

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

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Thank you for your support!

Dear Longliner:

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

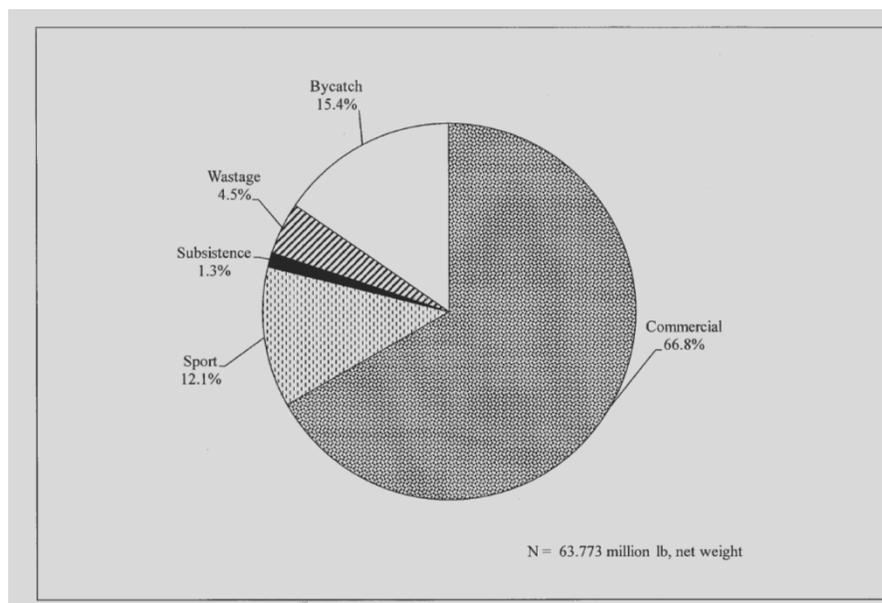
****North Pacific Council****

Catch Share Plan: The Council has recommended some changes to the CSP and additional economic analysis. Though it was disappointing not to have the CSP implemented, it is not dead, though it is severely bruised up. The CSP process is now in its 18th year. The Council has it on the March/April 2012 Council meeting. They may split it and forward the 2C portion to NMFS and study the 3A portion more. For this year, there will be a one fish charter limit in S.E. Alaska and a two fish limit in Area 3A. The Council recommends managing at this time to the existing Guideline Harvest Levels (GHL). For 3A, the GHL has been reduced from 3.6 million to 3.1 million. The charter catch was 2.8 million pounds so this is why there are no proposed charter restrictions. In 2C, the GHL will be 931,000 lbs. The Council recommended an awkward size limit for 2C, where fish less than 45" can be kept and over 68". Measuring a five-foot fish in order to let it go should be fun to watch!

Senator Lisa Murkowski sent a letter which stated, "I am, however, concerned about the potential impact of a one-fish limit on the charter halibut fisheries and the economy, and about the adequacy and recency of the available data."

Senator Begich sent a letter supporting some finalization of the CSP. He previously sent a letter objecting to the proposed CSP. I think he would like to see this issue finalized.

Subsistence: The State of Alaska presented a subsistence report and provided the following graphic.



Sablefish. The Council approved the following sablefish numbers. The assessment author is expecting a strong 2008 year class and there is some evidence of a 2011 (<1 yr Old) in the works. So some good news on recruitment.

| Apportionments are based on survey and fishery information | 2011 ABC Percent | 2011 Survey RPW | 2010 Fishery RPW | 2012 ABC Percent | 2011 ABC | 2012 ABC | Change |
|--|------------------|-----------------|------------------|------------------|----------|----------|--------|
| Total | | | | | 16,040 | 17,240 | +7% |
| Bering Sea | 18% | 6% | 13% | 13% | 2,850 | 2,230 | -22% |
| Aleutians | 12% | 11% | 14% | 12% | 1,900 | 2,050 | +8% |
| Gulf of Alaska | 70% | 83% | 73% | 75% | 11,290 | 12,960 | +15% |
| Western | 14% | 14% | 12% | 14% | 1,620 | 1,770 | +9% |
| Central | 42% | 51% | 38% | 44% | 4,740 | 5,760 | +22% |
| W. Yakutat | 16% | 15% | 18% | 16% | 1,830 | 2,080 | +14% |
| E. Yakutat/S.E. | 28% | 20% | 32% | 26% | 3,100 | 3,350 | +8% |

The assessment author forecasts an increasing biomass through 2024 which could allow a harvest of 20,500 Mt in 2024. The graph below shows the first increase since 2004.

