

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

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 with regards to action at the North Pacific Council, the Pacific Council, and market information.

****North Pacific Council****

IFQ Court Issues. “No exclusive fishing rights says court” “...Five Alaska Native tribes which had challenged federal fisheries jurisdiction over areas which they argued were their traditional fishing waters, lost their Supreme Court appeal on June 14, 1999. ...The Commerce Department had limited commercial fishing for halibut and blackcod in waters regulated by the federal government in 1993. ...The tribes had argued that the Commerce Department could not override their exclusive fishing rights off the coast of Alaska. ...They had asked a federal judge to bar the Commerce Department from enforcing the regulations.” The Supreme Court did not agree, nor did the Ninth Circuit Court of Appeals.

IFQ Possible Changes. The Gulf of Alaska Coastal Communities Coalition (GACCC) recently sent out their newsletter. This organization is the group that requested from the Council that increases in halibut quota be allocated to their villages. The GACCC recently received \$250,000 from the federal budget to help finance their organization and causes. Their new proposal is as follows as quoted from their newsletter:

“One possible solution is to allow conversion of Gulf of Alaska halibut and sablefish IFQ to CDQ. The same criteria of eligibility used for the western Alaska CDQ program could be applied, i.e., communities registered as Alaska Native (ANCSA) villages; alternatively a population criteria could be used thereby including non-ANCSA communities. Villages or groups of villages could combine and through the purchase of IFQ convert IFQ for halibut and sablefish to CDQ. This new CDQ could then be treated on a royalty basis to create capital, treated as participation block for local fishermen to fish or reallocated internally to member fishermen on a loan basis.”

“**Capital for IFQ purchases must be identified.** This may be accomplished through matching programs in which local funds are paired with state or federal loans to allow the pooling of funds sufficient to acquiring enough IFQ to make a program worthwhile.”

There are several things to take note of with this proposal. The first is, it will be highly unlikely that only Alaskan villages and Alaskan communities can be restricted as possible

purchasers of quota. The rationale of denying the rest of the United States, and specifically Washington and Oregon communities, will be difficult. The second observation is this will put villages and communities in a bidding war against each other and most notably, against existing boat owners and current crew members. There is a regional competitive issue that could develop, that being, should village A begin to acquire quota and change the current pattern of delivery, will that put other regions of Alaska at odds with each other? Third, owners on board for second generation will be forever altered. Fourth, please note the statement, “This new CDQ could then be treated on a royalty basis...” Isn’t this a lease? Once more, it is obvious that GACCC looks at the quota as an investment to charge a fee for the village income and of course, the fishermen will gladly pay this fee so they can work for the village rather than themselves. This sounds like socialism for the natives and capitalism for the village. The fifth observation is, the CDQ corporations are currently tax exempt, which will assist them in competing for IFQs in the open market against crew and boat owners. The sixth issue is those who have quota will see their value go up and perhaps have dodged a bullet by not having the quota taken from them. Of course, all the above will be financed from government sources, perhaps the same financial sources that subsidize GACCC, your tax dollars.

Current IFQ fishermen need to focus on the concept of being in competition with the government entity they may live in. The National Academy of Science has suggested that the villages, having CDQs, may be an appropriate approach to protecting communities. The single biggest reason some of the village members are interested in pursuing this course is because their own village members have sold their Alaskan salmon and herring Limited Entry permits and IFQs that they were issued to individuals outside their own communities.

Charter Boat Allocations. This is still set for December for final action. It is expected to be time consuming with lots of testimony. The State of Alaska has proposed a fixed allocation for the charter operators that would not decrease when quotas are reduced. Should harvest levels ever be reduced to 1974 levels in area 2C, the commercial fleet could be restricted to 40% of the quota in 2C and 60-70% in Area 3A. Areas west of Area 3A are not included in this allocation.

