

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 with regards to action of the Halibut Commission, North Pacific Council, Pacific Council, political intrigue and market information.

****IPHC****

The Halibut Commission released their recommendations for the 1999 season. Their recommendations are as follows. These initial recommendations will be debated and acted upon at the January IPHC annual meeting in Prince Rupert. In general the 1998 surveys showed lower CPUE information in 3A and 2B, and higher numbers to the west of 3A. The commission also is using a more conservative assumption of age, which dropped the exploitation rate from .20 to .15 for 1999; otherwise, their recommendation may have been 80 to 90 million.

<u>Area</u>	<u>1998 Catch Limit</u>	<u>1999 Staff Recommendations</u>
2A	-82	-66
2B	13.00	11.22
2c	10.50	10.67
3A	26.00	24.73
3B	11.00	13.38
4A	3.50	4.31
4B	3.50	4.10
4c	1.59	1.8665
4D	1.59	1.8665
4E	<u>.320</u>	.367
	71.82	73.04

Your representatives to the IPHC Annual Meeting in Prince Rupert will be Per Odegaard, Jack Knutsen, Eric Olsen and Robert Alverson. It is very costly to get to Prince Rupert-weather permitting,

****NORTH PACIFIC COUNCIL****

Sablefish.

	1998	1999
EYAK/SEO	3487	3200
WY	2473	2090
C	6320	5590
WG	1840	1820
BS	1320	1340
AL	1300	1300

The Council adopted the following 1999 Total Allowable Catch (TAC) levels for 1999.

The results of the 1998 survey showed an increase in catch in the Aleutians and Bering Sea, though it was the first increase in about five years. The Western Gulf showed similar results to 1997, whereas the survey continued to show reductions in the Central. West

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Yakutat, and SE districts. The scientists announced that they are preparing a seven year industry CPUE profile by area based on the log books you fill out, where observers were present. FVOA has been asking for this ever since the observer program was developed. Additionally, the observers in 1999 will begin cutting otoliths so they can track the success of incoming year classes. The scientists currently have no way to verify incoming year classes and on occasion, have assumed zero success in some year classes. This lack of information has undoubtedly caused the population models to suggest lower stock abundances. FVOA testified that even if harvest levels need to go down, the analysis of West Yakutat abundance is out of balance and does not reflect what the fleet is experiencing. The seven year CPUE study should reveal the fleet's respective experience in West Yakutat and elsewhere. It is welcomed news that log book data will actually be used and that the observer will take otoliths. You will be expected to help the observers get some of the otoliths. Please help out-it is for your own good.

Pacific Cod. The harvest level will be 177,000 mt in 1999, down from 210,000 mt. Population abundances continue to drop.

Year	<u>Biomass</u>	<u>ABC</u>	<u>TAC</u>	<u>Catch</u>
1994	1,368,000	191,000	191,000	196,572
1995	1,003,000	328,000	250,000	233,029
1996	891,000	305,000	270,000	240,590
1997	605,000	306,000	270,000	234,641
1998	534,000	210,000	210,000	179,115

Turbot. The season will be similar to 1998 with an opening on May 1st. The harvest was reduced to 9,000 mt from 15,000 mt. There could be a September opening as well, depending on how fast the season goes in April.

Pacific Cod - Gulf of Alaska. The harvest levels are as follows for 1999.

	1999	1998
W	27,260 mt	23,170 mt
C	49,080 mt	41,720 mt
E	<u>1,560 mt</u>	<u>1,170 mt</u>
	77,900 mt	66,060 mt

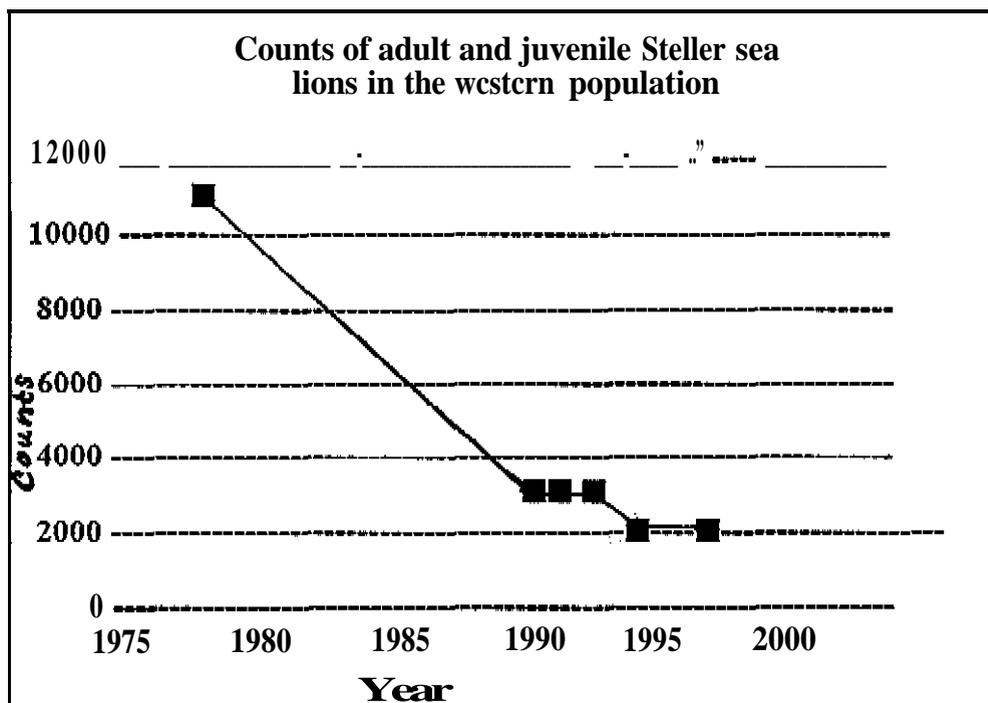
Birds. Short-tailed albatross continue to be a threat to the fleet. The cod and sablefish fleets were allocated four observed kills for 1997 and 1998 for short-tailed albatross. There were two taken this year north of the Pribiloffs. No birds were recorded in 1997. If the incidental take level of four is exceeded prior to the end of time allotted, operations causing such takes must cease pending re-initiation of consultation with the U.S. Fish and Wildlife Service. In other words, the Bering Sea could be shut down or part of it. Halibut falls under a different bycatch amount which is two. A proposal to require freezer longline vessels to deploy longline gear through tubes from the stem whereby the gear would enter underwater at the stern, has been recommended. This

