

# 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 on issues before the North Pacific and Pacific Councils, IPHC and Washington, D.C. actions

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

The Council approved the following harvest levels for sablefish.

	<b>2002</b>	<b>2003</b>	<b>% of Change</b>
<b>AL</b>	2550 mt	3135 mt	23+
<b>BS</b>	1930	2926	51+
<b>WG</b>	2240	2570	15+
<b>Central</b>	5430	6440	17+
<b>WY</b>	1770	2320	31+
<b>SE</b>	<u>3380</u>	<u>3560</u>	<u>5+</u>
<b>Total</b>	17,300	20,951	21+

The stock assessment stated "Alaska sablefish abundance now appears moderate and increased from recent lows. The 1997 year class is above average and represents 24% of the 2003 spawning biomass.

Another likely above average year class will be the 1998 year class. Whether sablefish abundance falls after the 2003 peak depends on the actual strength of the 1998 year class.

<b>Year</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>
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<b>vessels</b>	871	1078	613	578	504	450	446	436	438
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The number of hooks deployed in the Federal Fishery alone were:

Year	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Hooks	96.9	78.0	84.9	86.7	81.5	50.1	45.1	34.4	35.0	33.2	43.4	43.1
millions	96.9	78.0	84.9	86.7	81.5	50.1	45.1	34.4	35.0	33.2	43.4	43.1

**Pacific Cod.**

**2002**  
**200,000 mt.**

**2003**  
**207,500 mt. +3.8%**

Age 1 cod, as seen in the 2002 survey, were the lowest since 1988. However, age 3 spawning biomass seems relatively healthy.

**Cod Allocations.** Beginning in 1997, BSAI amendment 46 allocated 2% of the total allowable catch (TAC) for non-CDQ BSAI Pacific Cod to vessels using jig gear, 47% to trawl gear, and 51% to fixed gear (hook-and-line and pot). This allocation scheme sunsets and needs to be re-approved.

**IFQ Changes.** Area 4A CDQ. The CDQ corporation known as APICDA, asked at the October meeting to provide more harvest opportunities by possibly doing a CDQ in 4A. This would have had the effect of reducing everyone's QS in 4A by whatever amount the CDQ company received. The Council suggested they go back and redraft their request. One of the representatives is now suggesting that any unfished QS be rolled over to the following year to be allowed to be harvested by the CDQ corporation. This request has not been developed as a regulation and will surely be very controversial, should it become one. You need to be alert on this issue.

**Community QS.** The Gulf village's ability to buy QS is currently in Juneau for review. It is expected to be complete next month, then filed in Washington, D.C. The communities in the GOA should be able to buy IFQ in late summer 2003.

**Pots for the Gulf.** I was informed by a representative of the Petersburg fleet, that several S.E. Alaska interests will likely propose an option to allow pots to harvest sablefish in the Gulf due to whale predation. The concerns of gear entanglement, grounds preemption issues, and lost pots will all need to be discussed. The question of whether pots will be allowed to remain on the grounds when a vessel makes a delivery will be a big issue. It was recorded in 1984, when pots were eliminated from the Gulf, that pot loss is about 5% per year. What the accumulated effect over time of this is unknown, and the gains from less whale interaction versus mixing pots and longline gear will be a source of debate. These were the same issues on Amendment 14, which originally established longline gear as the dominant gear for sablefish. One person suggested time slots for each gear to operate. I expect a controversial debate over this issue. The Council identified nine issues three years ago to review for our IFQ program. They are still on the shelf. They include modification of the block program. IFQ amendments are listed as a low priority. They are listed as 31 out of 36 items to do at the Council.

**Essential Fish Habitat.** The Councils are all supposed to protect, to the extent practical, essential fish habitat. The Ocean's green group has requested 20% of all the habitats be locked up as no-take areas

regardless of gear type impacts. The Council was shown underwater tapes of coral habitat in the Aleutians and bottom trawl impacts. Pots and longline have some impact, but will be analyzed along with bottom trawl affects. Some trawl groups believe having the fixed gear folks in this debate will minimize closed areas on themselves. This issue will ultimately result in the fixed gear harvesters at odds with the bottom trawl. Each gear type will ultimately stand on its own merits based on the degree of impact on habitat.

**Gulf Rationalization.** Congress asked the Council to give it a rationalization plan for Bering Sea Crab and Gulf groundfish. The options coming forth for pollock, cod and rockfish all have regional mandatory landing requirements, processor shares, and a myriad of special deals. There are two legal opinions on area restrictions. One says it's okay, the other says port restrictions violate the port preference provision in the Constitution. Designing solutions for Gulf groundfish will need to take into consideration the current IFQ requirements.