Karen L. Johnson from Sitka, Alaska, wrote a widely-published letter on this issue to Governor Tony Knowles. She pointed out that she had fished since the mid 70's and stated, “IFQs gave me a chance to invest in our occupation.” Governor Knowles response was, **“the guided halibut charter industry may not be able to adapt to sudden changes in harvest levels as easily as the commercial fleet.”** Governor Knowles telephone number is: (907) 465-3500. I talked to Clem Tillion on this recently, and Clem, with that very hardy

laugh, said “let the charter folk buy their way in for more quota”. That definitely would be the fair thing to do, but it is cheaper if you can get the Council to allocate it for free.

Cod Fish Split. The Council could take final action at the October Council meeting in Seattle regarding the allocation split with the fixed gear groups for Bering Sea Pacific cod. The options are as follows. The split may be apportioned accordingly to recent catch histories by gear type for:

- Option 1 1996, 1997
- Option 2 1997, 1998
- Option 3 1996, 1997, 1998
- Option 4 1995, 1996, 1997, 1998

The freezer longliners would get between 79.2% to 85.4%; the catcher vessels .2 to .3%, and pot vessels accruing between 14.5% and 20.7%. An additional 2% set-aside for catcher longline vessels under 60' (LOA) is also proposed.

There are proposed minimum landings for vessel participation of the following amounts:

Freezer Longliners minimum catches in 1996, 1997, or 1998

Catcher Vessels minimum Catches in 1996, 1997 or 1998

- Option 1 100 mt
- Option 2 200 mt
- Option 3 300 mt

- Option 1 7.5 mt
- Option 2 15 mt
- Option 3 25 mt

Please let me know your thoughts.

****Pacific Council****

More bad news for certain species. Currently, Pacific ocean perch, lingcod and bocaccio are listed as overfished resources. The Council, by early spring 2000, must institute rebuilding plans. Additionally, it appears that Canary rockfish and Cow cod will be listed as overfished. Bocaccio and Cow cod are significantly sports species found primarily off of California but taken incidentally in the commercial catch. The other species have been dominated by trawl harvest. The Plan Team met in August discussing significantly reduced trawl harvest and time on the water for the year 2000. Habitat impact issues are also heating up.

Observer information. The Oregon Department of Fisheries and Oregon Trawl Commission are supposed to unveil the bycatch and discard information from their 1996 pilot observer operations. It showed gross discards of 37%. I personally discount whether ODF&G or the Trawl Commission intends for any timely release of the details. Indeed, it has already been over three years since they acquired the information.

The Council has had its Technical Team design an observer program based on the \$2,000,000 budget identified in the President's and Senate's proposed budget for an observer program. The House of Representatives did not include the observer program in their budget. The Senate and House will have a conference to resolve the differences. Rod Moore, the executive director of the West Coast Seafood Processors Association, thought I misrepresented his position on supporting the \$2,000,000 for observers, so he sent the following letter clarifying his organization's position. I suggested that he was not supportive. **See Insert #1.**

I have been asked to serve on the Pacific Council's Strategic Planning committee. It will meet in Portland, August 26 and 27. I hope we have something left to plan for. Sablefish seems to be the only bright star at this time.

Markets

Halibut.

Individual Fishing Quota (IFQ) Allocations and Landings From 01-MAR-1999 through 19-AUG-1999 <----- Tac ----->									
Area	Species	Vessel	Total Catch		Allocation	Remaining	Percent		
			Landings	Pounds				Pounds	Pounds
2C	halibut		2,307	7,546,297	10,490,000	2,943,703	72		
3A	halibut		2,130	17,762,407	24,670,000	6,907,593	72		
3B	halibut		462	8,800,169	13,370,000	4,569,831	66		
4A	halibut		207	2,862,589		4,240,000		1,377,411	68
4B	halibut		68	1,572,247	3,184,000	1,611,753	49		
4C	halibut		31	327,391		1,015,000		687,609	32
4D	halibut		26	900,298		1,421,000		520,702	63
4E	halibut		0		0			0	0
Total			5,231	39,771,398	58,390,000	18,618,602	68		

