

# The Wheel Watch

*a newsletter of the*

Fishing Vessel Owners' Association  
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Dear Longliners and Sustaining Sponsors:

This fall newsletter will bring you up-to-date on the October North Pacific Council and September Pacific Council meetings, Washington, D.C. activities, USCG, and market price information.

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

**Observer Program:** The Council approved changes to the observer program for the 2017 season. The Council closed some gaps in their program such as the tendering issue where vessels could make multiple deliveries to tenders and not be required to call in for an observer. Tender deliveries will be in their own category in 2017. The coverage rates are as follows for 2017:

Hook and Line – 11%  
Tender Hook and Line – 27% (they only expect 11 deliveries)  
Pots – 3%; Tender Pots – 6%  
Trawl – 18%; Trawl Tender – 14%

There will be no exemptions from observer coverage due to insufficient life rafts. Vessels 40-57.5' can't be selected for a 3<sup>rd</sup> consecutive trip. (I call this the Expatriate rule, except the Expatriate is 58 feet in length. I think she holds the record at 5 consecutive picks for an observer.)

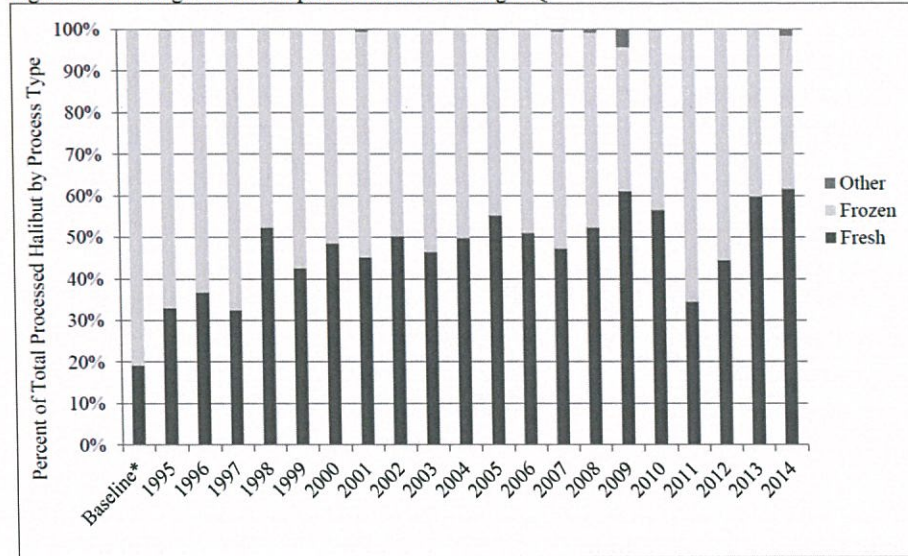
**IFQ Review.** The Council will have the IFQ Committee evaluate and provide recommendations on future revisions to the IFQ program on the following:

- Impacts on quota share loss on rural communities defined at 1500; 2500; and 7500 persons;
- Geographic distribution of new entrant quota ownership;
- Use of hired masters in the IFQ fisheries;
- Use of medical use provisions;
- Define meaning of immediate family survivor;
- Sweep-ups of small quota share units.
- The Council intends to remake the Halibut/Sablefish IFQ committee.

**The following graphics are from the 20-year review of the Halibut/Sablefish program presented at the October NPFMC meeting.**



