients in farmed salmon feed. Finger lickin’ good.! Contact: Theresa Rothenbush (250) 655-1229.

**NOAA’s Conrad Mahnken**, Aquaculture Coordinator, is helping develop ocean-leasing arrangements between three and 200 miles.

Federal officials are drafting legislation to let fish farmers lay claim to parcels of sea, just as pioneers laid claim to acreage in the unsettled West. Expected to head to Congress later this year, it would apply to federal waters from three to 200 miles offshore – an immense region outside the jurisdiction of the individual states and bigger than the entire land area of the United States.

Anyone entering the chilly basement room full of conical tanks swirling with finger-sized cod must first don sterile slippers. The Norwegian government has invested \$3 million in these pale gray fish – the first generation of a national breeding program for cod.