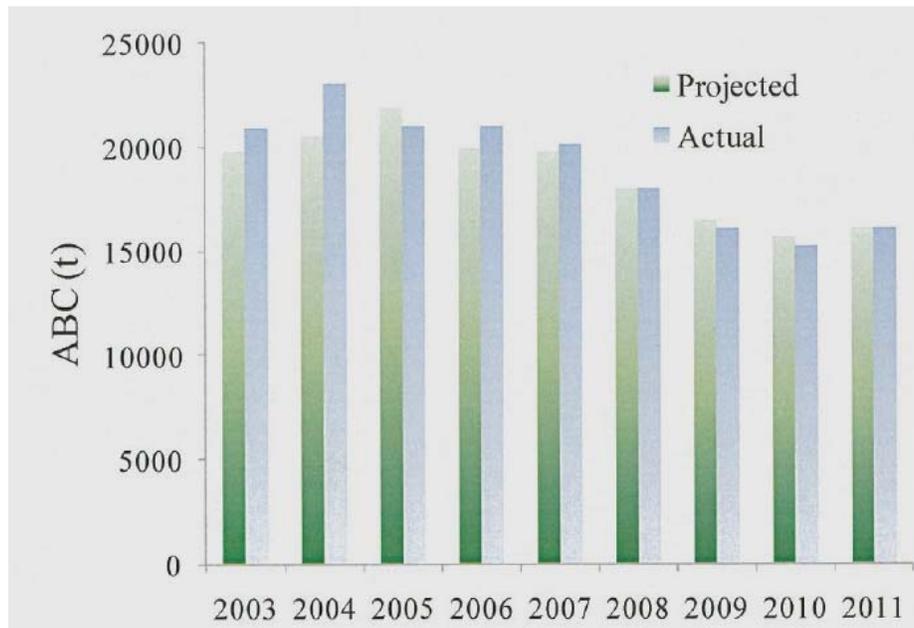
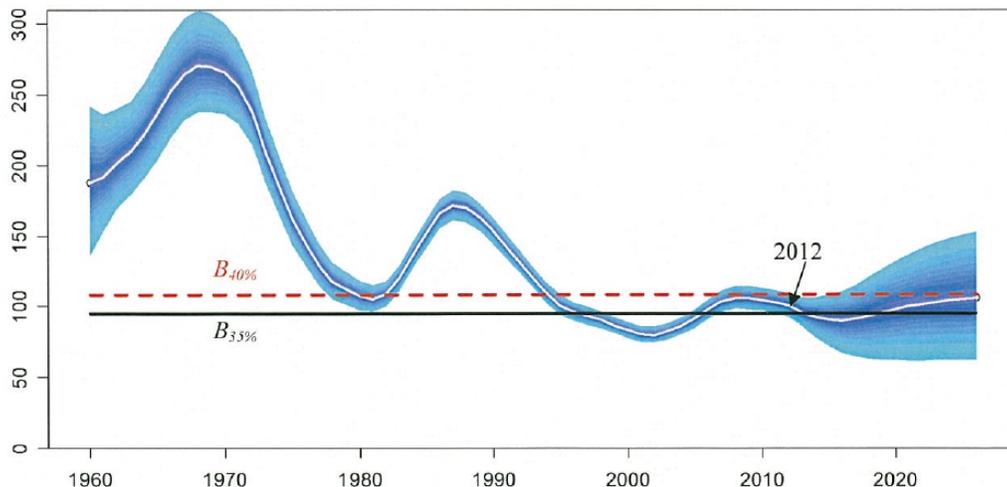


Figure 3.25. Probability that projected spawning biomass (from MCMC) will fall below $B_{40\%}$, $B_{35\%}$ and $B_{17.5\%}$.



Note: The projected white line rising is a good sign. Scientists want to be on the red dotted line or above it, not below it.

