

The Wheel Watch

a newsletter of the

Fishing Vessel Owners' Association
Room 232, West Wall Bldg., 4005 - 20th Ave. West
Seattle, WA 98199-1290
Phone: (206) 284-4720 / 283-7735
Fax: (206) 283-3341
Website: www.fvoa.org

Robert D. Alverson
Manager

Carol M. Batteen
Executive Assistant

Vol. XXXII No. 1

April/May 2018

Sustaining Sponsors

<i>Alaska Glacier Seafoods, Inc.</i>	<i>Alaskan Observers, Inc.</i>	<i>Ballard Oil</i>
<i>Banner Bank</i>	<i>Bellingham Cold Storage Co.</i>	<i>Columbia State Bank</i>
<i>Covich & Williams, Inc.</i>	<i>Cummins Northwest</i>	<i>Dana F. Besecker Co., Inc.</i>
<i>Dock Street Brokers</i>	<i>Dungeness Gear Works, Inc.</i>	<i>Echo Belle, Inc.</i>
<i>Fishermen's News</i>	<i>Fishing Vessel Owners/Marine Ways</i>	<i>Gardner Boat Repair Inc.</i>
<i>Harrigan, Leyh, Farmer, Thomsen LLP</i>	<i>Hingston, Fletcher & Assoc. P.L.L.C.</i>	<i>Icicle Seafoods, Inc.</i>
<i>JK Fabrication</i>	<i>LFS, Inc.</i>	<i>Mac's Ballard Upholstery</i>
<i>Marine Resources Consultants</i>	<i>Marine Service & Supply</i>	<i>Mountain Pacific Bank</i>
<i>Mustad Autoline Inc.</i>	<i>North American Fishing Supplies, Inc.</i>	<i>Northport Fisheries, Inc.</i>
<i>Northwest Electric Corp</i>	<i>Northwest Farm Credit Services</i>	<i>Ocean Beauty Seafoods LLC</i>
<i>Offshore Systems, Inc.</i>	<i>Parker Smith & Feek</i>	<i>Peoples Bank</i>
<i>The Permit Master</i>	<i>Petro Marine Services*</i>	<i>Port Townsend Shipwrights Co-op</i>
<i>Puget Sound Hydraulics Inc.</i>	<i>Resurrection Bay Seafoods LLC</i>	<i>Seafreeze/Citylce Cold Storage</i>
<i>Seattle Marine & Fishing Supply</i>	<i>Sitka Sound Seafood & Alaska Pacific Seafoods</i>	<i>Joe Sullivan Law Office PLLC</i>
<i>Taku Fisheries</i>	<i>Trident Seafoods</i>	<i>Unisea, Inc.</i>
<i>Vigor Industrial LLC</i>	<i>Yakutat Seafoods</i>	<i>Westward Seafoods, Inc</i>

Thank you for your support!

Dear Members:

This newsletter will bring you up-to-date on issues before the Pacific Council, the North Pacific Council, the Halibut Commission, and Washington, D.C. and markets.

****Pacific Council****

The following are the tier limits for 2018. They are 4.2% greater than 2017.

Tier 1 – 47,050; Tier 2 – 21,386; and Tier 3 – 12,221

Beginning April 1st, as long as you have secured a Halibut Commission permit, you can retain 160 pounds per 1000 pounds of dressed sablefish north of Point Chehalis in Area 2A. You can have two additional halibut in addition to your poundage. The Council will do a recalculation of the amount of halibut caught through June and could adjust the halibut retention poundage, hopefully upward after June.

The following are the preliminary projections of sablefish harvest over the next two seasons. Next year, 2019, will be 1.2% up from 2018 and 2020 will be up 2.1%. There will be a survey this year and a new harvest projection for 2019 and 2020. The previous projections did not fully account for the 2014 year class so some folks believe harvest limits for 2019 and 2020 could be above those projected at this time.

Limited entry sablefish FMP allocations north of 36° N. latitude, based on the default harvest control rule.