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option includes vessels greater than 60', 100' and 125' as options. The cost of this equipment could be \$40,000. NMFS said studies indicated streamers were just as effective. Please let me know your reactions to this. Action could take place in February 1999 and effective for the fall 1999 season or January 2000 season, Mark Lundsten, Jack Knutsen, and Eric Olsen gave great testimony as to the effectiveness of more traditional anti-bird devices.

Sea Lions. The pollock trawl fleet will be prohibited from operating in many areas of the Gulf/Bering Sea and all the Aleutians in 1999. This is because Sea Lions are listed as endangered and a finding that pollock is important to their survival. A decision on whether similar restrictions should apply to other trawl fisheries and/or longline and pot fishers will be made in March 1999. This could be very serious,



 NATIONAL ACADEMY OF SCIENCE REPORT (NAS)

The NAS report on IFQs, which was mandated by the amended Magnuson Act, has been released. It is 400 pages in length. In summary, the findings were as follows:

- (1) It advises congress to lift the moratorium on new IFQs;
- (2) It encourages congress to assess fees on initial allocations, first sale and leasing fees, and an annual tax on quota shares (allow the public to capture windfall gains from initial allocations).
- (3) It **advises** congress to allow the regional councils to design IFQs—~~one~~ size does not. fit all.

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- (4) It discusses foreign ownership concerns, pointing out that there is major foreign investment in U.S. processing and harvesting;
- (5) Transferability should be a council decision;
- (6) Include fishing communities in initial allocations;
- (7) For existing IFQ programs, communities should be allowed to purchase IFQs; and

The big question in Washington, D.C., is, will the pollock fleet, affected by the S.B. 1221 legislation, now want IFQs or will they find out that they have been co-opcd by the co-ops.

****MARKET REPORT****

Halibut. The fleet ended up leaving about four million pounds in the water. This has had the effect of putting frozen halibut holdings at 45% less than they were at in late 1997. Cold storage reports show 9,354,000 as of November 30, 1998, compared to 16.2 million pounds in 1997. This leaves 4 months to sell off last year's inventory, which should be easily done. This should bring in a strong spring market in 1999. The proposed increase in halibut quotas for 1999 by two million seems to be welcomed news to the market. The frozen market got some welcomed news early this month. Trident Seafoods has a halibut special going with Skippers. So here is how you help yourself. Go to Skippers and no matter what you order, tell them the halibut was darned good. If you can't make it to skippers, phone them and thank them for carrying halibut. If you want higher prices for halibut caught to the west, this is what you've got to do.

Cod. Japanese processors are in an increasingly difficult position in their efforts to maintain inventories of cod, due to stiff competition from other markets. The average prices for frozen cod has dropped from a high starting point of ¥420 to ¥430/kilo (\$1.57-1.60/lb) in October to around ¥370 to ¥380/kilo (\$1.38-1.42/lb) in December. Prices could decline further in January. Although the current market for cod is softening in Japan it is important to keep in mind that the prices this fall are still almost double those seen at the same time last year. (From Bill Atkinson's Report)

Sablefish. With harvest projections down in Alaska, up off of Washington, Oregon and California, and the uncertainty of the overall Japanese economy, it is hard to be optimistic about sablefish prices. There is a part of Tokyo known as the Ginza. It is a big marketplace with the latest in electronic gadgetry. Reports from people returning from Tokyo indicate the Ginza is dead and some shops are closed. The overall economy is not good in Japan, however, the yen versus the dollar has returned to the 117 level. This change is good news.

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January 1, 1999	New Years	Office Closed
January 25-28, 1999	IPHC Annual Meeting	Crest Hotel Prince Rupert, B.C.
February 1-5, 1999	NPFMC Meeting	Anchorage Hilton Anchorage, AK
March 7-12 1999	PFMC Meeting	Red Lion - Columbia River Portland, OR

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