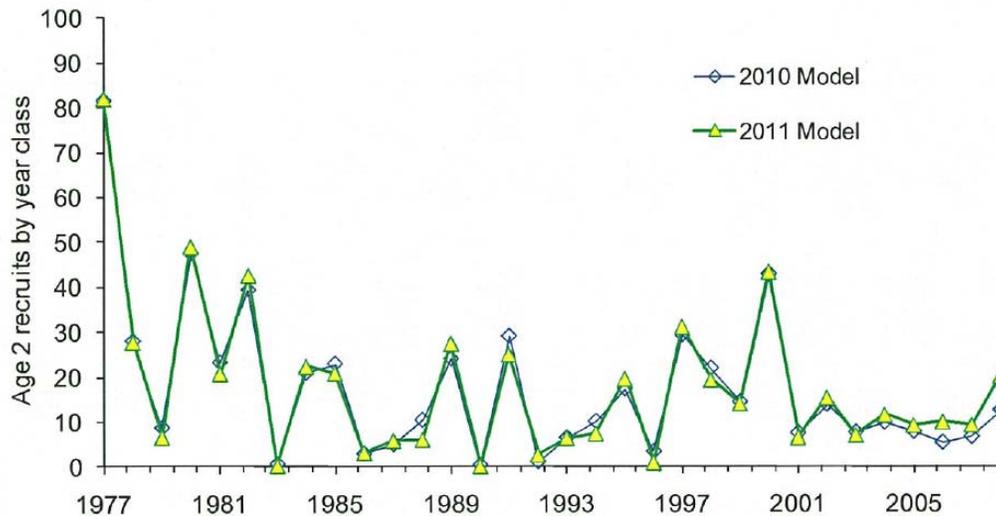


Figure 3.18a. Estimated recruitment (number at age 2, millions) versus year for 2010 and 2011 models.

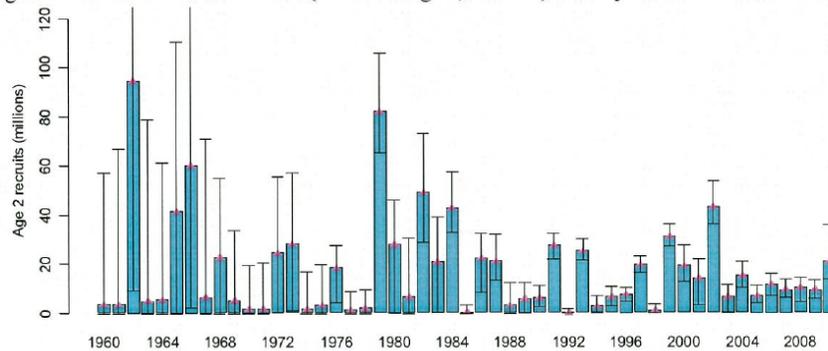


Figure 3.18b. Estimates of the number of age-2 sablefish (millions) with 95% credible intervals by year class. Credible intervals are based on 20,000,000 MCMC runs.

Pacific Cod GOA

| Year | Western | Central | Eastern | Total |
|------|---------|---------|---------|--------|
| 2012 | 28,032 | 56,940 | 2,628 | 87,600 |
| 2013 | 29,120 | 59,150 | 2,730 | 91,000 |

Pacific Cod – Bering Sea

| Year | ABC | TAC |
|------|------------|------------|
| 2012 | 314,000 Mt | 261,000 Mt |
| 2013 | 319,000 Mt | 262,900 Mt |

Total Estimated Seabird bycatch in Alaska Longline Groundfish Fisheries

| 2007 | 2008 | 2009 | 2010 |
|-------|-------|-------|-------|
| 8,155 | 6,219 | 9,253 | 3,704 |

We did ask the Council to reconsider the control date for their March restriction on Initial IFQ Holders. The Council took no action. Those of you that want it changed, please call me if you have not done so already. Thanks to John Crowley, Jack Knutsen, and Dan Veerhusen for their time and support.

