

# The Wheel Watch

a newsletter of the  
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Dear Longliner

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

**IFQ Amendments.** The Council will take final action in December on a number of minor amendments to the Halibut/Sablefish Program. Included in the package are (1) Emergency medical transfer provisions; (2) a bleeding recovery rate correction for bled sablefish; (3) several options to amend the block program (such as to hold three blocks, four blocks per area, unblock halibut quota over 20,000 lbs., in 3B. The people in Kodiak and the westward halibut holders have expressed a need for some relief and there were even letters from Petersburg asking for block relief in 2C. There still seems to be some resistance to change from Sitka where the block program came from. Originally, the block program was supposed to bring Congressman Young on in support of the IFQ program. That support never materialized and the block program has been with us since 1995. (4) Clearing requirement and/or VMS for sablefish operations in the Bering Sea and Aleutians; (5) If you own 20% of a vessel, for purposes of having someone fish your QS, that ownership will need to be in effect for 6, 12 or 24 months, option to be chosen in December. This will have the effect of slowing down people who move quota from vessel to vessel, giving the vessel owner a bit more negotiating leverage, and is intended to encourage people who "lease" to sell out. These options tend to make your lease partner a partner for life. This option is a compromise option in lieu of getting rid of the hired skipper provision. (6) There is an option to allow "D" class to fish up to C or B class; (7) an option to allow B class to fish C in S.E. Alaska. **Added considerations** include letting 4C quota be harvested in 4D. FVOA requested an option be added to let quota be fished from 4D to 4C and 4C to 4D. This was thrown out. The 4C quota holders objected. Allow pot fishing to continue in the Aleutians during June. It is currently closed in the Aleutians in June to blackcod pot operations.

**Subsistence Harvest of Halibut in 2003.** There were sweeping changes to the subsistence regulations in Alaska for halibut. Most of the subsistence halibut had been harvested with the 2-fish bag limit managed under sports fishing prior to 2003. The biggest change was an allowance to use longline gear with 30 hooks and to allow stacking of that gear. Here are some of the results for 2003.

- Residents of 117 rural communities and members of 123 tribes are eligible to participate;
- 11,635 registered to participate in 2004;
- 4,935 individuals actually subsistence fished for halibut in 2003;
- they caught 43,841 fish or 1,039,808 pounds;
- 72% were taken with the longline gear and 27% taken with rod and reel.

Rural and Tribal take:

2C	627,476
3A	278,745
3B	27,979
4A	20,717
4B	2,471
4C	23,768
4D	4,385
4E	54,267

The net effect of their catch is they will be deducted from the IFQ harvest levels in 2005.

The NMFS and ADF&G are in charge of this program and in a report wrote, "the project was overall a success with good public outreach and reliable estimates." It is written as if there are no commercial impacts. Here is the business-side of subsistence. For Native Alaskans and non-native Alaskan, who hold halibut QS, please wake up and understand what is going on.

The 627,476 pounds of subsistence halibut taken in Area 2C will be deducted just like any other halibut mortality from the available commercial IFQ in that area. All 2C QS holders, native and non-native, just lost 5% of their quota share in 2C for 2005. The quota was 10,500,000 pounds in 2004, the subsistence take was 5.5% of that, so you do not get that in the future. Five percent of 10,500,000 pounds is equivalent to 525,000 of halibut QS. At today's market value of \$15 to \$18 a pound, Area 2C just lost approximately \$8,662,500 in asset value because of Alaska's subsistence laws. For an ex-vessel price of \$3.00 a pound, Area 2C fishermen just lost \$1,600,000 a year forever, because of Alaska's subsistence laws, or a local employment impact of 2 times that or \$3,000,000 in shore-side employment. It is believed the subsistence numbers will be bigger from 2004. For a person who owns 50,000 pounds of 2C halibut, they lost 2,500 pounds from the 2003 subsistence participants, which is equal to **\$41,250** of asset value. **DO YOU GET IT!**

While in Sitka, I talked to a friend who was very, very, very upset at the thought of losing 1.6% of his sablefish QS to John Winther and Bart Eaton. When I told him he had just lost 5% of his 2C QS because of subsistence, his response was, "well, I do that too." No concern. As a manager of a non-resident organization to Alaska, I feel all I can do is point out the consequences of very loose subsistence laws. If you are at all concerned, write or contact the Council as they will be looking at tightening up the subsistence rules in December.