There were also proposals to open rockfish outside SE in January and allow a bycatch of halibut and allow cod fishermen to take halibut in the cod fishery beginning January 20. The IPHC has final say on opening dates for halibut and an earlier opening date will be discussed at the IPHC meeting this January in Victoria.

**Council Seats.** Bob Penny was the sports person on the Council who resigned. He caused us some problems on the Halibut GHL and Charter IFQs. His replacement will be Ben Ellis. He is a sportsman from Eagle River. It has been rumored that Arni Fuglvog is in line for an early Alaskan appointment. This would be welcomed news.

**Stellar Sea Lions.** These mammals have been listed as endangered since 1997. The populations dropped 70% and specifically 15.6% per year from 1985 to 1990. The population showed a 5% increase overall in 2002. All areas except the Western Aleutians showed an increase this last year.

**Enforcement.** The St. John II, Adelyn L, Kruzof, Northern, Bergen, Ingot, and Lone Fisherman, were all boarded without violations. Good work!

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

**Sablefish.** Here are some preliminary estimates of the sablefish tiers for 2003.

Tier 1	53,000
Tier 2	24,000
Tier 3	14,000

The Council has allocated 88,389 pounds of halibut in the limited entry primary sablefish fishery in 2003 to be taken north of Pt. Chehalis, Washington. The properly licensed vessels could retain up to 150 pounds of dressed weight halibut per 1000 pounds of dressed weight sablefish plus up to 2 additional halibut per fishing trip. Tier 1 will have up to 4900 lbs of halibut, Tier 2, 2250 lbs. and tier 3, 1200 lbs. The sablefish season will start April 1, 2003 and end October 31, 2003. Halibut will not be able to be landed until about May 1, **the same problem as last year in the regulations prevents earlier retention of halibut.**

Here is how the Pacific Council allocates halibut.

Treaty Indian	483,500 lb (35.0% +25,000 lb)
Non-Treaty Total	826,500 lb (65.0% - 25,000 lb)
Non-Treaty Commercial	350,390 lb (includes incidental sablefish)
Washington Sport	214,110 lb
Oregon/California Sport	262,001 lb

**Observer Program.** Congress funded the lower Pacific coast observer program again but reduced funding by half a million dollars from 2002. The first observer report is due out the last week in January 2003.

Year	Trawl Effort (Hours)	Estimated Halibut Bycatch (numbers)	Estimated Halibut Bycatch (kg,round)	Estimated Halibut Bycatch (lbs, net)	Est. Total Halibut Mortality (lbs., net)	Estimated Legal Sized Hal. Mortality (lbs, net)
1998	92,294	164,961	1,259,375	2,082,690	1,041,345	691,755
1999	81,420	147,995	1,144,236	1,892,280	946,140	638,091
2000	70,363	122,234	944,120	1,561,338	780,669	523,097
2001	67,199	124,969	962,348	1,591,482	795,741	532,912

I expect some radical surgery for the 2004 season for trawl participants.

Remember – in 2003, you will be required to fish outside 100 fathoms with fixed gear and need a satellite VMS (Vessel Monitoring System). NMFS will have more information on this in January.

### **\*\*IPHC\*\***

The Annual meeting will be in Victoria, B.C. on January 21-24, 2003. The staff's proposed harvest for 2003 are the same as for 2002. The quotas would be as follows:

<b>2003 IPHC Staff Preliminary Catch Limits Recommendations for Halibut</b>		
<b>(Millions of pounds, net weight)</b>		
<b>Regulatory Area</b>	<b>2002 Catch Limit</b>	<b>2003 Staff Recommended Catch Limit</b>

2A	1.31	1.31
2B	11.75	11.75
2C	8.50	8.50
3A	22.63	22.63
3B	17.13	17.13
4A	4.97	4.97
4B	4.18	4.18
4CDE	4.45	4.45
<b>Total</b>	<b>74.92</b>	<b>74.92</b>

The staff indicated that there are increased biomass in Area 2C and 3A from 2002 and little change in 2B. The CPUE in 2A rose substantially on a 10 hour derby. The CPUE in 3B and 4 continued to decline.

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

#### **Now that the elections are over, some humor please!**

**Democrat:** You have two cows. Your neighbor has none. You feel guilty for being successful. You vote people into office that put a tax on your cows, forcing you to sell one to raise money to pay the tax. The people you voted for then take the tax money, buy a cow and give it to your neighbor. You feel righteous. Barbara Streisand sings for you.

