

# The Wheel Watch

*a newsletter of the*

Fishing Vessel Owners= Association  
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Vol. XXVI, No. 2

April 2012

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***Thank you for your support!***

Dear Longliner:

This newsletter will bring you up-to-date on the news from the Pacific Council, North Pacific Council, IPHC, and Washington, D.C.

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

**Sablefish.** The following tier limits will be in effect for 2012:

Tier 1 – 46,238 lbs.

Tier 2 – 21,017 lbs.

Tier 3 – 12,010 lbs.

<b><u>ACLs (Allowable Catch Limits):</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>
North of 36°	5347 Mt	4012 Mt	4349 Mt
South of 36°	<u>1298 Mt</u>	<u>1439 Mt</u>	<u>1560 Mt</u>
	6645 Mt	5451 Mt ↓17%	5909 Mt ↑6%

**Commercial Sablefish Fishery North of Pt. Chehalis:** The Council voted to allow a bycatch retention of 50 lbs. dressed weight of halibut per 1000 lbs. dressed weight of sablefish. This should be effective by the first of May but please check before you start any retention. **This applies to the limited entry tiered permits only.** The Pacific Council did not change the fathom restrictions on fixed gear. They are set at 100 fathoms south to 40' 10" and 150 fathoms from 40' 10" to 36' where it is at 100 fathoms.

Seven stocks are currently under rebuilding plans in the Pacific Council. The following are the species and expected date of recovery.

Bocaccio S of 40'10"	2022	Pacific Ocean Perch	2051
Canary	2030	Petrале	2016
Cowcod	2068	Yelloweye	2074
Darkblotched	2025		

**Trawl ITQ Program:** We had about eight (8) of our members participate in gear switching for sablefish in 2011. That is where trawl sablefish can be taken by either pot or longline gear. In fact, in the first year of the trawl ITQ program, 34% of the trawl sablefish was taken with fixed gear. Some trawlers have complained that this has not provided enough sablefish to direct a trawl fishery on Dover sole because the lease values for fixed gear sablefish are too high.

Those of you who have both a L.E. tier limit and a trawl permit on your vessel will likely get some regulatory relief. Currently you cannot have both registered on your vessel at the same time. NMFS and the Council hope to provide some relief on this by next year 2013.

Those of you who were planning on buying actual QS poundage on the lower coast trawl ITQ program will have to wait as NMFS has announced a ban on trades of QS until the Pacific Dawn vs. Bryson lawsuit is resolved. You can still purchase a trawl L.E. license but no fish attached to it.

**Birds.** The Pacific Council will be passing restrictions to require the use of tory lines on

vessels >54' in length. They will likely adopt the NPFMC restrictions for double tory lines for vessels >60'. Dr. Ed Melvin and FVOA are working on a couple of new tory line experiments for 2012 for the lower coast.

**Next Meeting:** June 21, 2012 in San Mateo, CA.

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

I want to thank John Crowley for assisting in efforts at the NPFMC in March.

**IFQ Proposed Amendments.** There were four old IFQ amendments that the Council asked the IFQ Implementation Committee to review plus asked to discuss the use of VMS in the halibut/sablefish fisheries. The following actions were taken by the Committee and the Council on these subjects.

- (1) Develop a discussion paper to allow retention of 4A halibut incidentally caught while targeting sablefish in the BS/AI. The Committee expanded this to include 4A, 4B and Bering Sea districts. The Council agreed, so this proposal is going to be developed.
- (2) Develop a discussion paper to explore using pots for the GOA sablefish fishery. There continues to be support for this from Petersburg and Central Alaska; however, the Committee and Council gave a low priority so it is on a slow track for now.
- (3) Develop a discussion paper to assess whether the problem of unharvested halibut IFQ in 4A is attributed to the vessel CAP in Area 4. This seemed to be supported by CDQ groups interested in putting more halibut under their vessel CAP. The quota was 92% harvested. FVOA opposed it. It received a low priority by the Committee and Council.
- (4) Increase the sablefish A share Cap. "An A share exemption" – FVOA argued that the sablefish quota was 97% being caught in the GOA, for all categories, and this would only lead to more consolidation and higher prices. Some freezer longliners supported it. It was given a low priority by both the Council and the Committee.