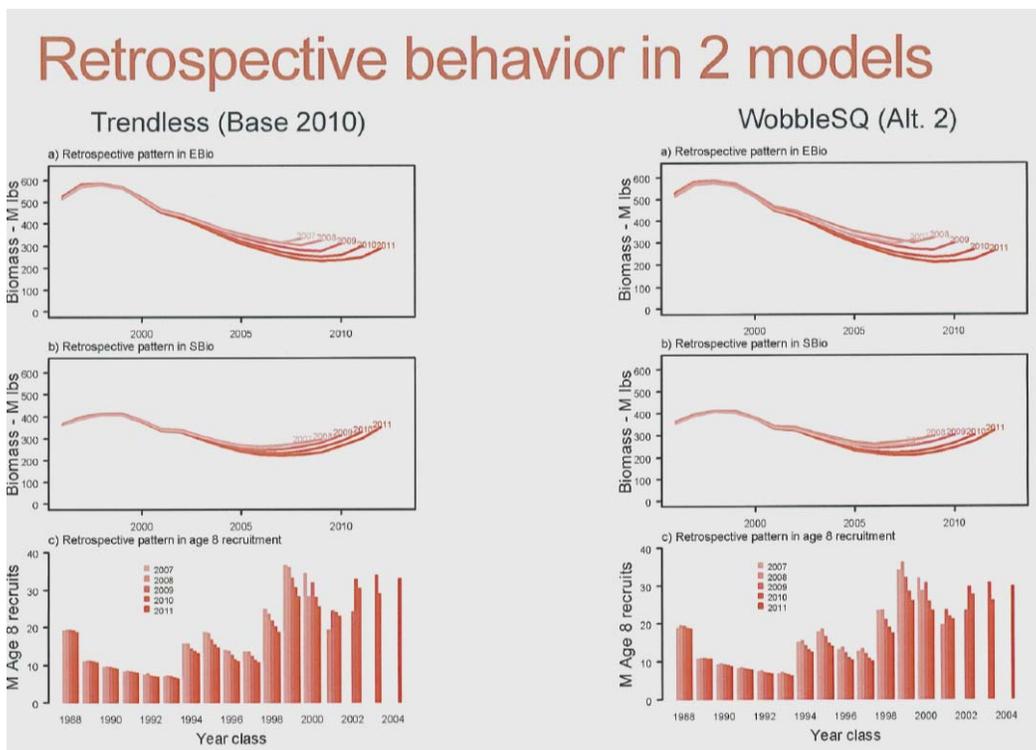
****IPHC****

**Staff Recommended Catch Limits
With Current Harvest Rates**

| Regulatory Area | 2012 Total CEY | Other Removals* | 2012 Fishery CEY | 2011 Catch Limit | Recommended 2012 Catch Limit | Percentage Of Change |
|-----------------|----------------|-----------------|------------------|------------------|------------------------------|----------------------|
| 2A | 1.322 | 0.174 | 1.148 | 0.910 | 0.989 | +9% |
| 2B | 7.504 | 0.871 | 6.633 | 7.650 | 6.633 | -13% |
| 2C | 5.865 | 2.653 | 3.212 | 2.330 | 2.624 | 13% |
| 3A | 19.779 | 7.861 | 11.918 | 14.360 | 11.918 | -17% |
| 3B | 6.638 | 1.568 | 5.070 | 7.510 | 5.070 | -32% |
| 4A | 2.395 | 0.828 | 1.567 | 2.410 | 1.567 | -35% |
| 4B | 2.298 | 0.429 | 1.869 | 2.180 | 1.869 | -14% |
| 4CDE | 4.740 | 2.275 | 2.465 | 3.720 | 2.465 | -34% |
| Total | 50.541 | 16.659 | 33.882 | 41.070 | 33.135 | -19% |

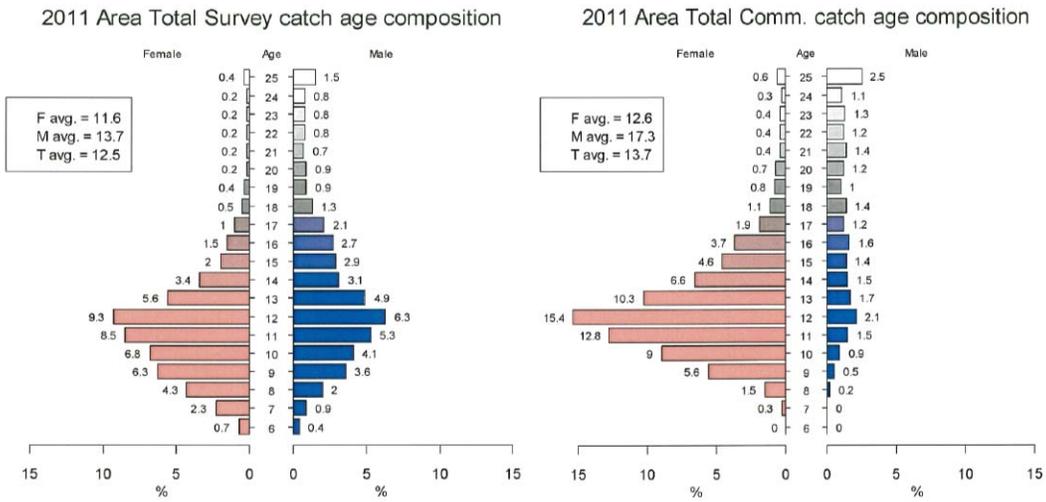
*GHL in Area 2C=0.931; GHL in Area 3A = 3.103

The charts below are a series of retrospective graphs from 2006 to 2010. Each shows an increasing biomass based on a huge influx of juveniles. You will notice every year seems not to respond as predicted. Each succeeding year seems lower. The IPHC staff says slow growth of the fish is causing the problem and setting back the predictions.. The staff is saying that there are more undersized fish than ever but they are not growing much beyond 32”.