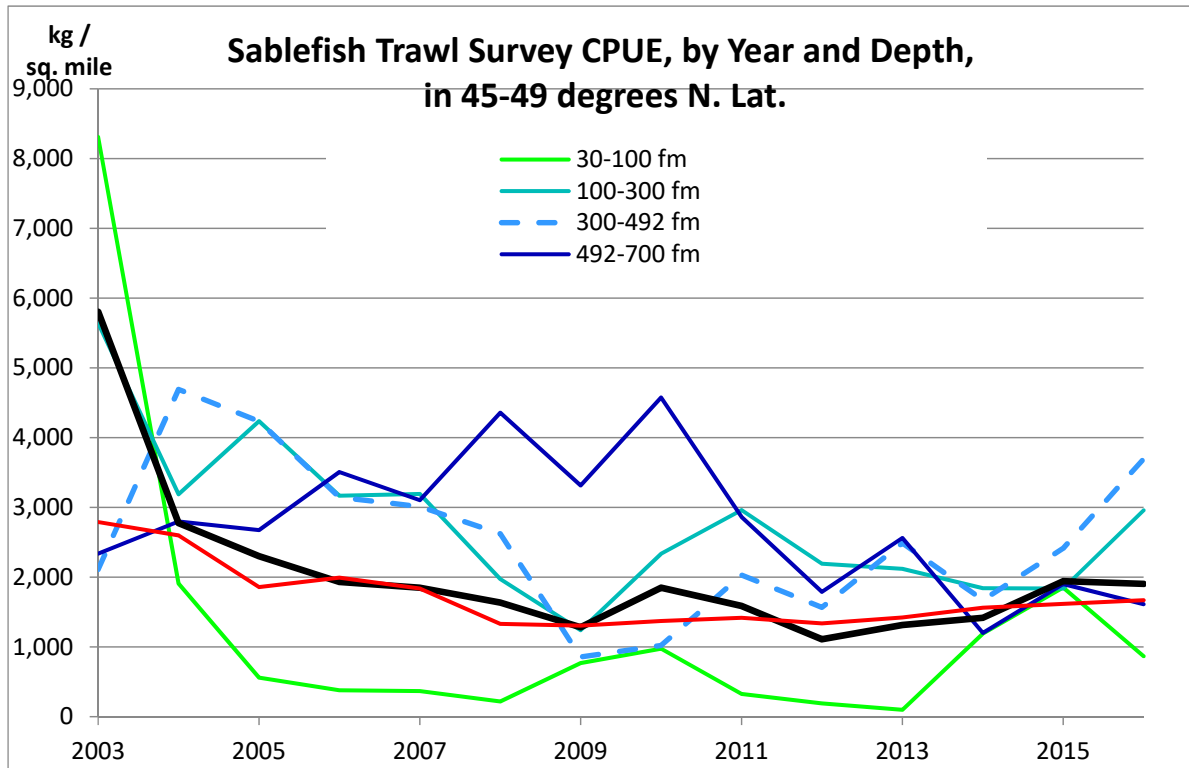
Year	Sablefish Com. HG	LE Share	LE FG Share (mt)				Estimated Tier Limits (lbs) a/		
			LE FG Total Catch Share	Landed Catch Share a/	Primary Season Share b/	LE FG DTL Share b/	Tier 1	Tier 2	Tier 3
2019	5,007	4,537	1,905	1,818	1,620	286	47,637	21,653	12,373
2020	5,113	4,632	1,946	1,856	1,654	292	48,642	22,110	12,634

a/ The limited entry fixed gear total catch share is reduced by the anticipated discard mortality of sablefish, based on WCGOP data from 2002 to 2016. In 2019-2020, 23 percent of the sablefish caught are anticipated to be discarded and 20 percent are expected to die.

b/ Shares do not include anticipated discard mortality.

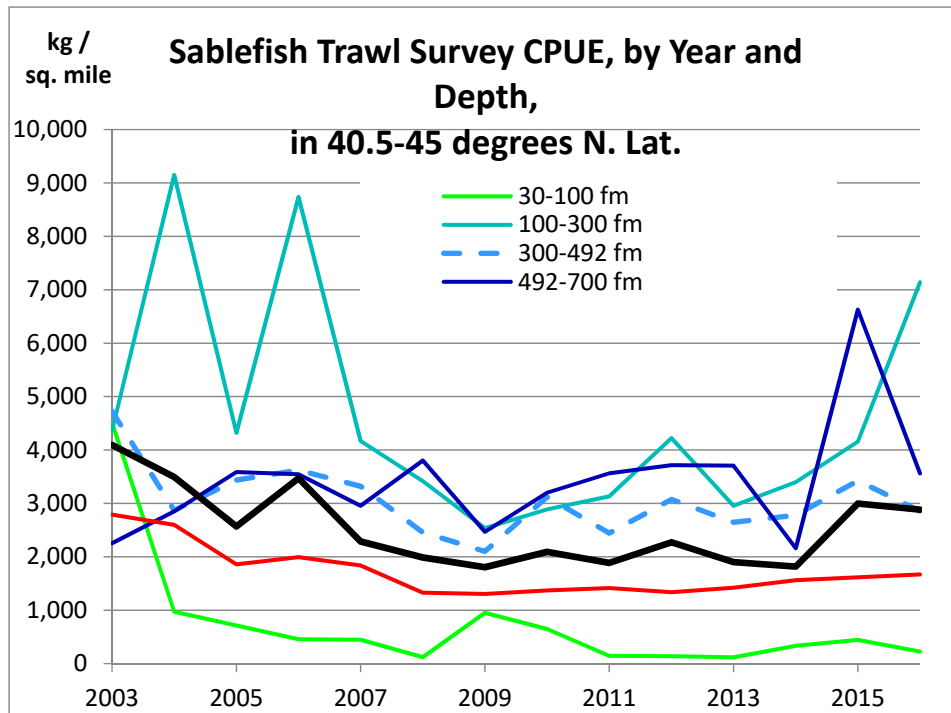
The following graphics show the trawl survey CPUE by year and depth off the West Coast. 40.5 to 45 degrees is from Cape Mendocino to Newport, Oregon, and 45 to 49 degrees is from Newport to the Canadian border. Remember these trawl surveys for these dates did not fully reflect the 2014 year class.