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

**Magnuson Act Amendments.** Nothing will happen this fall. It is believed Senator Stevens will be the Chairman of the Commerce Department in 2005 and 2006, which controls fisheries issues. In the next two years significant changes could occur to the Council process as we know it. The Oceans Commission and the Pew Commission both recommend changes. I suspect Senator Stevens will promote few structural changes to the Council process. However, if the Senate goes to the Democrats, and the President goes to the Democrats, I believe the Council process could be significantly changed. The Pew Commission suggests fishermen should not be on the Council and can't talk even if they are on the Councils. Tony Knowles, who is in a tight race with Senator Lisa Murkowski was on the Pew Commission. I believe the Senate race in Alaska will be decided by less than 2000 votes state-wide.

**Appropriations Bill 2908, Section 208.** This section would have given John Winther and Bart Eaton about 450,000 pounds of sablefish for their survey work between 1985 and 1990, with the F/V Prowler. John Winther told me he had been promised the shares by NMFS. Mr. Winther and Bart Eaton began in 1995 with an appeal to the NMFS. They argued that the survey fish were legally landed, and therefore, they qualified as QS landings. The commercial season had collapsed to a few weeks, 14 days for the entire Gulf by 1990. Even so, the Prowler fished the longline season and

qualified for 330,000 initial IFQ pounds as they fished both the survey and the commercial season. NMFS denied John and Bart's request. They re-appealed and were turned down again by NMFS. They filed suit in District Court in Anchorage and lost and were denied at the Ninth Circuit Court in San Francisco. Then Senator Stevens added Section 208 to an appropriations bill about three weeks ago and, PRESTO, everyone in Alaska owed Bart and John 1.6% of their IFQ holdings. There must have been a significant backlash of Alaskan opinion on this as Section 208 only lasted about 10 days on the bill. Senator Stevens reported he would not support an add-on that was no longer supported by its proponents. John Winther said removing the rider was the right thing to do. One has to ask why John and Bart did not think it was wrong when told no twice by NMFS, once by a District Judge in Anchorage and once by the Ninth Circuit Court? Which "No" did John and Bart not understand?

It is my opinion that the Halibut and Sablefish IFQ holders in Alaska have never really been politically respected. John and Bart awoke a sleeping giant. There are 3000 Alaskan quota-share holders, with friends, and with the close election for the Senate, I am picking up that the fish grab by John and Bart will influence the voting strategy of many quota-share holders in Alaska. It would be unfortunate if John and Bart's fish grab cost Senator Lisa Murkowski a senate seat.

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

The Pacific Council will meet November 1-5, 2005 in Portland. Not much has occurred since the September meeting.

The Council met September 13-17, 2005 in San Diego. Last year, the Council had to respond to a lawsuit and is now on a bi-annual schedule for setting harvest limits for groundfish, except for whiting. The sablefish harvest will be 7761 mt. for 2005. The tier limits in 2005 will be: Tier 1 - **64,000 rd.lbs.**; Tier 2 - **29,100 rd. lbs.**; Tier 3 - **16,600 rd. lbs.** There will be a new sablefish assessment done in 2005 with two trawl surveys, slope and shelf, plus a fixed gear survey. This will affect the 2007 season. The harvest limit in 2006 will be 7634 mt.

**VMS**: The VMS went into effect this year. I have not heard of any problems yet; however, please remember there isn't any tolerance for drifting over the line at night off of Washington, Oregon and California. The Council will address expanding the VMS system to a portion of the open access fleet, such as, the daily trip limit fleet.

Some good news! Ling Cod should come off the overfished list sometime in 2005. The northern portion of the resource has been rebuilt. Canary and Yellow-eye are showing slow positive movements towards rebuilding. You should expect the 100 fathom restriction to continue until Yellow-eye and Canary are rebuilt.