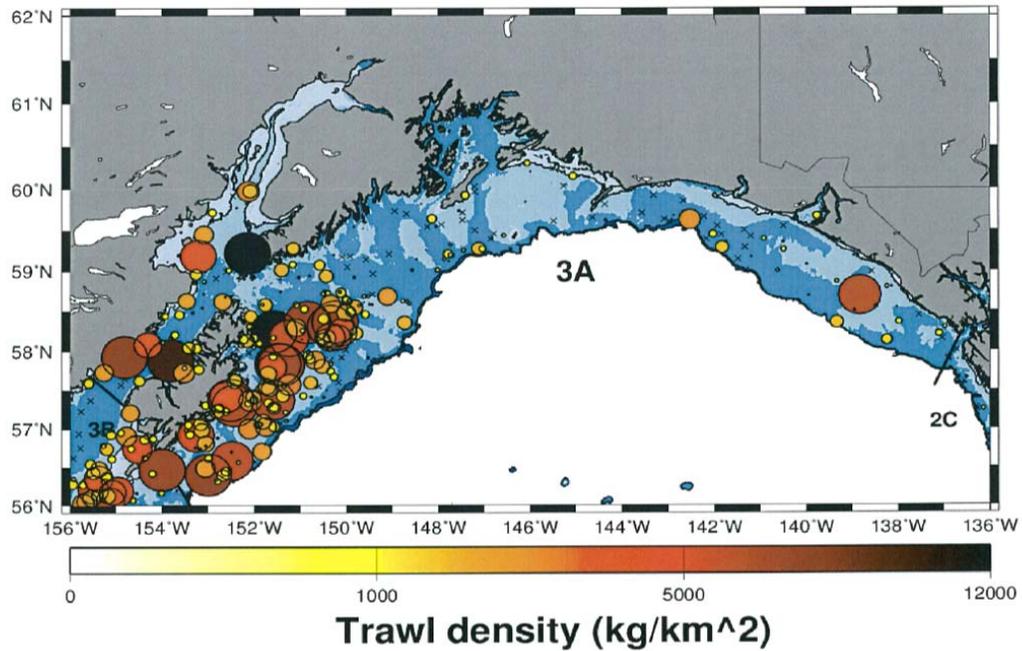
The graph on the next page shows the survey catch of females (left) and males on the right. The graph on the right is the actual makeup of the commercial catch. Notice how few male fish you are catching.

Comparison of survey and commercial catches

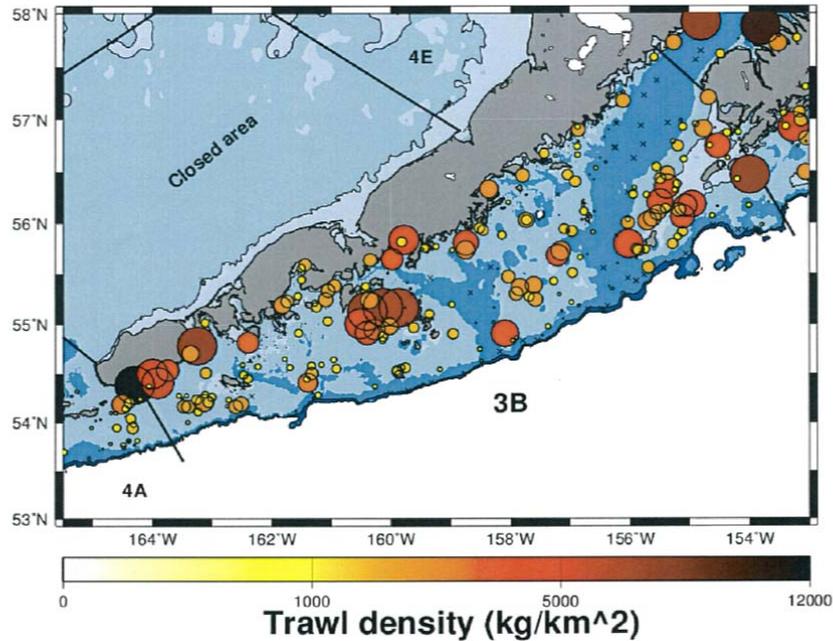


The graphs below are new bubble chart showing trawl density of halibut.