NWFSC Trawl survey trends in sablefish CPUE: focus on the northern west coast



Kg of sablefish per sq. mile in 45-49 degrees N. Lat.

	30-100 fm	100-300 fm	300-492 fm	492-700 fm	All depths	Coastwide - all depths
2003	8,310	5,639	2,109	2,336	5,804	
2004	1,909	3,187	4,691	2,799	2,775	
2005	559	4,237	4,234	2,675	2,301	
2006	379	3,167	3,145	3,507	1,932	
2007	367	3,193	3,011	3,104	1,849	
2008	217	1,973	2,622	4,359	1,635	
2009	769	1,239	856	3,314	1,283	
2010	976	2,335	1,021	4,575	1,849	
2011	327	2,962	2,030	2,862	1,586	
2012	190	2,193	1,566	1,789	1,110	
2013	98	2,120	2,488	2,563	1,315	
2014	1,191	1,842	1,672	1,201	1,417	
2015	1,850	1,838	2,412	1,901	1,944	
2016	866	2,959	3,696	1,613	1,903	



Kg of sablefish per sq. mile in 40.5-45 degrees N. Lat.

	30-100 fm	100-300 fm	300-492 fm	492-700 fm	All depths	Coastwide - all depths
2003	4,512	4,364	4,725	2,254	4,092	
2004	972	9,150	2,869	2,849	3,495	
2005	714	4,320	3,438	3,587	2,568	
2006	457	8,736	3,624	3,546	3,470	
2007	449	4,169	3,321	2,955	2,287	
2008	120	3,417	2,457	3,803	1,986	
2009	949	2,537	2,101	2,465	1,804	
2010	648	2,888	3,120	3,200	2,091	
2011	145	3,133	2,443	3,563	1,885	
2012	140	4,221	3,074	3,716	2,272	
2013	117	2,955	2,646	3,708	1,900	
2014	333	3,399	2,780	2,161	1,818	
2015	443	4,156	3,425	6,628	2,996	
2016	226	7,141	2,853	3,561	2,882	

Trawl Sablefish ITQ. The Council is still undecided on a final action to consider for those who have “gear switched” and caught trawl sablefish with fixed gear. Over the last 3 seasons, the amount of trawl sablefish caught with fixed gear has stabilized at 34 to 36 percent of the trawl allocation. Some processors and trawl interest say they need more sablefish to prosecute a dover fishery. Others say the dover issue is a marketing problem not solved by forcing sablefish to be caught by trawls. The Council has set up an Ad Hoc

Committee to deal with this over the summer. The participants are six Council members including Phil Anderson, who has expressed that something needs to be done; Kelly Ames from NMFS, I would say neutral; Michelle Culver from Washington who has not supported major changes, Maggie Sommer from Oregon who thinks something is wrong; Joanna Grebel from California, who is concerned about stranded California sablefish; and Pete Hassemer who has expressed he thinks this is a market issue. There are seven industry advisors. They are: Bob Alverson – fixed gear; Tyler Besecker – fixed gear/processor; Bob Dooley – trawler; Kevin Dunn – trawler; Mike Okaniewski – Processor/rawl; Dan Platt – fixed-gear – N. California; and Steve Scheiblaue – fixed-gear/S. California. The Committee will be charged with recommending a strategy for the stranded sablefish south of Conception and recommendations on gear switching.

I want to thank Paul Clampitt who served on the Community Advisory Panel and wrestled the trawlers on this issue for two years totally out-numbered. Thank you Paul from all the members for your efforts and testimony and time commitment on their behalf.

****North Pacific Council****

The Council is in the middle of a mandatory review of the Halibut/Sablefish IFQ program. They have already made some suggested changes that will come up at the June and October Council meetings. Here are the actions they have taken to date.

1. At the Council meeting in Kodiak, June 4-12, 2018, the Council will hold a town hall informal outreach meeting, most likely a day before the Council process actually begins. This will likely feature re-allocation requests for fish that have migrated to Alaska towns from rural areas and comments on the hired master provision.
2. **IFQ Beneficiary Transfer** - This could modify all reference to surviving spouse and immediate family members by using definitions of immediate family from (1) U.S. Office of Personal Management Definition, or (b) Federal Family Medical Leave Definition. You should fill out a RAM form called “QS/IFQ Beneficiary Designation” form that designates who gets the QS in case of death of an immediate family member. We were told in any case your will would supersede anything RAM has on file. This will be available for initial review in October.
3. **Medical Transfer**. This would define a medical transfer with a broader definition of a Health Care Provider with the following possible restrictions. You can use the medical transfer two of five most recent years or 3 of 7 years. This comes up for initial review at the October meeting.