**VMS.** The following chart was presented in a VMS report. FVOA supports VMS for everyone operating in federal waters. I was the only one out of 14 who voiced support on the Committee.

**Vessel count of VMS equipped halibut IFQ, halibut CDQ, sablefish IFQ, and Jig vessels by length**  
Vessel Length

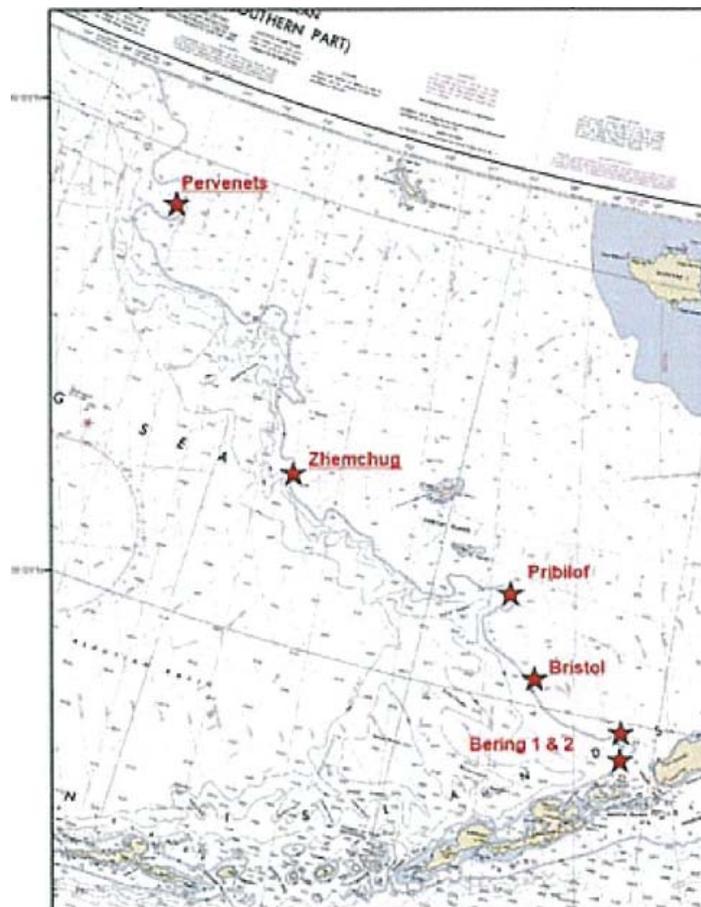
Fleet	VMS Equipped	Vessel Length					Total
		<30'	30'-59'	60'-89'	90'-124'	125'-200'	
Halibut IFQ vessels	No	170	640	20	1	0	831
	Yes	0	183	40	6	1	230
Halibut CDQ vessels	No	170	30	0	0	0	200
	Yes	0	8	3	0	0	11
Sablefish IFQ Vessels	No	3	223	18	0	1	245
	Yes	0	103	29	12	8	152
Jig Vessels	No	10	56	0	0	0	66
	Yes	0	11	0	0	0	11

Source: AKFIN vessel Table and Patty Britza of Sustainable Fisheries

Vessel groups from S.E. just did not see the problem. Some others acknowledged a

potential problem of vessels operating in waters they don't have quota for. It appears this proposal is stalled. The Council will have a paper developed to look at various options.

**HAPC – Habitat of Particular Concern for Skate egg casings.**



There were several options that were proposed to restrict fixed gear from six Bering Sea areas where skates lay their egg casings. They included areas in the Pribilof Canyon, Zhemchug Canyon and Pervenets. The new analysis of these restrictions acknowledged differences in gear impacts on the sediment and skate egg casings. The Council removed the restrictions that would have applied to fixed gear operations.