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

**Fish Farming**. The Fishing Vessel Owners' Association, the Deep Sea Fishermen's Union and the Canadian Sablefish Association held an informal meeting in Bellingham on October 13, 2004. We received reports from Anne Mossness and Jeremy Brown on

high seas NOAA proposals and Washington State ideas for the Strait of Juan de Fuca and a report from the Canadian Sablefish Association. Some of that information is below.

**Atlantic Cod Farming.** The roots of cod farming go back more than a century in Norway and in Canada (to the 1860s in fact), but it wasn't until the late 1980s and early 1990s that cod farming first took off (even though it proved a false dawn). In 1977, cod were reared from eggs to mature fish in captive conditions for the first time. Up to the mid-80s, about 60,000 fingerlings were raised from naturally spawned eggs every year. Even at that time, 100 licences for cod farming were issued, of which only nine were actually used, however. And because these farming experiments were unprofitable due to the high costs involved, interest soon waned. By 1995 there was only one farm involved in cod farming (in Øygarden) and this was only for experimental purposes.

After the lull in the 1990s, we are now witnessing the second coming of cod in Norway. According to EuroFish (April 2003): "Experts like Marketing Director Geert Vermeersch from the Belgian company Peiters have known for years that, 'When cod prices go up a bit, cod farming will become interesting'. And that time now seems to have come, for quota reductions, the threat of long-term fishing bans, and rising prices constitute the basic conditions that could turn cod farming into a profitable business. And already analysts are vying with one another over production forecasts". Farmed cod production in Norway is now estimated at ca. 3,000 tonnes but production could rise to over half a million tonnes within a decade (estimates range from anywhere between 400,000 and 700,000 tonnes by 2015). The Norwegian Government has already invested £20 million in cod farming R&D ([www.imr.no](http://www.imr.no)) and sees cod farming as the future.

Prominent salmon producers in Norway are now investing in cod farming. Fjord Seafood, Pan Fish, Nutreco, Grieg Seafood, Marine Farms and Salmar are all venturing into cod farming activities through their subsidiaries.

**Ocean Ranching.** The U.S. Government, through NOAA, is developing legislation that would allow large fish farms to exist between three and 200 miles. The concept is to allow for homesteaded colonies of sunken cages with swimming livestock. Governor Murkowski has asked for this idea to be put on hold. Tony Knowles has opposed the idea as well.

**Sablefish Farming.** The Canadian Sablefish Association gave us an update. There were about 50,000 fingerlings sold to two grow-out facilities—one in Barclay Sound and the other just north of the San Juans. It will be about 14 months before these enter the market. Some die-off has been rumored. The CSA has asked FVOA for assistance in intervening in their lawsuit against the permitting process to give an international twist to the situation. FVOA will review their request this winter. Sable Fin Hatcheries is expected to have another set of fingerlings in the early spring. Rumors suggest a 97% mortality rate from egg to fingerlings, sometimes higher.

**Mercury.** This issue will likely raise its head again. There is a movement to lower the current acceptable level from 1 part per million to .2 per million. This would hurt the halibut fishery and potentially, the domestic consumption of sablefish. The following are the results of a recent mercury test on Alaskan species.

METHYL MERCURY DATA FOR ALL TESTED SPECIES						
specific species		N	Minimum	Maximum	Mean	Std. Deviation
Cod (34)	MeHg_PPM	34	0.006	0.368	0.089	0.083
Halibut (60)	MeHg_PPM	60	0.04	0.883	0.217	0.184
Lingcod (12)	MeHg_PPM	12	0.018	0.439	0.124	0.117
Pike (60)	MeHg_PPM	60	0.017	0.649	0.152	0.172
Pollock (32)	MeHg_PPM	32	0.006	0.206	0.045	0.043
Rockfish (29)	MeHg_PPM	29	0.023	0.725	0.159	0.144
Sablefish (40)	MeHg_PPM	40	0.013	0.213	0.080	0.053
Salmon (245)	MeHg_PPM	245	0.006	0.094	0.027	0.013
Sheefish (8)	MeHg_PPM	8	0.038	0.189	0.084	0.057

The primary culprit for mercury pollution in the Pacific Ocean is Asia. The U.S. emits about 1% of the mercury world-wide, but due to the weather patterns, it goes into the Atlantic. The Pacific Ocean receives its pollution largely from China and Russia. China accounts for half of the man-made sources of mercury. Their coal plants emit 495 tons annually. China is exempt from emission controls by the U.N. because they are a third-world nation. Russia is exempt. All are exempt except Japan and Taiwan.