The Council took testimony from over 24 individuals from the Fishing Vessel Owners Association and the Deep Sea Fishermen’s Union in February. Their testimony was absolutely great! We received a number of compliments from Council members and other sectors of industry. The Council was very much focused on the hired skipper provisions and passed the following two motions. They called for discussion papers from the staff. At this time, these have not yet been agended for a future Council meeting.

Motion 1. A primary objective of the IFQ Program is to ensure that the halibut and sablefish IFQ fisheries are dominated by owner/operators. The Council has amended the IFQ Program several times since the program was implemented to further limit the use of hired masters and promote achievement of the objective of owner/operated fisheries. Despite these actions, the use of hired masters has increased. From 1995 to 2014, hired master use increased from 13% to 40% of the commercial catch limits in the halibut IFQ fishery, and from 13% to 55% of the TACs in the sablefish IFQ fishery. The Council realizes it may be appropriate to further modify the hired master provision to meet its objective of ensuring the halibut and sablefish fisheries are dominated by owner/operators. The Council recognizes modifying this provision could have far reaching effects on participants and intends to carefully evaluate tradeoffs and benefits of limiting use of hired masters.

- Hired master use (count of hired masters and harvest) by regulatory area
- Hired master use (count of hired masters and harvest) by vessel size class
- Identify use of hired masters (count and harvest) for A shares, Corporations, CQE, and medical/beneficiary leases
- Describe the amount and distribution (by area and vessel) of IFQ harvested by a hired master and a quota share holder on the same vessel, by area and vessel size class
- Describe the participation patterns and connectivity between vessel owners, quota share holders and crew

Motion 2. At the outset of the halibut/sablefish program, and through program revisions, the Council has worked to promote owner/operated fisheries. This has resulted in some quota share holders hiring a vessel and crew to harvest their IFQ while they are onboard but not actively participating. This practice occurs for many reasons; however, is inconsistent with the Council's objective that the fishery is dominated by owner/operators. The Council has three concerns with respect to this practice; 1) that it works against the objective of an owner/operated fleet, 2) the effects of uneven distribution of rents between the walk-on and vessel, and 3) that the walk-on arrangements may be exacerbating the lack of access to the fishery for second generation fishermen and new entrants. The Council intends to examine whether the program's participation and eligibility requirements should be improved to further promote the original objective of the halibut and sablefish program being dominated by owner/operator operations.

The Council tasks staff to develop a discussion paper that considers replacing the existing Transfer Eligibility Certificate (TEC) to hold halibut/sablefish quota share, with an eligibility requirement that applies to both prospective and existing QS holders that is based on recent participation in any US commercial fishery. The discussion paper should focus on sea day requirements of 30, 60 or 90 days over a fixed three or five-year periods (not a rolling number of years).

This discussion paper should also focus on the tradeoffs and benefits of how this would fulfill the Council's original objective of promoting an owner/operator fleet, and concerns of the Council. Staff should consider how a sea day requirement based on recent participation may impact:

- Existing second generation participants, initial recipients, and new entrants
- Participants with small amount of quota vs large amounts of quota
- Vessel owners, non-vessel owners and crew
- Participants utilizing walk-on arrangements and hired masters

Halibut Retention in Sablefish Pots. This action was amended to basically allow directed fishing with pots for halibut in all sub areas of Area 4. Final action is contemplated at the June 4-12, 2018 Kodiak meeting. There is a remote possibility this could become law by June or late summer of 2019, more likely 2020.

Self-Guided Halibut Rental Boats. Final action on this is scheduled for June in Kodiak. This is targeting the Charter boat operators that are having their fares take a boat out on their own and, hence, the catch is not deducted from the Charter quota but listed as a general angler. This proposed action should correct most of this problem.

Halibut Abundance-Based Management. The Fishing Vessel Owners' Association and the Deep Sea Fishermen's Union tried to get an option that was more focused on a new CAP level, but the Council has chosen an option that envisions a halibut CAP that moves with the abundance of juvenile halibut and adult halibut. One of our concerns with this option action is this will be a two year Council project with another year of regulatory implementation. We are probably looking at four years for any remedial help. The Council's concept is to index trawl gear PSC and fixed gear PSC to both the Eastern Bering Sea trawl survey and the halibut setline survey. The following are some of the elements for consideration for trawl CAPs.