**Charter vs. Commercial – Catch Share Program.**

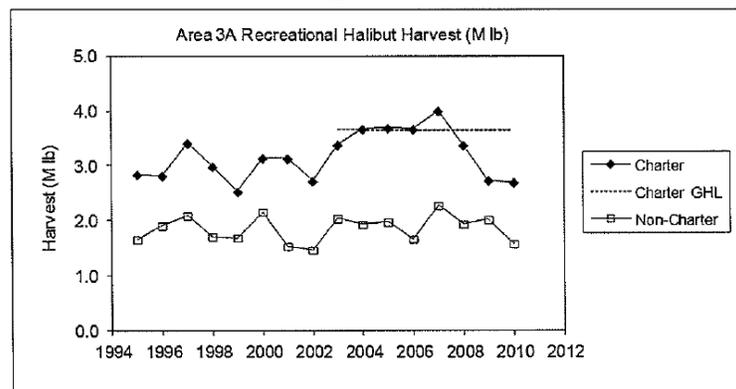


Figure 2 Area 3A recreational halibut harvest, 1994 – 2010 (Source ADF&G)

The Council is now in its 19<sup>th</sup> year for seeking a solution to this allocation fight. We had a final Council action that was an IFQ design, which was turned back by NOAA. We are currently working under a Guideline Harvest and we had a Catch Plan recently rejected by NOAA. Our FVOA meeting with Dr. Lubchenco, head of NOAA, was held on March 29<sup>th</sup>. She hinted that in order to gain acceptance of a Catch Share Plan, additional quota will need to be given to the Charter operators. Dr. Balsiger of NMFS was also in attendance. The failures of Council actions cannot be laid entirely at the Council's feet. At least two Alaskan Governors, including Governor Parnell's administration, expressed objections to past and recent Council proposals. Senator Stevens, Senator Begich and Congressman Norm Dicks have all intervened with letters on behalf of the Charter interests at different times.

The issue is, the State of Alaska considers tourism more important than halibut QS holders. A QS holder, either first or second generation, will potentially give up 5% to 6% of their 3A quota to get an acceptable political solution. The Council added several adjustments to the Catch Share Plan to study, that results in less commercial allocation.

1. They propose to manage based on log books rather than the current phone in scientific method of verification. The log book over the last five years suggests a 15.4% higher catch than acknowledged by the current assessment methods. So the Council, if they use log books, suggests the Charter catch has always been 15% higher so that should be the new accepted historical catch to base their allocation on. In 3A, this would increase the percentage from 15.4% to 17.8% on low abundance and go from 14% to 16.2% on higher abundance. 2C could go to 17.3% and 15.9% respectively.
2. The current CSP has a plus or minus 3.5% acceptance of accuracy. This would be dropped and added to the Charter allocation on low abundance. Hence, pushing the charter 3A allocation up to 18.9%. Area 2C could go to 20.8%.
3. Bycatch mortality by commercial and charter would come off the respective allocations. This doesn't amount to much of a difference. Below is the previous CSP matrix for 3A. It provides a 15.4% allocation at low limits and a 14% allocation at higher quota levels.

### Area 3A

#### Charter Fishery Bag & Size Limit Regulations

Combined Catch Limit (million lbs)	Allocation	If charter harvest within allocation range	If charter harvest projected to exceed allocation range	If charter harvest projected to be below allocation range
<10	Comm Alloc = 84.6% Charter Alloc = 15.4% Charter Range = 11.9-18.9%	One Fish	Maximum size limit imposed that brings harvest to <15.4%	One Fish
≥10 - <20	Comm alloc = 86.0% Charter alloc = 14.0% Charter range = 10.5-17.5%	One Fish	Maximum size limit imposed that brings harvest to <14.0%	Two fish, but one must be less than 32" in length
≥20 - <27	Comm alloc = 86.0% Charter alloc = 14.0% Charter range = 10.5-17.5%	Two fish, one must be less than 32" in length	One fish	Two Fish
≥27	Comm alloc = 86.0% Charter Alloc = 14.0% Charter range = 10.5-17.5%	Two Fish	Two fish, but one must be less than 32" in length	Two Fish

The Council will develop a new analysis with the different proposed allocation options. The Council plans to take final action at the October 2012 meeting. If these proposals are adopted, it would result in a 1.5 million pound shift or \$45,000,000 in reallocation.