2B halibut 8,828,742 12,100,000 3,272,258 73

Inventory through June 1999 was 4.1 million pounds compared to 6.3 million in 1998. With an increase in quota and more fish being landed, inventory has moved well in the fresh market. There is only 28% of the quota left in Areas 3A, 2B and 2C, which supports most of the fresh fish supplies. The good movement of halibut this year should be good for those holding frozen fish this winter. I do expect some drop off of

the price the beginning of next year as the price has moved up over a dollar a pound from last year and there has been retail resistance to some of the high prices.

Seattle prices during the week of August 16 were \$2.70 for under 40's, \$2.81 for 40-60's, and \$3.005 for over 60's. About the same time, an FVOA vessel in Dutch received \$2.20 for under 20's, \$2.30 for 20-40's, and \$2.40 for 40 ups. Prices can be about 20¢ to 30¢ higher in Dutch if you time your landings so Sea Land can pick it up.

Sablefish.

Individual Fishing Quota (IFQ) Allocations and Landings From 01-MAR-1999 through 19-AUG-1999							
Area	Species	Vessel	Total Catch		Allocation	Remaining	
			Landings	Pounds		Pounds	Percent
SE	sablefish	521	4,934,966	7,054,720	2,119,754	70	
WY	sablefish	205	3,023,702	4,023,395	999,693	75	
CG	sablefish	478	7,895,295	9,858,971	1,963,676	80	
WG	sablefish	106	2,638,587	3,209,898	571,311	82	
AI	sablefish	44	714,002	1,825,409	1,111,407	39	
BS	sablefish	52	451,500	1,181,666	730,166	38	
Total			1,406	19,658,052	27,154,059	7,496,007	72

Landings have come in fast this year with 72% of the fish in from Alaska. The lower coast fishing started on August 16 and will end on August 25 at noon. There are rumors that Chatham Straits quota will be reduced at least up to 30 percent this fall. The degree of reduction will depend on the results of the survey vessel. FVOA vessels have reported running more gear than three to four years ago to catch their quotas so the reduction seems warranted. Prices seem to be good. Prices of \$3.10 and \$3.20 have been reported for 4 pound breaks in Alaska. The world supply of Mero is down, which has had a positive impact on price and the yen vs. the dollar is back down in the 115 range. Smiles for sablefish prices.

Pacific Cod. The price is always good when the season is closed, but it will open soon. Prices should remain relatively high with some weakening. The opening of the Bering Sea Fall season takes place on September 15, 1999, and is expected to run one month.

****Second Watch****

Jim Bodding, F/V Aleutian Isle, was kind enough to take two French documentary people out on his vessel. He was operating out of Dutch Harbor. The French market is apparently excited about Halibut and in a recent Time Magazine article, the French chefs complained that they could not get Halibut. I responded by e-mail asking if they would like a truck load

or a steak. Alaskan Halibut will be featured this fall in France in this documentary with **Captain Boddling and crew** operating out of Dutch.

Seattle had a nasty lightning storm in early August having over 2000 strikes of lightning. Jim Boddling from F/V Aleutian Isle in Dutch Harbor e-mailed me after learning about it with the following:

No wonder the mariners had a rough go with all that lightning. It must be like Armageddon down there: brush fires, crazed animals running around wall-eyed, drug types with their hair standing straight up on end; attorneys unable to complete sentences after being zapped by their cell phones—I feel safe up here. Jim Boddling

Tuna Tidbits. From the 14th green—an anonymous call to report the captain of the F/V Reagan spent 40 days and 40 nights at sea to return home with 1700 pounds of albacore. Captain Selfridge reports that he really does find his golf balls in the woods.

Please welcome as a new Sustaining Sponsor, Mr. Jeffrey Moormeir, of Merrill Lynch, in Everett, Washington. Thank you for your support!

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