New CAP Starting Point

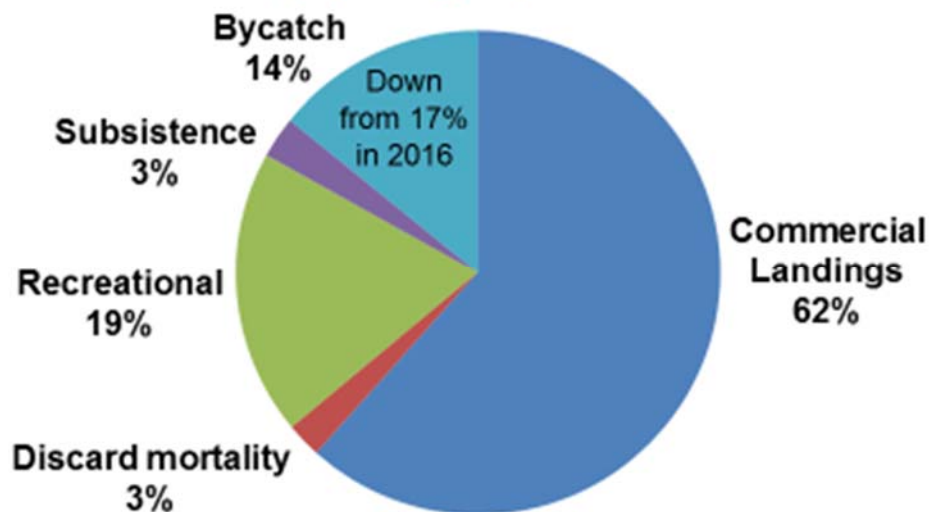
Option 1. 10% below 2016 PSC use (2,119t); (2) Average of 2016 PSC use and limit (2,935t); Option 3 – 2016 PSC limit (3,515t); and (4) 2017 usage (1,958t).

Some of these are very good for halibut considering the current CAP is (3,515t).

Once a new starting point is picked, the Council intends this point to rise and fall. The maximum up options are the current CAP of 3,515t or 4,426t. The latter option is a number of bycatch that has not been seen since the foreign joint venture days , about 1989. These options concern us.

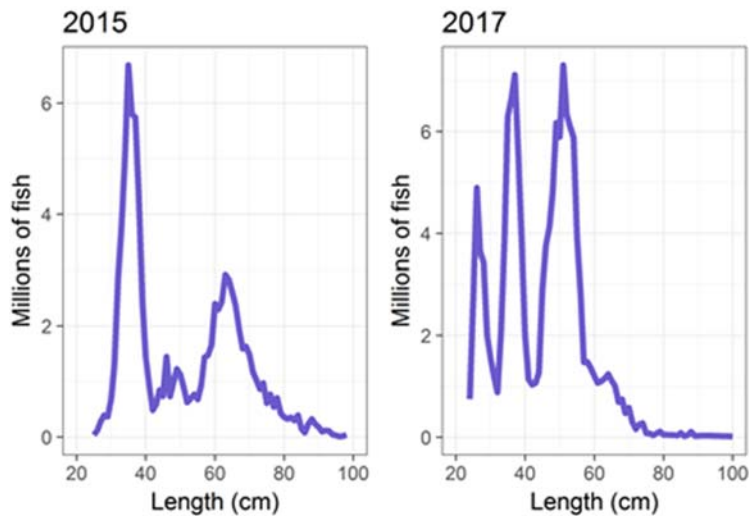
The Council plans to have an initial staff paper on this in October, where possible other options can be added.

2017 Mortality (weight): 42.44 Mlb



Release of Juvenile Sablefish. The Council has requested a paper on allowing the IFQ fleet to release juvenile sablefish. Currently you must retain everything.

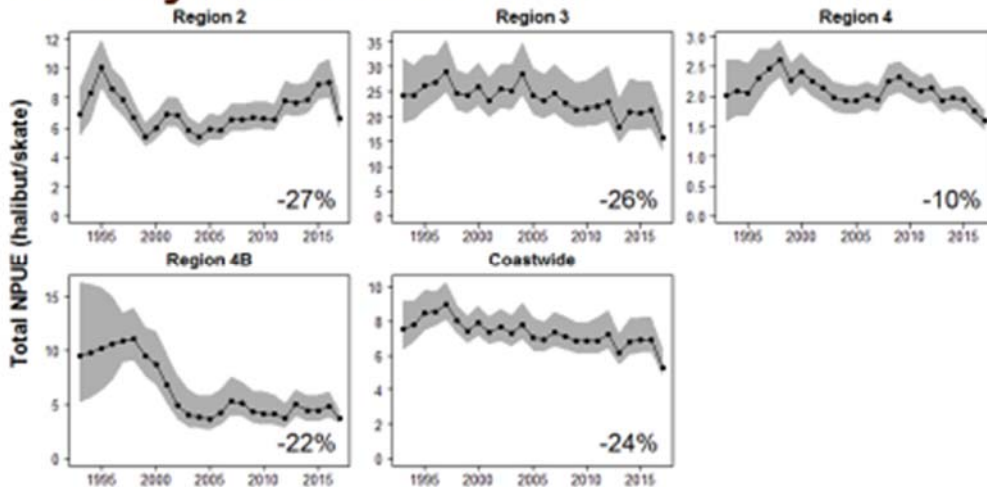
As you can see from the graphic below from the 2017 trawl survey, there are potentially three components, age classes, showing up. There is definitely a 2014 year class but also possibly a 2015 year class, both of which appear to be huge. Being able to release small fish could be very positive in the near future.