The State of Alaska's support to increase the charter halibut percentages is also seen in

other species. The Alaska Board of Fish has considered reallocating Demersal Shelf Rock fish from commercial to charter/sports (Proposal 212) and to remove the annual sablefish sports limit. Sports take in State waters is now at 4%. Governor Parnell's Board of Fish has made very aggressive moves against commercial interests in other areas of Alaska as well.

**ATTENTION!** The Council has developed information on how your halibut prices have increased as well as the price of QS. The Council is justifying that these increases justify further allocations from your QS to charter quotas. The question is, are you ready to call Governor Parnell? Will you testify in October? Governor's phone No. 1-907-465-3500

The next meeting of the Council will be June 4-12, 2012 in Kodiak, Alaska. The Council is scheduled to take final action on the Gulf of Alaska halibut CAP. The Council will also present a Halibut/Sablefish IFQ leasing prohibition discussion paper prepared by NMFS.

Oceana sent a letter expressing concern over the bycatch of 21,000 Mt of Grenadiers associated with sablefish catches.

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

**National Ocean Policy (NOP):** The President, under Executive Order 13547, established a 27 member National Ocean Council to examine "Marine Spatial Planning." The act of the President has not been authorized by Congress nor funded by Congress. The authority of this group allows it to enact policy over ocean wind energy, coastal oil drilling, coastal estuaries, management (inside state waters) as well as fishing policies from 3 to 200 miles, generally undertaken by the Pacific and North Pacific Fishery Management Councils. Members of FVOA met with Dr. Lubchenco in late March and discussed this topic. Dr. Lubchenco assured us this was not an attempt to second guess the Fishery Councils. During the same week, Green Peace presented comments at the NPFMC on why Zhemchug and Pribilof Canyons should be closed to fishing based on eco-systems management philosophies. There is a fear that if the Council fails to take closure actions of these Canyons, the NOC could take those actions.

Representative "Doc" Hastings from eastern Washington has opposed any funding for the NOP and has questioned the administration on where funds are being redirected from in order to fund the activity of the NOP.

"The Obama Administration continues to move forward with zoning the oceans through implementation of the President's National Ocean Policy without requesting funding specifically for this broad initiative and without answering basic questions about how funds are currently being diverted from other missions to fund this initiative. Therefore, I ask that you please consider including language in each appropriations bill to specifically prohibit the use of funds for the implementation of the National Ocean Policy". ... Rep. "Doc" Hastings (R)

I suspect this struggle between Congress and the Administration will continue for another four years. I also suspect the NOP will make a move in the next two years to force some Canyon closures.

**EPA:** Permits for under and over 79'. I don't have any new information on this series of marine restrictions. However, one of our processor friends told me he had received a proposed fine of \$12,000 for washing out a halibut cargo net on his dock. Stay tuned.

## \*\*Markets\*\*

**Halibut.** Prices seem to remain reasonable at \$5.80/lb to \$6.25/lb. in Seward in early April. There is some high-priced carryover from 2011 in some inventories. I suspect by mid-June this carryover should be out of the market. The lower harvest limits by late summer will put upward pressure on prices.