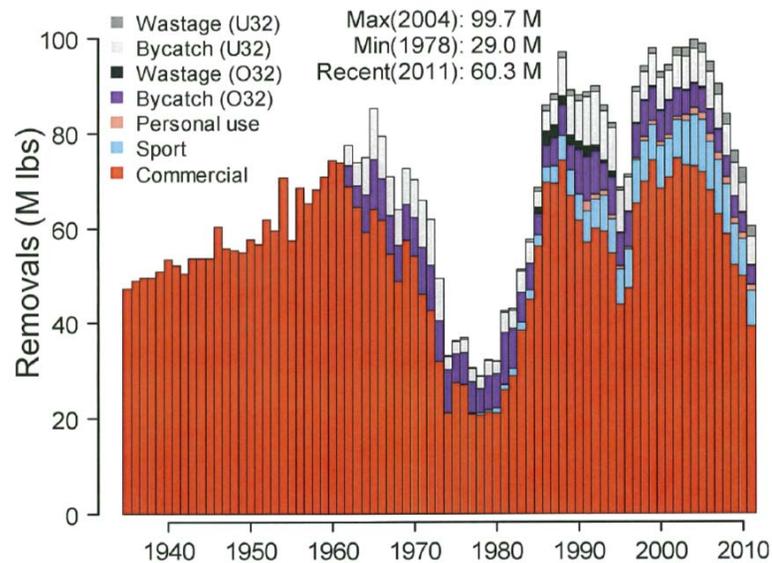
NMFS trawl survey – western GOA



NMFS trawl survey – western GOA

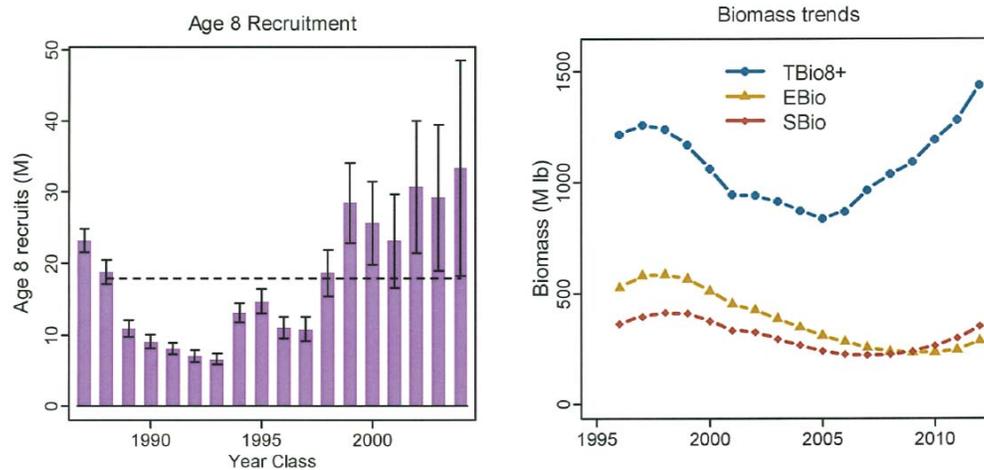


Coastwide removals history



The chart on the next page shows the age 8 recruitments, which is not actually correct, as they are 4 to 5 years delayed before they recruit to the fishery. The 1998 year class may show up in 2012 if it is five years delayed. You can see the next six year classes are huge. The question is will they grow up? Are they really there?

Model output from WobbleSQ



The Annual IPHC meeting will be held at the Hilton Anchorage, January 24-27, 2012. At this meeting, they will finalize halibut harvests. They will also look at a proposal to reduce the size limit.

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.

The 2012 Sablefish Allowable Biological Catch (ABC) will be 8242 Mt; the 2013 ABC will drop to 5,654 Mt. This amounts to a 31% reduction for 2013. 2014 will be similarly reduced. The next sablefish review will affect the 2015 and 2016 seasons. The allocation of sablefish south of Conception will be 32% for 2012 and be reduced to 26% in 2013 and 2014. Currently, due to uncertainty of the resource south of Conception, the allowable catch level (ACL) is reduced by 50% for 2012, but this uncertain reduction will be removed for the 2013 and 2014 seasons.

Time Series of Population Estimates (Mt)

| Year | Total Biomass | Age 4 Biomass | Spawning Biomass | Age 0 Recruits |
|------|---------------|---------------|------------------|----------------|
| 2005 | 276,343 | 268,617 | 85,741 | 535 |
| 2006 | 263,494 | 258,686 | 83,508 | 1,930 |
| 2007 | 248,481 | 244,103 | 80,139 | 1,205 |
| 2008 | 233,025 | 231,261 | 75,949 | 26,989 |
| 2009 | 222,936 | 213,810 | 70,773 | 1,518 |
| 2010 | 211,793 | 196,299 | 64,500 | 20,734 |
| 2011 | 205,662 | 179,514 | 60,957 | 16,723 |

Projection of Potential Sablefish Allowable Catch Limit (ACL)

| Year | OFL _o (mt) | ACL _o (mt) | Spawning Biomass (mt) | Relative depletion |
|------|-----------------------|-----------------------|-----------------------|--------------------|
| 2011 | 8,808 | 6,813 | 60,957 | 33% |
| 2012 | 8,623 | 6,645 | 57,606 | 32% |
| 2013 | 6,621 | 5,451 | 56,271 | 31% |
| 2014 | 7,171 | 5,909 | 56,358 | 31% |
| 2015 | 7,857 | 6,512 | 57,066 | 31% |
| 2016 | 8,526 | 7,121 | 58,015 | 32% |
| 2017 | 9,107 | 7,662 | 58,969 | 32% |
| 2018 | 9,563 | 8,097 | 59,821 | 33% |
| 2019 | 9,898 | 8,424 | 60,550 | 33% |
| 2020 | 10,094 | 8,629 | 61,174 | 34% |
| 2021 | 10,191 | 8,745 | 61,732 | 34% |
| 2022 | 10,273 | 8,847 | 62,258 | 34% |

oOFL/ACL values for 2011 and 2012 have already been adopted, and are not based on the results of this assessment.