**Green Label Project.** Our project is proceeding. The MSC Board hopes to meet with IPHC, State of Washington, B.C. officials and NMFS the week of December 6<sup>th</sup> in Seattle. I suspect a follow-up meeting will be required to finish the questions and answers. This project hit a snag when the Pollock fishery was certified as sustainable. NMFS was less than pleased with the treatment they received in the MSC process and we have inherited some delays because of that discord. Hopefully, we are moving forward again. I was told that February 2005 is the expected date of announcement by the MSC Board for halibut and sablefish. This is one of our Eat on the Wild Side projects.

## **\*\*Markets\*\***

**Halibut.** The season is winding down. The industry will likely leave 3% on the table. It would appear that these markets are still very strong and will continue to be right through 2005. Retail prices have been at \$10.00 most of the year, even when put next to \$3.99/lb. farmed salmon, the product moved. It looks like area 4C will be significantly under their quota.

Individual Fishing Quota (IFQ) Allocations and Landings						
From 29-FEB-04 through 26-OCT-04						
					----- TAC -----	
Area	Species	Vessel Landings	Total Catch Pounds	Allocation Pounds	Remaining Pounds	Percent Landed
2C	halibut	2,672	9,739,522	10,500,000	760,478	93
3A	halibut	2,478	23,831,735	25,060,000	1,228,265	95
3B	halibut	847	14,920,111	15,600,000	679,889	96
4A	halibut	284	3,327,225	3,470,000	142,775	96
4B	halibut	111	2,155,561	2,248,000	92,439	96
4C	halibut	80	478,274	860,000	381,726	56
4D	halibut	32	1,202,152	1,204,000	1,848	100
<b>Total</b>		<b>6,504</b>	<b>55,654,580</b>	<b>58,942,000</b>	<b>3,287,420</b>	<b>94</b>

**Sablefish.** Volume from British Columbia for 2005 will be about 4500 mt, lower Pacific Coast 7761 mt. in 2005. I think that the AL/BS harvest levels will drop and so could the western gulf quota. The Central GOA and SE Alaska seem to have shown good commercial CPUE levels for 2005. The 2005 season may have a slight rebound in prices. The yen remains strong at 104.

Individual Fishing Quota (IFQ) Allocations and Landings						
From 29-FEB-04 through 26-OCT-04						
					----- TAC -----	
Area	Species	Vessel Landings	Total Catch Pounds	Allocation Pounds	Remaining Pounds	Percent Landed
AI	sablefish	114	2,030,161	4,100,556	2,070,395	50
BS	sablefish	133	1,104,293	2,557,336	1,453,043	43
CG	sablefish	627	12,541,916	12,874,864	332,948	97
SE	sablefish	673	7,884,747	8,311,342	426,595	95
WG	sablefish	192	4,482,265	5,167,582	685,317	87
WY	sablefish	246	4,808,130	4,925,076	116,946	98
<b>Total</b>		<b>1,985</b>	<b>32,851,512</b>	<b>37,936,756</b>	<b>5,085,244</b>	<b>87</b>

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

Over the last 30 years....

- Poultry consumption nearly doubled, to about 67 pounds per person
- Fish demand increased one-third, to about 15 pounds per person
- Beef eating fell from nearly 95 pounds in 1976 to just under 70 pounds in 1999
- Pork consumption dropped from just over 60 pounds in 1971 to between 50 and 55 pounds in 1999.

**Smithsonian Institute.** Chilean bass or Sablefish? They have a similar taste, but Baldwin says sablefish, caught in well-managed fisheries in Alaska or Canada is the better choice. Overfished Chilean sea bass (aka Patagonian toothfish) are often the victims of poaching.