Halibut Ex-Vessel Price Trends

	2009	2010	2011
March	\$3.57	\$4.65	\$6.37
April	\$3.22	\$4.49	\$6.33
May	\$2.79	\$4.44	\$6.39
June	\$2.97	\$4.67	\$6.49
July	\$3.07	\$4.82	\$6.61
August	\$3.18	\$5.07	\$6.75
September	\$3.06	\$5.22	\$6.84
October	\$3.06	\$5.22	\$6.84
November	\$3.06	\$5.22	\$6.84
Average	\$3.11	\$4.87	\$6.61

Source: NMFS; \$/lb., Alaska monthly; annual average STN

Individual Fishing quota (IFQ) Allocations and Landing  
For Fishing Year 2012

Area	Species	Vessel Landings	Total Catch Pounds	TAC		Percent Landed
				Allocation Pounds	Remaining Pounds	
2C	Halibut	136	422,959	2,624,000	2,201,041	16
3A	Halibut	124	1,080,805	11,918,000	10,837,195	9
3B	Halibut	4	40,042	5,070,000	5,029,958	1
4A	Halibut	***	***	1,567,000	***	***
4B	Halibut	***	***	1,495,200	***	***
4C/4D	Halibut	***	***	1,328,827	***	***
Total		265	1,564,475	24,003,027	22,438,552	7

**Sablefish.** The Yen versus the dollar was at 81.7 today. This reflects a strengthening of the dollar against the yen by 5% since the end of last season. Prices up north in Alaska remain robust. An early April Yakutat delivery received \$8.45 for 7 $\uparrow$ ; \$7.75 for 5-7; \$6.85 for 4-5's; \$5.30 for 3-4's; \$4.75 for 2-3's; and \$4.75 for 1-2's. The small price cannot be taken serious as there were only 50 lbs. out of 36,000 lbs., in the 2 small categories.

Area	Species	Vessel Landings	Total Catch Pounds	Allocation Pounds	Remaining Pounds	Percent Landed
AI	Sablefish	***	***	2,710,776	***	***
BS	Sablefish	***	***	1,966,503	***	***
CG	Sablefish	32	374,811	10,158,797	9,783,986	4
SE	Sablefish	80	1,320,597	6,995,196	5,674,599	19
WG	Sablefish	***	***	3,139,350	***	***
WY	Sablefish	26	606,547	4,356,290	3,749,763	14
Total		145	2,411,024	29,326,912	26,915,888	8

However, on the lower coast where small fish are common in a load of fish, the early prices for April deliveries were as follows for Illwaco, WA. pot/longline and Morro Bay, CA.

Size	Ilwaco, WA	Morro Bay, CA
7 ups	\$8.25	\$8.00
5-7's	\$7.75	\$7.25
4-5's	\$6.35	\$5.85
3-4's	\$4.80	\$4.30
2-3's	\$4.00	\$3.50
1-2's	\$2.60	\$2.10

**Pacific Cod.** Dutch Harbor deliveries of pot and longline cod received .39/lb. Cod quotas are up 15% from last year. However, the Adak price as of the last week in March was at .32/lb.

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

**VMS Refund.** If you find yourself being required to carry a VMS, you can be reimbursed up to \$3,100. You need a receipt, verification from the Office of Law Enforcement, and apply to Pacific States Marine Fisheries Commission. Step 1 – Call the Office of Law Enforcement at 888-219-9228, VMS Help Desk. Step 2 – for money back, call Pacific States Marine Fisheries Commission, 1-503-595-3100, Kristiana Kroneck.

**Icicle Seafoods** has acquired Snopac. Icicle had sales of \$400 million and ranks 12<sup>th</sup> among North American seafood companies. ...Seafood.com

**In Canada** – After much objection from the sports industry, Ottawa reallocated 3% of the Canadian IFQ program to the sports sector going from 12% to 15%. Apparently, this fish switch did not generate joy among the recreational interests. They wanted more.

**NOAA Office of Law Enforcement** announced that Zen Restaurant in Juneau will pay \$18,000 for purchasing subsistence-harvested Pacific halibut in 2010.

**Vessel Caps in Alaska IFQ** are 1% of all sablefish IFQ TAC, 293,269 round Pounds, 184,759 dressed. 5% of all halibut IFQ TAC, 120,015 net lbs.