The sablefish stocks off of Washington, Oregon and California are estimated to bottom out during the 2014 season. The 2008 year class is one of the largest seen in ten years at 26,989 tons. The one-year olds are also considered very good. The 2008 year class will start to recruit to the fixed gear fleet next year with the 2011 year class three years behind. The stock assessment authors believe the resource will rebuild by 2022. In the graph below notice that the 2007 and 2005 models begin to predict an upward movement. With the new Trawl ITQ program and 100 percent observer coverage, I am bullish on the recovery of this resource.

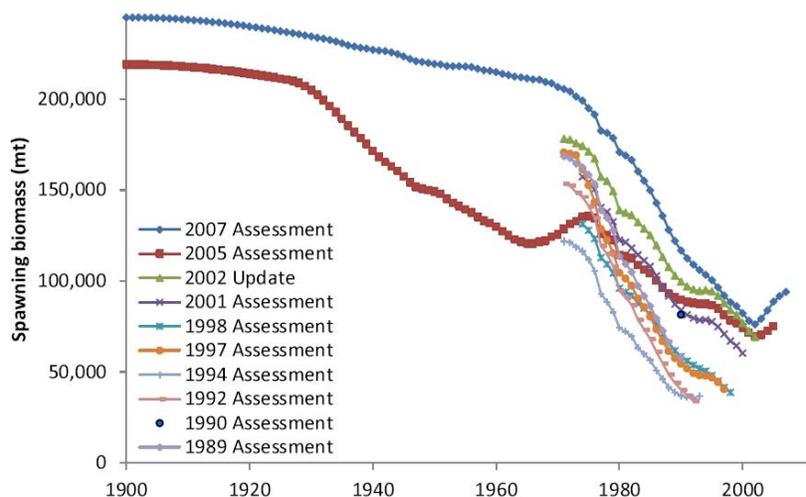


Figure 51. Retrospective analysis across stock assessments for sablefish, 1989-2007.

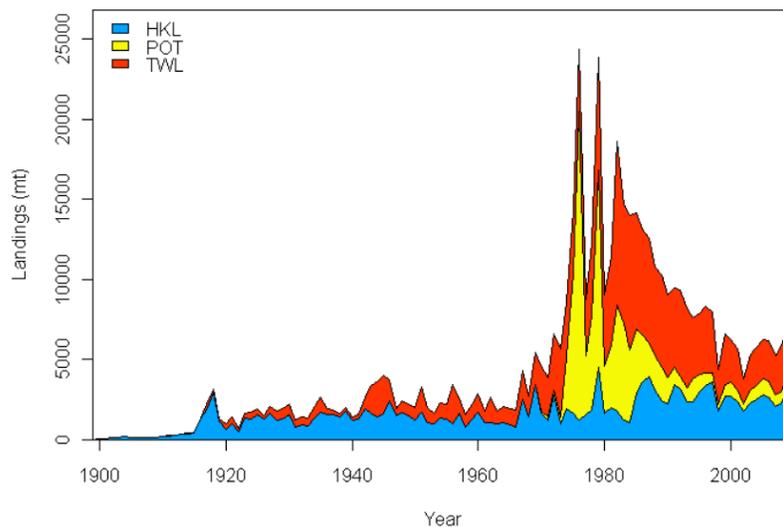


Figure a. Sablefish landings history, 1900-2010. Fleet names indicate gear (HKL = Hook-and-line, POT = Pot, and TWL = Trawl). Foreign fleets are included and are largely responsible for the large values in 1976 and 1979.

****Markets****

Sablefish. The yen vs. the dollar has moved in favor of exporters, to Japan by 45% over the last three years. This means that Japan has 45% more purchasing power. Japanese investors are using this buying power more wisely than in the 80's or 90's when they bought buildings and golf courses. They are buying utilities and money-producing assets and have bid up the price on many species of fish including blackcod. Blackcod production from Alaska will be modestly up while supplies off Canada and the lower U.S. will decrease for 2012. The new Pacific Trawl ITQ program has 100% observer coverage and 100% retention policy on sablefish. This has resulted in buyers having 40 containers of 1-to-2 lb. fish. I suspect the smaller poundage ranges could have some negative price effects but I do not see any lowering of prices of 3-4 lb. and up dressed fish for 2012.