**Republican:** You have two cows. Your neighbor has none. So?

I had suggested in our last newsletter that a fish bill would be attached to the Appropriations bill in early December, but due to the change in control of the Senate and the two parties not in a kiss and make up mode, they decided to do it in January. So, the speculation is sometime between January 11 and the State of the Union message on January 24, 2003, the budget bill will be done. There is a possibility that the new IFQ standards will be attached to it along with the crab rationalization program.

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2001	67,199	124,969	962,348	1,491,482	795,741	532,912

Senator Stevens is now the Chairman of Appropriations and very high ranking on the Commerce Committee, which deals with fish. Senator Kerry had a fish bill, but he is no longer in the lead on fish, though much of his previous bill from last year could survive. Senator Kerry's bill DID protect existing IFQ programs. In the House, the leading House bill is a disaster for new IFQ programs and is questionable with regards to existing programs. The interesting thing to realize is that at this moment there are no restrictions to the Councils on new IFQ programs; however, the betting line is that the East Coast will create some burdens for their Councils and there may be separate rules for the Western Councils, with still more specific rules on processor shares for the North Pacific Council.

I got a number of calls from boat owners on the Capital Construction Fund bill. It died in the last legislature, but will be reintroduced in the 2003 legislature. The West Coast buy-out went poof, however, Alaska may get a \$40 million buy-out for salmon and already have a \$100 million buy-out for crab—\$50 million real money, \$50 million loan. The King of Pork rules and lives in Alaska.

The big issue will be if the crab rationalization project developed by the NPFMC will be attached to the Appropriations Bill. I think there is still a high probability that it will be attached, with minor changes. This includes processor shares.

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

We lost two giants in our longline industry this fall—Harold Lokken and Edwin Fuglvog.

Harold Lokken passed away on October 28, 2002, at the age of 97. He was FVOA's Manager from 1924 to 1976, 52 years. Harold negotiated the old limit and lay-up program. He did so by traveling to Alaska on steam ship and got Wrangel, Petersburg, Ketchikan and Sitka to agree to the program as well as the Canadians. The program lasted 40 years, 1938 to 1978. Harold helped write the original 200 mile draft for Senator Magnuson, not to mention the 12 mile bill before that, and served 8 years on the Council as Vice Chairman and one year as Chair. He was Northwest Fishermen's Association's "Man of the Year", received a Commendation from President Nixon, and received the Order of the Sacred Treasure by the Japanese government. His latest project was logging a history of all the schooners, some of which his grandfather built. Harold served the fishermen loyally and was known as a "Statesman".

Edwin Fuglvog passed away on October 24, 2002. He was a life-long resident of Petersburg. Ed worked on a number of FVOA vessels. He bought the Symphony in 1966. In 1975, he purchased the Karen Marie, and in 1980 he had the Kamilar built, which was his pride and joy. Ed was a loyal supporter of the Petersburg Vessel Owners for over 30 years. He was a Conference Board representative at IPHC meetings and served on the Advisory Panel to the North Pacific Fishery Management Council. I served with Ed on the Advisory Panel. He helped design the IFQ program, was instrumental in supporting the Bering Sea and Gulf halibut caps and the protection zone for crab in the Bering Sea, as well as the observer program. He had a calm voice of reason. The industry will miss him.

**Wards Cove** announced that they will close their operations in Alaska. They cited the farmed fish from Chile, Norway and Canada as a major reason for the problem in marketing salmon. Unfortunately, Resurrection Bay will also be closed, which was a major market for halibut and sablefish for many in Alaska. FVOA thanks the Brindle family for almost a century of supporting fishermen and providing markets for them. Their choice had to be a difficult one.

**Chalky Fish.** Last year a special assessment was requested to do a study on chalky fish. Your contributions totaled \$3500. The results from the study should be available at the Annual Meeting.

**Green Label.** Exciting news! FVOA received a grant of \$90,000, coupled with \$43,000 of matching funds from FVOA and DSFU to begin a process to hopefully secure a Marine Stewardship Certification for Alaskan and Area 2A halibut and Alaska sablefish. The project will begin in January and should be completed in April of 2004.

**Please let us welcome new members to the Fishing Vessel Owners Association.** Please welcome F/V Clyde, Rick Bakovic/James Hayden, San Pedro, CA., and F/V Bravado, Greg Elwood and Jon Buxton, Everett, WA., as Associate Members. Thank you for your support!