Figure 2.3-1 Changes in halibut product form following IFQ

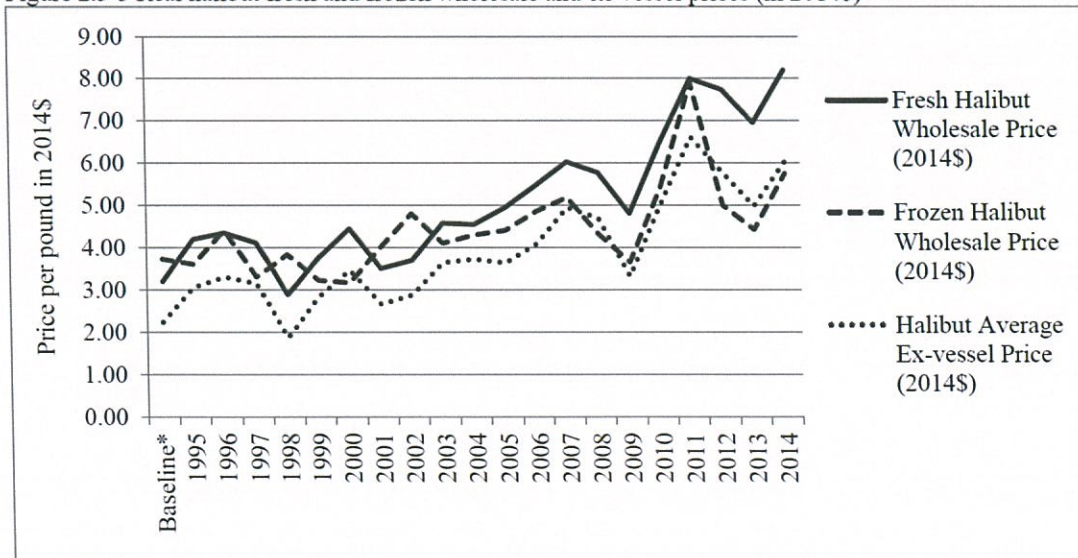


Source: COAR production data sourced by AKFIN

Figure note: The calculation of fresh and frozen products includes all fresh and frozen product types, i.e., inclusive of vacuum-packed fresh and frozen products.

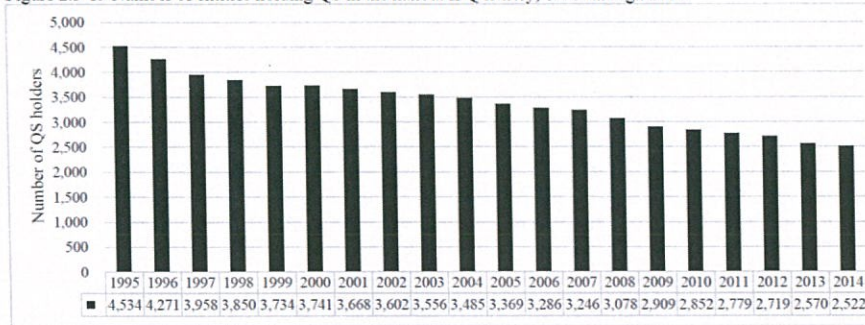
Unlike halibut, the product form of sablefish did not significantly change with the implementation of the IFQ Program. Sablefish continues to be a predominantly frozen product for the export market.

Figure 2.3-3 Real halibut fresh and frozen wholesale and ex-vessel prices (in 2014\$)



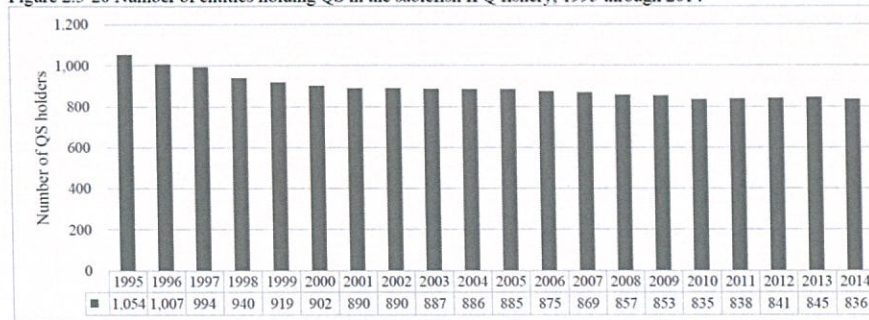
Source: COAR production data sourced by AKFIN and NMFS-RAM price data.