Halibut. It is always better to operate on volume, with the significant decrease in quota, we will lose some markets as there will just not be sufficient supply for the demand. For the quota landed in 2012, I do not see any lower prices than 2011. The overall quota will be reduced 19%.

Cod. Prices for 2012, even with increased harvest limits, should be good. There are growing concerns of a resource failure off the Georges Bank. The European market could become difficult. The euro was at 130 to the dollar and dropping. This means European purchasing power has dropped by 15% in less than a year. If Europe fails to get its bonds and monetary situation corrected, the international instability of the euro could affect cod markets throughout Europe.

****Eat on the Wild Side****

WTO: A World Trade Organization Dispute Settlement Panel has ruled on disputes brought by Canada and Mexico against the United States regarding U.S. country of origin labeling (COOL) requirements on meat products. Among other claims, Canada and Mexico alleged that the COOL statute, COOL implementing regulations, and a USDA letter related to the COOL requirements discriminate against their livestock exports to the United States in breach of U.S. WTO obligations. Canada and Mexico also alleged that the U.S. COOL

requirements were designed to achieve a protectionist objective. In its final reports, the panel affirmed that the United States has the right under WTO rules to adopt COOL requirements. ...*Seafood.com* This is an important ruling as it upholds the requirement that imported fish also have to state the country of origin.

MSC: If you did not hear, U.S. produced Halibut and Alaskan Sablefish were officially recertified through Scientific Certification Systems.

Senators Begich/Murkowski/Rep.Young: Congressional opposition to the approval of Genetically Engineered (GE) fish for human consumption was recently reaffirmed with passage of the Young (Don) – Woolsey amendment which bars the FDA from using funds for the approval of GE Salmon. The Alaska Delegation was instrumental in this.

Canadian Salmon Virus Secret – Seattle Times: A decade before this fall’s salmon-virus scare, a Canadian government researcher said she found a similar virus in more than 100 wild fish from Alaska to Vancouver Island. Canadian officials never told the public or scientists in the U.S. about these tests.

Pacific Seafood is beginning to explore a plan for a large fish farm in Juan de Fuca Strait. This will heighten the scare over ISA from British Columbia.

****Second Watch****

Please welcome two new Sustaining Sponsors: ***Tony Mazzarella with Mac’s Ballard Upholstery, Seattle, WA; and Curtis “Arne” Arnesen with Mountain Pacific Bank, Everett, WA.*** Thank you for your support!

John Crowley, F/V Kristiana, has been appointed to his second term on the Advisory Panel of the North Pacific Fishery Management Council. Way to go John!

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

John Bryson was confirmed as the new Secretary of Commerce in October. Mr. Bryson has had significant industry involvement but was opposed by Republicans because he co-founded the National Resources Defense Council, NRDC. The NRDC has repeatedly sued the Pacific Council on rebuilding plans for overfished species and other issues. Mr. Bryson supports ocean planning from a D.C. rather than region oversight perspective.

Senator Lisa Murkowski opposed and blocked funding for ocean planning which is designed by the administration to control coastal oil and gas development, wind energy, and second guess fish management. The Senator said the funding would “allow the Executive Branch to dictate how states can and cannot use oceans and coasts.” Congressman Doc Hastings (R-WA) has opposed the same funding in the House.

EPA – the temporary moratorium on gray water discharge permits for fishing vessels is due to expire in 2013 and the EPA is again starting its rule-making process. We will continue to monitor this.

Senator Lisa Murkowski announced that the 2012 Interior Appropriations bill includes language restricting the National Park Service from conducting boating safety checks. “Park Service Rangers are not the Coast Guard.”

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****Calendar of Events****

| | | |
|---|---|---|
| January 24-27, 2012 | IPHC Annual Meeting | Hilton Anchorage Anchorage, AK |
| January 30-February 7, 2012 | NPFMC Meeting | Renaissance on Madison Seattle, WA |
| February 25, 2012 (By invitation, call DSFU if you haven't received yours) | 100 th Anniversary of the DSFU | Seattle Marriott Waterfront Seattle, WA |
| March 2-7, 2012 Advisory bodies may begin March 1; Council session begins March 2 | PFMC Meeting | DoubleTree Hotel Sacramento Sacramento, CA |
| March 26 - April 3, 2012 | NPFMC Meeting | Anchorage Hilton Anchorage, AK |
| April 1-6-2012 (Advisory bodies may begin Sat. March 1 Council session begins Sun, April 1) | PFMC Meeting | Sheraton Seattle Hotel Seattle, WA |
| Week of June 4 | NPFMC Meeting | Kodiak, AK |
| June 20-25,2012 (Advisory bodies may begin Tue., June 19 Council session begins Wed., June 20) | PFMC Meeting | San Mateo Marriott San Mateo, CA |



Happy New Year!