## \*\*Markets\*\*

**Halibut.** Here is how the season ended up.

Allocations and Landings		Individual Fishing Quota (IFQ)				
		From 15-MAR-02 through 31-DEC-02				
		----- TAC -----				
	Vessel	Total Catch	Allocation	Remaining	Percent	
Area	Species	Landings	Pounds	Pounds	Pounds	Landed
2C	halibut	2,757	8422,240	8,500,000	77,760	99
3A	halibut	2,545	22,562,915	22,630,000	67,085	100
3B	halibut	966	17,119,777	17,130,000	10,223	100
4A	halibut	379	4,951,724	4,970,000	18,276	100
4B	halibut	176	3,213,189	3,344,000	130,811	96
4C	halibut	100	484,815	1,015,000	530,185	48
4D	halibut	45	1,360,253	1,421,000	60,747	96

<b>Total</b>	<b>6,968</b>	<b>58,114,913</b>	<b>59,010,000</b>	<b>895,087</b>	<b>98</b>
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The last FVOA boat home was Karl Vedo’s, F/V Ocean Harvester. He received \$4.10 and \$3.90 in Bellingham with a forty-pound split. Good golly! Inventories for this winter are at about 4.4 million pounds, down 49 percent from last year. This is very good news. The effects of losing a major buyer like Resurrection Bay and the Wards Cove marketing group cannot be underestimated. Next year, prices should be good overall. This year saw 75% of the quota harvested by July 15, which made the last 25% of the quota very expensive.

**Sablefish.** The yen versus the dollar hovered at 125 during the last month, but showed some weakening from July to October. With increased harvest in Alaska set for 2003, and increased harvest off Washington, Oregon and California, as well, I would expect some weakening in the market toward June and July. Prices edged up to \$4.00 for 5/ups at the end of the season to the boats.

<b>Individual Fishing Quota (IFQ) Allocations and Landings</b>						
From 15-MAR-02 through 31-DEC-02						
----- TAC -----						
	<b>Vessel</b>	<b>Total Catch</b>	<b>Allocation</b>	<b>Remaining</b>	<b>Percent</b>	
<b>Area</b>	<b>Species</b>	<b>Landings</b>	<b>Pounds</b>	<b>Pounds</b>	<b>Pounds</b>	<b>Landed</b>
AI	sablefish	129	1,710,000	3,373,920	1,663,920	51
BS	sablefish	138	1,183,276	1,701,951	518,675	70
CG	sablefish	649	9,571,133	9,576,782	5,649	100
SE	sablefish	701	7,071,022	7,076,766	5,744	100
WG	sablefish	182	3,867,380	3,950,643	83,263	98
WY	sablefish	231	3,702,653	3,708,137	5,484	100
<b>Total</b>		<b>2,030</b>	<b>27,105,464</b>	<b>29,388,199</b>	<b>2,282,735</b>	<b>95</b>

**Bill Atkinson’s Notes.** There is only 5000 tons in Japanese inventory beginning the new year. This is considered short. Prices could rise to \$5.54/lb. For 5-ups. Mad cow disease and increased demand in the U.S., Europe and Hong Kong, has stimulated competition. 85% is still sent to Japan. Short supply early next year with prices weakening in the fall.

**USDA.** The U.S. Department of Agriculture implemented national organic standards which say aquaculture products, such as farmed fish, labeled 100 percent organic, can have 5% non-organic content. Products labeled made with organic ingredients must be 70-95% organic. What? What’s the rest made out of?

**Not Green Label.** The Conservation Law Foundation has a campaign to convince consumers that trawl-caught codfish isn’t environmentally acceptable. They state, “hooked-caught cod is an environmentally friendly, tasty product—for enviro-conscious consumers, it may just be the perfect fish.”

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

<b>January 21-24, 2003</b>	<b>IPHC Annual Meeting</b>	<b>Fairmont Empress Hotel Victoria, B.C.</b>
<b>January 27-31, 2003</b>	<b>NPFMC Meeting</b>	<b>Doubletree Hotel Seattle, WA</b>
<b>March 10-14, 2003</b>	<b>PFMC Meeting</b>	<b>Red Lion Hotel Sacramento, CA</b>
<b>April 1-6, 2003</b>	<b>NPFMC Meeting</b>	<b>Hilton Hotel Anchorage, AK</b>
<b>April 7-11.2003</b>	<b>PFMC Meeting</b>	<b>Red Lion Hotel Vancouver, WA</b>

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