Figure 2.3-19 Number of entities holding QS in the halibut IFQ fishery, 1995 through 2014



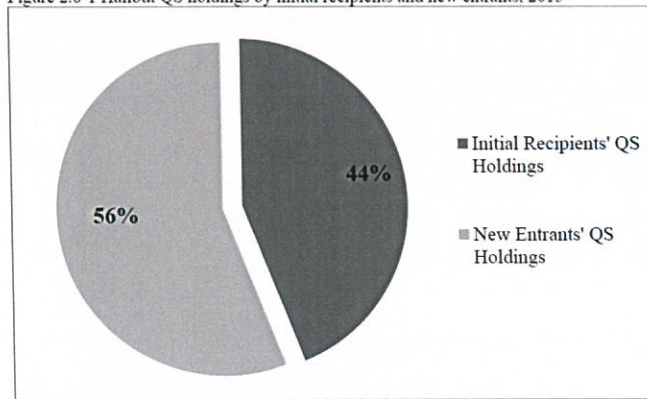
Source: RAM IFQ shareholdings database sourced through AKFIN

Figure 2.3-20 Number of entities holding QS in the sablefish IFQ fishery, 1995 through 2014



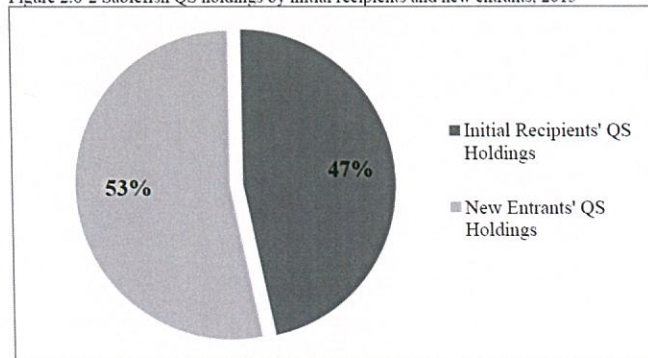
Source: RAM IFQ shareholdings database sourced through AKFIN

Figure 2.6-1 Halibut QS holdings by initial recipients and new entrants, 2015



Source: NMFS IFQ QS holdings database sourced by AKFIN

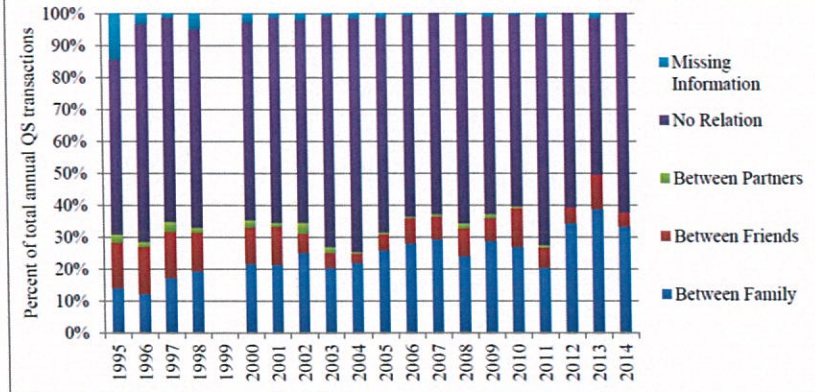
Figure 2.6-2 Sablefish QS holdings by initial recipients and new entrants, 2015



Source: NMFS IFQ QS holdings database sourced by AKFIN

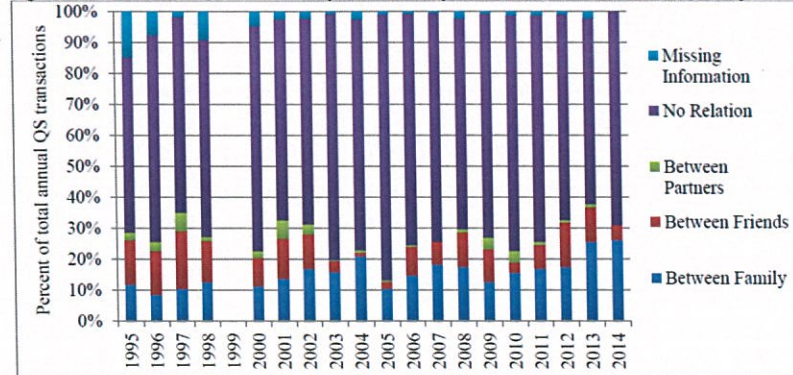


Figure 2.6-10 Percent of QS transactions by relation of buyer and seller in the halibut IFQ fishery