**Icicle Seafoods** purchased juveniles from Troutlodge and put 20,000 blackcod in National Marine Fisheries Service-owned cages adjacent at the Icicle farm off of Bainbridge island, WA in the summer of 2011. The company expects its first cod harvest in about two years.

...from our Canadian sources

Blackcod farm experiments have continued over 10 years. There is definitely a problem

with brood stock as the company in Canada is continually having to renew their brood stock. Isa, according to Canadian sources, has been found in farmed sablefish in BC. The Canadian Government has kept this quiet for both salmon and blackcod pen operations.

Please welcome as new Sustaining Sponsors the following groups: **Seattle Bank**, Richard Mulcahy, Senior Vice President, Seattle, WA; **LFS, Inc.**, Bellingham, WA.; **MorganStanley – Smith Barney**, Nick Paget, Seattle, WA; **Alaska Glacier Seafoods, Inc.**, Mike Erickson, Sr., Juneau, AK. Thank you for your support!

**Financing Halibut and Sablefish QS.** We have four sustaining sponsors who are interested in financing QS and other aspects of the maritime industry.

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### **\*\*IPHC\*\***

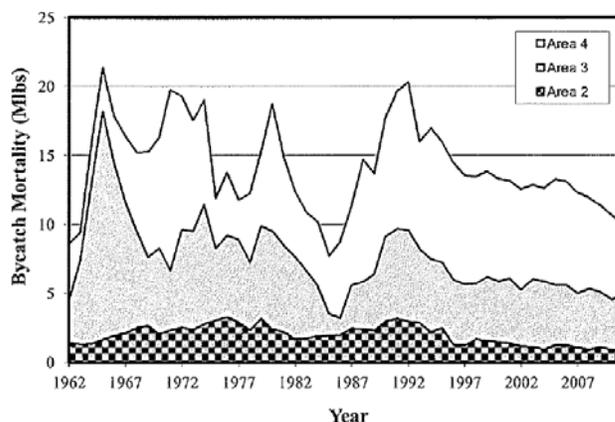


Figure 1. Bycatch mortality of Pacific halibut by IPHC regulatory area (millions of pounds, net weight), 1962-2011.

There will be a bycatch workshop April 24-25, 2012 at the Crowne Plaza Hotel in downtown Seattle. This meeting is intended to discuss halibut bycatch and bycatch mortality impacts on migrating fish. The impetus for the discussion comes largely from the Bering Sea trawl organizations who are questioning the IPHC's conclusions of juvenile halibut migration and importance to the spawning biomass. The trawlers have hired two biologists to review the IPHC work. Presentations will be made by IPHC, Canada, NMFS, and some international presentations. The trawl scientists have been given access to IPHC offices, a desk and files. See you there.

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### \*\*Calendar of Events\*\*

<b>Sunday, May 6, 2012</b> @ 2 pm	Seattle Fishermen's Memorial Service (Name's ceremony)	Central Plaza Fishermen's Terminal Seattle, WA
<b>Week of June 4</b>	NPFMC Meeting	Kodiak, AK
<b>June 20-25, 2012</b> (Advisory bodies may begin Tue., June 19 Council session begins Wed., June 20)	PFMC Meeting	San Mateo Marriott San Mateo, CA
<b>September 12-17, 2012</b> Advisory Bodies may begin Tues. Sept. 11 Council Session begins Wed., Sept. 12	PFMC Meeting	Doubletree Hotel Boise, ID
<b>September 22, 2012</b>	Fishermen's Fall Festival	Fishermen's Terminal Seattle, WA
<b>October - week of October 1</b>	NPFMC Meeting	Anchorage Hilton Anchorage, AK
<b>October 31-November 5, 2012</b> Advisory Bodies may begin Tue., Oct. 30 Council session begins Wed. Oct. 31	PFMC Meeting	Hilton Orange County/Costa Mesa Costa Mesa, CA