****IPHC****

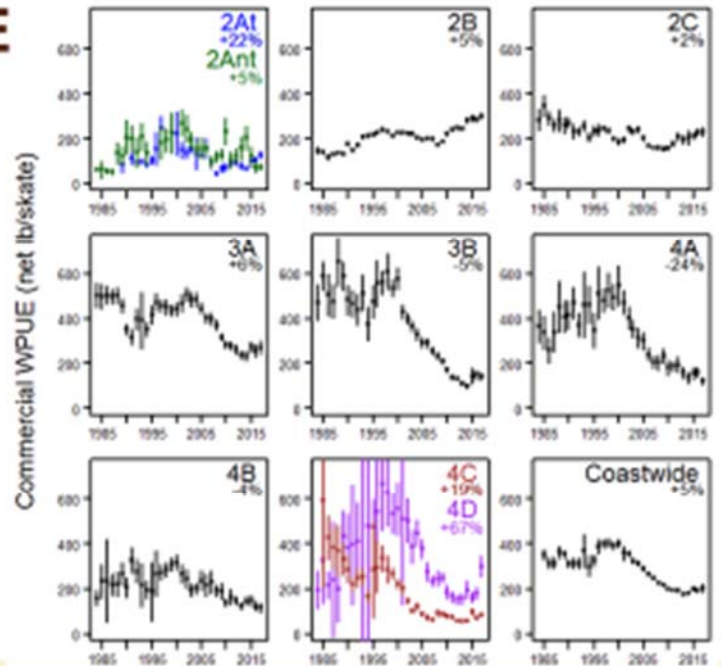
As the season progresses, I am interested in what you might see on the grounds for halibut. Please let the office know your experience. Below are IPHC 2017 survey results on all sizes of fish as well as commercial CPUE.

Survey NPUE – All sizes



Commercial WPUE

- 2A: separating **tribal** and **non-tribal** trends
- 4D: change in spatial distribution (+25% of catch to St. Matthew)
- Logbooks are incomplete through November



****Washington, D.C.****

Vessel Discharge. I received a call while drafting the newsletter from Senator Cantwell's office. Next week (April 16th), the Coast Guard bill may be up for final action. The objections to your vessel discharge and accompanying ballast water issues seem to have been resolved. Hopefully, by the end of next week, you could have a permanent exemption. Good News!

Magnuson-Stevens Act (MSA). There is an amendment to the MSA called the Modern Fish Act. This act would reduce federal regulations over recreational salt water anglers. It also regulates certain allocations, such as, with halibut to be automatically reviewed in favor of sports interest. At a recent meeting with Congressman Larsen from Bellingham, he thought the bill would not even come to the floor for a final vote due to Congressional discord between R's and D's.

Halibut Commission. Commissioners Linda Behnken and Bob Alverson have both been given a 5-month extension to August 31st of this year for their terms. The White house has yet to announce new Halibut Commissioners from the public process to select or reappoint Commissioners.

Second Watch

*Please welcome as a new **Sustaining Sponsor, Petro Marine Services, Anchorage, AK, Kurt Lindsey, owner.** Thank you for your support!

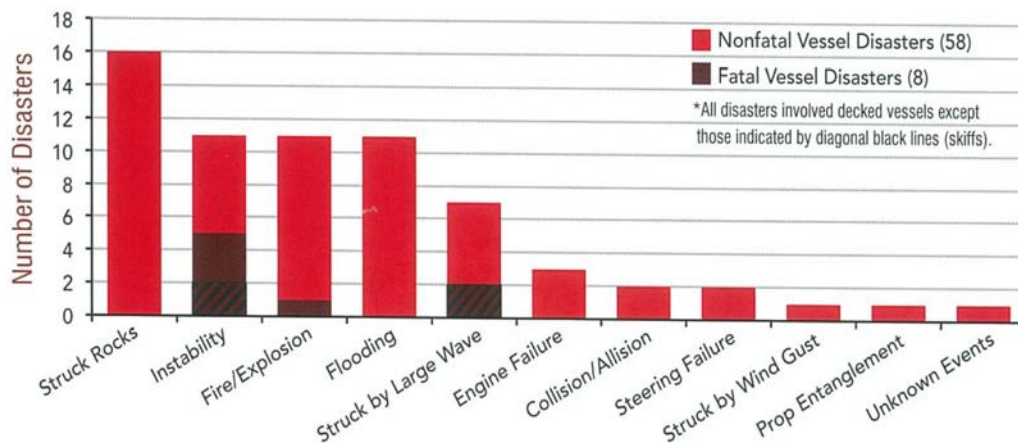
Port of Seattle – Fishermen’s Terminal. Well they keep saying it is going to happen but it has not yet. The Port will remove net sheds 7 and 8 and the old Bank of American building through the Spring and Summer. A new building called the “Gateway Building” will replace these buildings and it will have a fisheries supply company. They will build a new gear shed on the West Wall and a new multipurpose building for work related repair for vessels. The old Seattle Ship Supply is to come down as well. Parking will be a problem for the next couple of years.