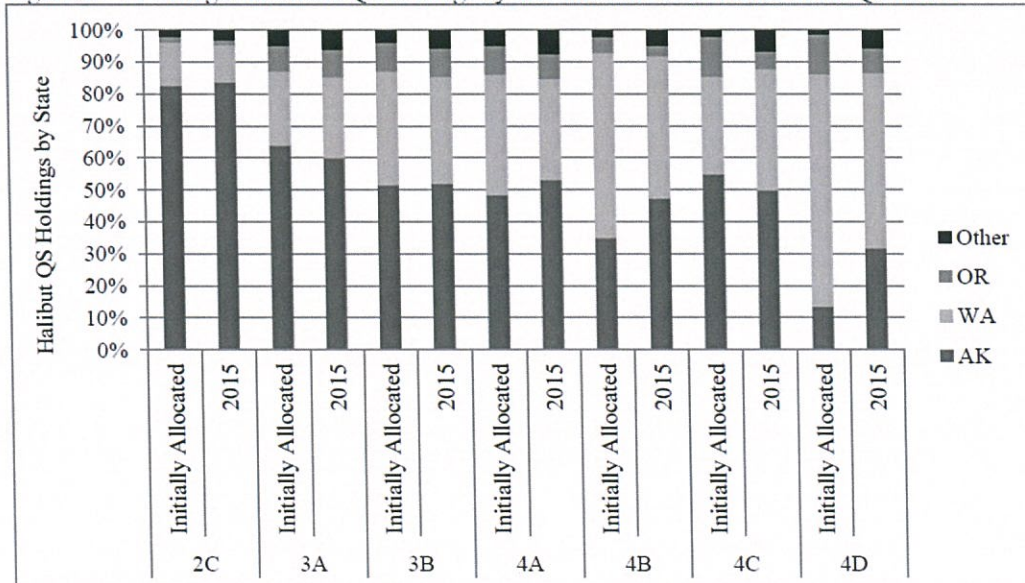
Source: NMFS 2015a

Figure 2.6-11 Percent of QS transactions by relation of buyer and seller in the sablefish IFQ fishery



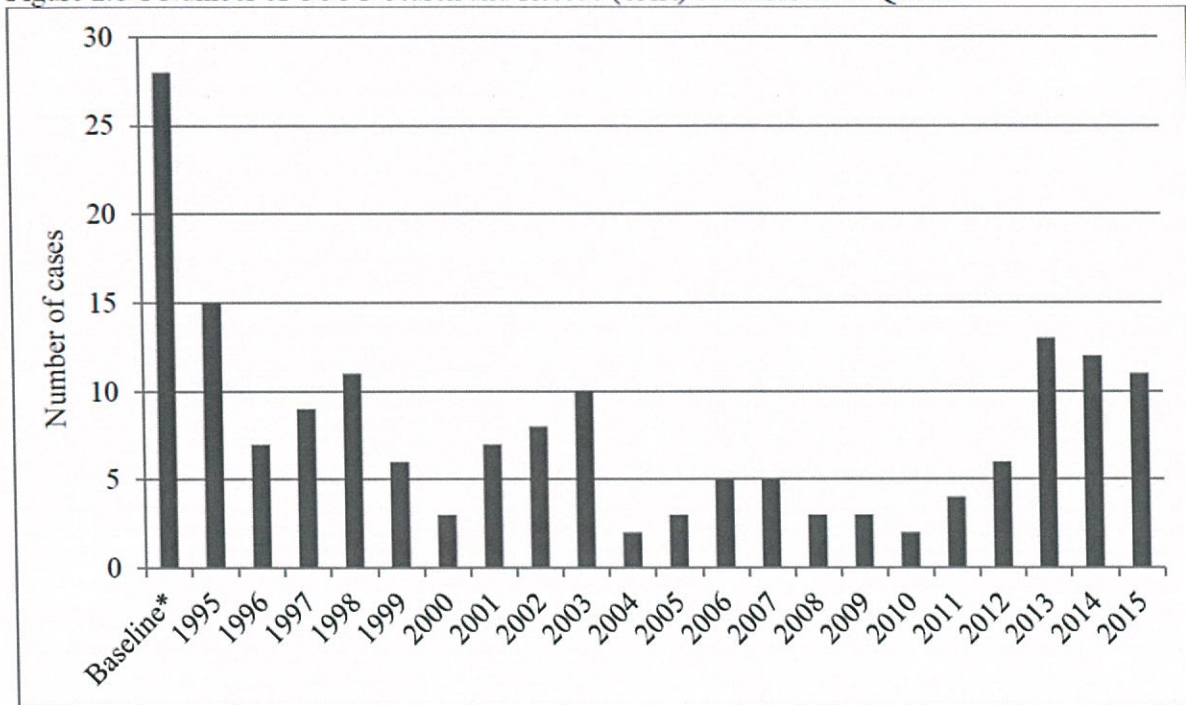
Source: NMFS 2015b

Figure 2.7-11 Changes in halibut QS holdings by area and state of residence of the QS holder



Source: NMFS RAM IFQ QS holdings database sourced by AKFIN

Figure 2.8-1 Number of USCG Search and Rescue (SAR) cases for the IFQ fleet



Source: USCG Alaska District

**Area 4 Halibut IFQ Leasing:** This would not include Area 4A. There is also an option not to include area 4B. The Atka fishermen represented by Clem Tillion opposed this. The CDQ fishermen in St. Paul have requested this. The final action could be in December.

**December meeting RQE's:** The Council will take final action on a proposal that will allow the recreational fleet to, as a group, purchase and put QS in a holding account to accrue for additional fishing opportunities when harvest limits are low. There will be two geographical groups, one for 3A and one for 2C. It is likely to be paid with a license tax for halibut when sport fishing.

**Sablefish Pots in the Gulf:** This regulation will become effective later this year and operational for 2017. The following are the rules for using pots.

- If you have halibut gear and pot gear on your vessel at the same time, that will be legal;
- The entrance to the tunnel will need to be restricted to 9 inches;
- Pot limits were set in all Gulf areas. The SE/WY pot limit is 120 pots; the pot limit is 300 pots for the Central and Western Gulf. Pot tags will be issued and must be attached to active pots. Lost pots must be logged and reported.
- In SE, Pot gear must be removed from the grounds when a vessel delivers sablefish.
- Pot gear must be removed or redeployed every five days, except in the Western Gulf where it must be removed or redeployed every seven days.

- Pot sets must be marked with a cluster of four or more marker buoys, including one hard buoy marked LP, a flag mounted on a pole, and a radar reflector. Pot boats will also be required to carry VMS and complete logbooks

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

**Regulation Change:** The long awaited amendments to the sablefish tiered program were published in the Federal Register on July 1, 2016. Unfortunately, they will not be effective until very late October making them unusable for the 2016 season. They will be available for the 2017 season. The changes include:

1. Ownership and control rule changes that more directly identify your ownership in a tiered permit. If you work with a vessel in Alaska and someone is on your USCG papers as an owner, this should no longer create a problem.
2. You will be able to register a tiered permit and a trawl ITQ (sablefish) permit to your vessel simultaneously. In the past, you could only have 1 permit at a time and you had to wait for odd number months to change/switch your permits.
3. They will require electronic fish tickets for 2017.

### **Sablefish Harvest Limits for 2017 and 2018**

Limited Entry sablefish FMP allocations north of 36° N. latitude.

LEFG – Limited Entry Fixed Gear

Year	Sablefish Com HG	LE Share	LEFG Share (mt)				Estimated Tier Limits (lbs) a/		
			LEFG Total Catch Share	Reduced Bycatch Due to Discards	Tiered Season Share	Daily Trip Limit Share	Tier 1	Tier 2	Tier 3
2017	5,405	4,897	2,057	1,983	1,685	297	51,956	23,616	13,495
2018	5,637	5,107	2,145	2,068	1,758	310	54,188	24,631	14,075

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 2013. In 2017-2018, 18 percent of the sablefish caught are anticipated to be discarded and 20 percent are expected to die.

**Tier limits for 2016** were: Tier 1 – 45,053; Tier 2 – 20,479; and Tier 3 – 11,702. The proposed increases above in harvest limits represent a 15% increase for 2017 followed by a 4% increase for 2018. There was a very nice year class three years ago that seems to be showing up in the fishery.

**Canary Rock Fish:** These will be listed as recovered from being overfished in 2017. The harvest guideline will increase significantly. The allocations will be as follows for 2017 and



2018.