Seafood.com – Switzerland. Switzerland has banned the common culinary practice of throwing fresh lobsters into boiling water as part of an overhaul of its animal protection rules. “Live crustaceans, including the lobsters, may no longer be transported on ice or in ice water. Aquatic species must always be kept in their natural environment. Crustaceans must now be stunned before killing them,” say the rules adopted by the government on Wednesday that will take effect in March.

Safety. Have a safe season. Here are some statistics of Alaskan injuries.

Figure 4

Causes of Vessel Disasters, Alaska, 2010–2014* (66 Total)



Vessel disasters resulted in the most fatalities during 2010–2014. A total of 66 vessel disasters occurred in Alaskan waters during this time period (Figure 4), placing 217 crewmembers at risk of immersion and death. While 93% of crewmembers involved in vessel disasters survived, eight disasters resulted in 15 fatalities. Skiffs were involved in half of those fatal events, and poor weather was reported to have contributed to three fatal disasters. The leading causes of fatal disasters were instability and being struck by large waves. In comparison, the leading causes of nonfatal vessel disasters were striking rocks and flooding. Over half (56%) of vessels that ran aground involved either an unattended helm or a crewmember asleep at the helm.

Figure 5



During 2010–2014, 14 crewmembers died from drowning after falling overboard, contributing to 31% of fatalities in the region (Figure 5). None of the fishermen were wearing a personal flotation device (PFD) when they drowned. Nearly half (43%) of the falls were not witnessed by other crewmembers, either because the fishermen were alone on the vessel (1) or alone on deck (5). Falls overboard were most frequently caused by loss of balance and tripping or slipping on deck.

****Markets****

Halibut. The season begins. There are few landings as of the date of this report. Prices are ranging from \$4.25 to \$5.50 a pound for April deliveries. Several processors are citing frozen inventory from 2017. The East Coast saw deliveries from Norway, Denmark and the Eastern Canadian of fresh halibut during the winter of about 7 million lbs. This apparently impacted the East Coast markets of Pacific Halibut which were a frozen product competing against fresh Atlantic Halibut. If this is the case, it may be an argument for a longer West Coast season. I talked to B.C. Canadian fishermen and their prices are \$7/Canadian. (There is about a 30% difference in value to the U.S. Dollar).

NOAA Fisheries
 PO Box 21668
 Juneau, AK 99802-1668

Prepared: 04/16/2018
 Restricted Access Management
 800-304-4846

Individual Fishing Quota (IFQ) Allocations and Landings

Area	Species	Vessel Landings	Total Catch Pounds	Allocation Pounds	TAC		Percent Landed
					Remaining Pounds		
2C	halibut	144	629,030	3570000	2,940,970	18	
3A	halibut	126	733,486	7350000	6,616,514	10	
3B	halibut	8	62,698	2620000	2,557,302	2	
4A	halibut	***	***	1370000	***	***	
4B	halibut	***	***	840000	***	***	
4C/4D	halibut	***	***	880200	***	***	
Total		284	1,461,815	16630200	15,168,385	9	

Sablefish. Well the story is the same from Crescent City, California to Bellingham to all port in Alaska, a lot of small sablefish in the market. Currently, prices up and down the Cost are in significant flux. However, one FVOA vessel received the following delivered in Yakutat. 7&Ups - \$7.85; 5-7lbs. - \$7.30; 4-5's - \$4.80; 3-4's - \$4.00; 3 lbs. - \$3.00; 2 lbs.- \$2.00; 1 lb. - \$1.00 and dropping. The good news is the resource is restoring itself. Next year the fish will be fatter and with these lower prices your market will be larger. If the year class strengths are as big as the scientists think, you are in for a three year ride to the top of the mountain!

NOAA Fisheries
PO Box 21668
Juneau, AK 99802-1668

Prepared: 04/16/2018
Restricted Access Management
800-304-4846

Individual Fishing Quota (IFQ) Allocations and Landings

Area	Species	Vessel Landings	Total Catch Pounds	Allocation Pounds	---- TAC ---- Remaining Pounds	Percent Landed
BS	sablefish	***	***	2630088	***	***
CG	sablefish	7	59,929	1291896	1,231,967	5
SE	sablefish	33	274,604	9096180	8,821,576	3
WG	sablefish	96	1,135,720	6556480	5,420,760	17
WY	sablefish	***	***	2722681	***	***
	sablefish	40	700,462	3503109	2,802,647	20
Total		181	2,320,827	25800434	23,479,607	9

Pacific Cod. The market is very hot with reduced abundance in several geographic areas. The Gulf of Alaska saw an 80% reduction, Northern Cod stocks in Eastern Canada are down up to 29% (Seafood News); Russia increased their Cod by 32% but then no one believes what the Russians actually do. Adak prices for pot cod was .40-.43 a pound depending on volume landed with some prices near .45 in the Central Gulf and Kodiak getting .50/pound. There was little volume in the GOA. Frozen at sea Pacific cod FOB Dutch Harbor, depending on size of fish, is averaging \$2.00 to \$2.05 per pound.