Harvest Guidelines	2017	2018
Trawl allocation	890 Mt	822 Mt
Non-trawl	780 Mt	721 Mt
Total Harvest	1670 Mt	1544 Mt

You will be allowed a retainable bycatch which will be determined next year.

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

**Halibut.** Markets have been hot all year. Dolly and I traveled to Ashland, Oregon to watch some plays, Lake Chelan, and Coupeville on Whidbey Island. All the restaurants had halibut- **FRESH**- regardless of how remote we traveled. "Christopher's" in Coupeville has the best fish stew on the coast!

August 19<sup>th</sup> prices in Akutan - 10-20's - \$5.95; 20-40's - \$6.20; 40 ups - \$6.40  
 " " " " King Cove " \$6.00; " \$6.20; " \$6.45  
 September prices in Bellingham " \$7.65; " \$7.90; " \$8.10

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

For Fishing Year 2016

As of 10-12-2016

Area	Species	Vessel Landings	Total Catch Pounds	----- TAC -----		Percent Landed
				Allocation Pounds	Remaining Pounds	
2C	Halibut	1,240	3,699,652	3,924,000	224,348	94
3A	Halibut	1,406	7,061,861	7,336,000	274,139	96
3B	Halibut	334	2,501,707	2,710,000	208,293	92
4A	Halibut	158	1,264,003	1,390,000	125,997	91
4B	Halibut	85	771,764	912,000	140,236	85
4C/4D	Halibut	98	794,536	880,320	85,784	90
	<b>Total</b>	<b>3,321</b>	<b>16,093,523</b>	<b>17,152,320</b>	<b>1,058,797</b>	<b>94</b>

**Sablefish.** Prices have been very good. One major buyer has exported to 40 plus countries this year. Saudi Arabia is now a market for this wonderful product. Japan remains a major market. The yen vs. the dollar is at 105 today despite Japan trying to make its currency fall in value. The value was 120 a year ago. The lower yen value gives Japan's importers greater purchasing power so they can pay you more.

Prices paid in S.E. Alaska, Sitka, in October were <3 lbs. - \$5.00; 3-4's - \$5.85; 4-5's - \$6.60; 5-7's - \$7.85; 7 ups - \$9.60. Blackcod prices are all Eastern Cut.



## Individual Fishing Quota (IFQ) Allocations and Landings

For Fishing Year 2016

|----- TAC -----|

Area	Species	Vessel Landings	Total Catch Pounds	Allocation Pounds	Remaining Pounds	Percent Landed
AI	sablefish	48	568,981	2,059,096	1,490,115	28
BS	sablefish	68	313,854	1,014,116	700,262	31
CG	sablefish	600	6,451,617	7,094,403	642,786	91
SE	sablefish	515	4,960,755	5,108,058	147,303	97
WG	sablefish	175	1,788,671	2,244,283	455,612	80
WY	sablefish	216	2,770,497	2,832,911	62,414	98
	<b>Total</b>	<b>1,622</b>	<b>16,854,375</b>	<b>20,352,867</b>	<b>3,498,492</b>	<b>83</b>

There has been good news this season. Apparently, the sablefish survey vessel in Alaska had some better catches and caught fish from the 2014 year class. One of our members asked how young fish are treated in the model. Dana Hanselman, a lead scientist with NOAA, responded as follows:

“All fish are treated equally! Well not really, there are a couple of aspects to consider. When new fish show up they increase our RPN index (like this year). The way the model “sees” the fish is through the selectivity curve. On average, the survey doesn’t catch 2-3 year olds all that well so the selectivity curve says they are low-selected, so when a bunch show up the model estimates that there are a lot more of them. If this 2014 year class is in fact large, the model will start making that more apparent in the following years as they become fully selected by the fishery and survey. In addition, we don’t get ages for the survey and fishery until the following year so its reliant only on length compositions until next year which usually dampens the effect because we put more emphasis on age compositions than length compositions. Hopefully this helps, but let me know if I can clarify more.”

The new sablefish numbers and stock assessment will be out by late November at the Plan Team meeting in Seattle. It is held at Sand Point, November 14-18, 2016.

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

**Passings:** We lost a few friends and associates this past spring and summer.

**Arnold Ingvald Haram:** Long-time operator of the halibut schooner North, Arnold passed away May 22, 2016. He is survived by his brother and partner, John Haram of Poulsbo, Washington. Arnold was in the USCG in 1944 and saw service in South America, the Philippines and Japan.

**Spike Jones,** a longtime member and friend, lost his long battle with cancer. He lived in Oregon and was well-known for his Elk hunts. He served on the NPFMC Advisory Panel, and helped usher in our IFQ program.

**Gerry Gallagher,** longtime accountant for the salmon and halibut fleet passed away this

summer. His smile in the West Wall Building will be missed.

**Capt. Bill Sauer** passed away this summer. He recently skippered the F/V Vigorous, Bergen and Kristiana. He lived on Whidbey Island and will be missed.

**Southern S.E. Inside (SSEI)** annual harvest objective (AHO) will open for pot gear at 8:00 am Thursday, 9-1-2016 Noon to close, Noon, Tuesday, November 15, 2016. There are 23 permit holders, each with 20,998 round pounds. This harvest limit has declined 33% since 2011 due to poor recruitment, but a new year class could be on the way.

**Washington State:** The Department of Fish and Wildlife (WDFW) is considering increasing commercial fishing license revenue. The proposal will require legislative approval and would generate \$4.6 million in new revenue per year. About \$1 million would come from license fee changes. New taxes on crew in the form of a crew license would be new. If passed, effective date might be mid-2017 or 2018.

**Coast Guard Approved First Aid at Sea Course:** Washington Sea Grant and Port of Seattle Fishermen's Terminal are cosponsoring a Coast Guard Approved First Aid at Sea course on **Monday, December 5, 2016 in the Nordby Conference Room, Nordby Bldg., Fishermen's Terminal.** Topics include CPR, patient assessment, hypothermia, cold water, near drowning, shock, trauma, burns, fractures, choking, immobilization, First Aid kits and more. Fee: \$100 (\$50 for commercial fishermen). To register or for more information, contact Sarah Fisker, Washington Sea Grant (206) 543-1225 or email her at [sfisker@u.washington.edu](mailto:sfisker@u.washington.edu).

## **\*\*Eat on the Wild Side\*\***

**Mislabeling:** During the summer, there was a lot of press about fish mislabeling. Oceana published a report that "one in five of more than 25,000 seafood samples tested turned out to be mislabeled. In most cases, cheaper fish were passed off as more expensive types." This fraud can be quite large as in the case of the "Codfather", or New England fishing fleet owner, Carlos Rafael. He was indicted by the Feds allegedly lying about amounts and kinds of fish he caught. He owned 40 fishing vessels and had a lot of New England IFQs, apparently.

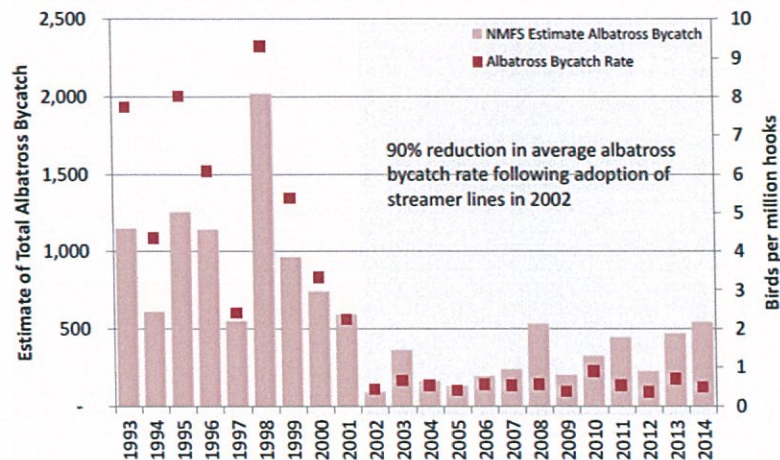
**Chile reduced fish densities** in their salmon pens by 27% due to severe algae blooms in March and April. This has a big impact on Japanese fish prices. Large amounts of Chilean salmon reduce everyone's prices in Japan.