****Calendar of Events****

June 4-12, 2018	NPFMC Meeting	Best Western Convention Center, Kodiak, AK
June 6-14, 2018 Advisory Bodies may begin Thurs. June 7	PFMC Meeting	Doubletree by Hilton Spokane, WA
September 5-12, 2018 Advisory Bodies may begin Thurs. Sept. 6	PFMC Meeting	Doubletree by Hilton Seattle, WA
September 19-20, 2018	IPHC Work Meeting	Bellingham, WA
October 1-9, 2018	NPFMC Meeting	Hilton Hotel Anchorage, AK
October 26, 2018	Bob's 70th Birthday	Woohoo!
November 1-8, 2018 Advisory Bodies may begin Fri., Nov. 2	PFMC Meeting	San Diego Marriott Del Mar San Diego, CA
November 27-28, 2018	IPHC Interim Meeting	Seattle, WA
Dec 3-11, 2018	NPFMC Meeting	Hilton Hotel Anchorage, AK

FVOA will have representation at all of these meetings to protect your interests!




From the Parade of Boats leaving Fishermen's Terminal going to the Museum of History and Industry (MOHAI) to celebrate FVOA's 100th Anniversary in 2014.




VESSEL LOANS
MARITIME RELATED BUSINESS LOANS
QUOTA/PERMIT LOANS

206.397.3110 | 2244 NW 56th St., Seattle, WA 98107



MOUNTAIN PACIFIC
 bank
 Keeping it local





- Galleys
- Helm Seats
- Cushions
- Mattresses
- Curtains
- Covers
- Dodgers
- Headliners



Marine Upholstery

RECREATIONAL & COMMERCIAL BOATS
CUSTOM CANVASES & ENCLOSURES




Pick-Up & Delivery Available

(206) 783-1696
www.mactops.com

Mobile Services
Free Estimates

Fast Quality Work
Insurance Claims

- Carpets
- Foam
- Repairs
- Custom Bedding
- Sheets
- Comforters






**Keep Us in Mind Every
 Time Your Vessels
 Come to Port!**



Your trusted source.

We support fisheries and agriculture with reliable, consistent credit and financial services, today and tomorrow.

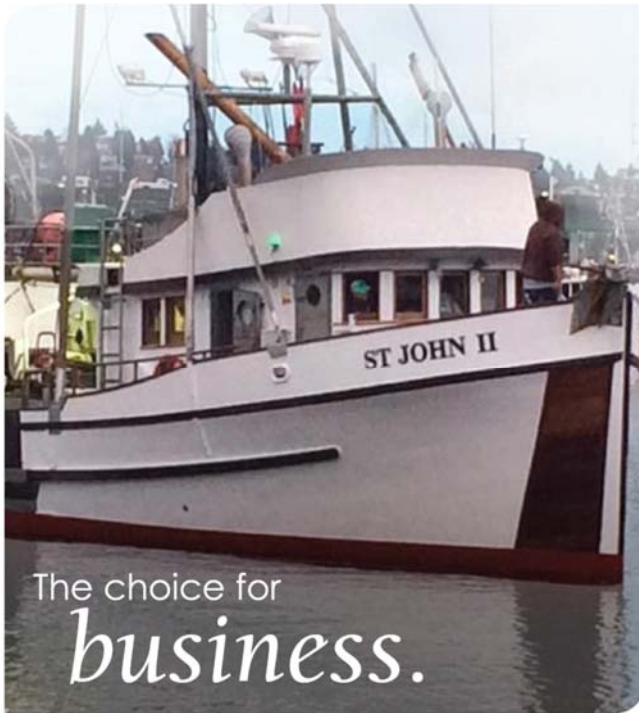
- Vessels
- Quotas
- Operating Lines of Credit

206.691.2000 | northwestfcs.com/fisheries

The institution is an equal opportunity provider and employer.
 *Served through Northwest Farm Credit Services Insurance Agency.



Here to Help You Grow™



The choice for
business.

Boat Loans
Quota Loans
Permit Loans
Maritime Financing

**Ballard Commercial
Banking Center**
5600 24th Avenue NW
Seattle, WA 98107
(206) 790-2742

Member FDIC

Peoples Bank
A higher level of service.

peoplesbank-wa.com

Have a safe fishing season!



See you next fall!