**Closed Areas:** The U.S. industry in Alaska has been fearful that the President, with the use of the "Antiquities Act," would close large portions of Alaska to fishing. This did not occur but an area the size of Alaska was closed near Hawaii. It is closed except to recreational fishing with a permit or some Native Hawaiian cultural practices. There is legislation to limit the usage of the Sanctuary Act and Antiquities Act by future Presidents, but it will not likely pass.

**Alaska Albatross:** You are doing a good job avoiding albatross based on recent studies. In 2002, streamers became required and you had a 90% reduction in bird catches.



## AK Albatross Bycatch Rates 1993-2014



Total estimated bycatch (bars) and bycatch rate (diamonds; birds/million hooks) of albatrosses (3 species) in Alaska longline fisheries for groundfish and halibut from 1993 through 2014. Pacific halibut and vessels less than 60 feet long were first monitored by the North Pacific Groundfish and Halibut Observer Program in 2013.

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

**Vessel Incidental Discharge Act/VIDA:** This legislation provides an exemption for all fishing vessels and work boats over 79' in length. The fishing industry has been operating under a Congressional exemption that expires December 19, 2017. For vessels that tender and pump on salmon, hold live crab or have ice melt with halibut/sablefish without the exemption, you would have difficulty meeting purity requirements. Senator Murkowski has another exemption which was stuck in a National Defense Bill that the President may veto because of other issues. Senator Murkowski also proposed a permanent exemption with Senate Bill 371. There is hope after the election a bill may move to provide the exemption we need. EPA is supportive of the exemption.

**Gulf of Alaska Trawl Rationalization:** Washington State Congressional staff have signaled they will not second guess the NPFMC on Gulf Trawl Rationalization. However, after attending the recent NPFMC meeting, there did not appear any resolution or compromise on this issue. Should the Council falter, this could be a hot issue in 2017.


Congressman Graves (R-LA) introduced HR 3094 that would take "red snapper" out of the Gulf of Mexico jurisdiction and turn it over to the five (5) Gulf States and eliminate the commercial ITQ of snapper in favor of recreational interests. This has stalled for the time being but will be reintroduced next year. This would set a horrible precedent.

**U.S. Coast Guard, August 29, 2016 Letter:** The USCG issued a letter relative to vessels that do survey work. If you carry personnel (scientists) in addition to crew to do research, they said the service of the vessel would change. It would no longer be a fishing vessel. This letter created a huge blow back from NMFS, IPHC, states, and industry. Within a couple weeks the USCG seemed to back down on their position and it should not be an issue for 2017. If it becomes an issue and if your vessel is in the 100 gross tons or less category, the



master of the vessel would need a 100 ton master's license. If greater than 100 gross tons, you would need a 300 ton license plus other gear for the vessel. This issue is currently dormant. The USCG responded, "In the event we propose changes to existing policies... ample opportunity for comments and consideration will be made." Capt. Jennifer F. Williams.


***IPHC:*** I want to thank all of you who have supported my reappointment to the Halibut Commission. I was officially reappointed 10-7-16 for two years or at least two meetings. Thank-you for your support! Bob Alverson



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The photos on the previous page were taken during the Parade of Vessels from Fishermen's Terminal to the MOHAI for our centennial celebration in February 2014.

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

<b>November 16-21, 2016</b> Advisory Bodies may begin Tues., Nov.15	PFMC Meeting	Hyatt Regency Orange Council Garden Grove, CA
<b>November 24-25, 2016</b>	Thanksgiving Holiday	Office closed
<b>November 29-30, 2016</b>	IPHC Interim Meeting	Seattle, WA
<b>December 5-13, 2016</b>	NPFMC Meeting	Anchorage, AK
<b>December 23-26, 2016</b>	Christmas Holiday	Office closed
<b>January 23-27, 2017</b>	IPHC Annual Meeting	Delta Hotels, Victoria Ocean Pointe Resort Victoria, British Columbia
<b>January 30 - February 7, 2017</b>	NPFMC	Seattle, WA
<b>March 7-14, 2017</b>	PFMC	Hilton Vancouver Washington Vancouver, WA 98660

Don't forget! We've replenished our supply of FVOA Centennial cookbooks. \$20 plus shipping. Available in the FVOA Office.

