

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 the Halibut Commission meeting, the Magnuson-Steven's Reauthorization hearing and the upcoming North Pacific Council meeting.

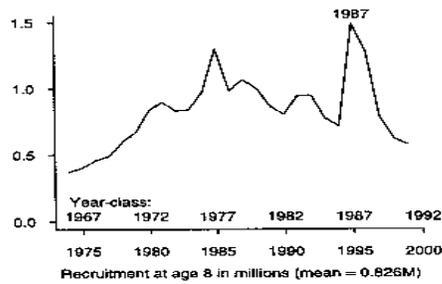
****International Pacific Halibut Commission****

The Commission met from January 10 to January 13, 2000, in Lynnwood, Washington. I would like to thank Mark Lundsten, Eric Olsen, John Crowley, Wade Bassi, Mark Worley and Arne Lee for attending on behalf of the Association. The following harvest levels were adopted.

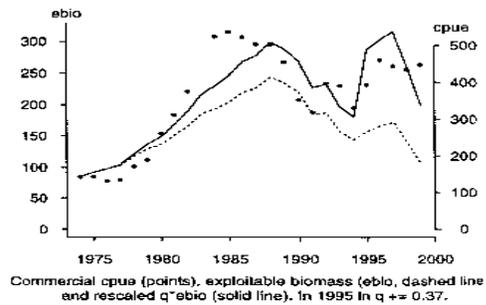
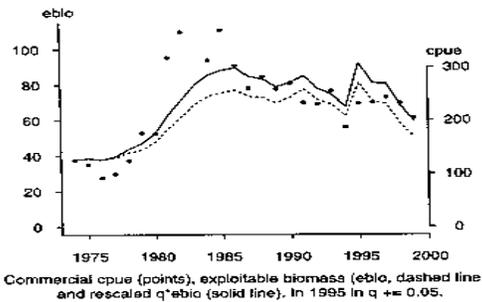
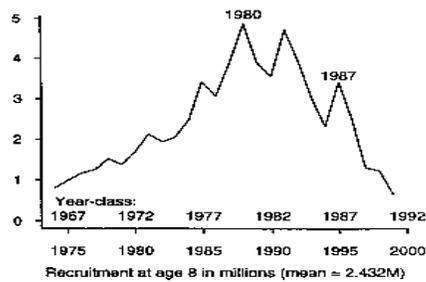
2A	830,000			4A	4,970,000	up	17%
2B	10,600,000	down	12%	4B	4,910,000	up	23%
2C	8,400,000	down	20%	4C	2,030,000	same as 1999	
3A	18,310,000	down	26%	4D	2,030,000	same as 1999	
3B	15,030,000	up	11%	4E	390,000	same as 1999	

The Commission rationale for the decreases in 2B, 2C and 3A were based on declining survey CPUE numbers; declining abundances of sub-legal fish in the longline surveys and concern over a bait change in the survey work.

2C/Age



3A/Age



The downward CPUE numbers are driven significantly by an assumption to reduce all CPUE numbers since 1995 by 33%. This has resulted in the IPHC recalculating and reducing biomass estimates proportionately for the past six years. The Commission used alternating herring and chum bait prior to 1995 and pure chum from 1995 on in their surveys. The IPHC will do a bait survey to address this issue in 2000 and if they were wrong, it will have a positive affect on 3A quotas in 2001.

The CPUE number in 3B and 4A look like some Internet stock. They continued up and so did the harvest levels. Area 4B was raised, however, Association members were concerned about the relatively high harvest levels in 4B. 4B CPUE numbers have decreased over the last two years. The recruitment charts on the previous page show significant reductions in sub-legals in areas 3A and 2C; however, the NMFS trawl survey show increases in very young halibut in 3A and 2C.

Penning of Halibut. The Canadian government is permitting vessels to delivery some fish, approximately 80,000 lbs., in 1999 into live pens. The fish are all measured and the IPHC weight equivalent is deducted from the quota. The fish are put in a pen and sold at 5,000 lbs. per week. The male halibut in the winter have caused a problem in that some have stopped eating as they mature for winter breeding. Those that eat put on 10% weight per month. The fish have extremely low mortality on the boat, perhaps 1 to 10 fish out of 5,000 lbs., 27 lb. average. The price has been 30% above the dock price during the season and \$5.25 US in the off season. The vessel is getting paid \$4.00 lb., and the penning apparently is only breaking even due to dead loss and other problems. No reported infections, probably because the fish are not overly stuffed in the pen; however, some form of lice infected the pen. There is reported some higher than average chalky halibut from the penning activity, primarily male halibut. The penned fish are marketed as Sterling Pacific Halibut with high grades in the market place.

Chalky Halibut. The Commission has determined that chalky halibut is more an issue of sex and area than feed or how the fish is killed. Males have the highest levels of chalkiness. One buyer has been selling chalky halibut as “ivory” halibut successfully.

Extended Season. I had expected the season to change to a March 1 opening; however, the Canadians wanted more studies. They are concerned, as is IPHC staff, about migrating halibut in the winter from 2B to 2C. There is some suspicion that the Canadians believe that since they have the ability to pen halibut and sell in the winter now, why create competition from Alaska with a longer season. It was rumored that the Canadians may pen 400,000 lbs., next year. The person doing the penning in Canada, however, encouraged a longer season. The Commission will continue to work on where and how long a winter harvest opportunity might be allowed in Alaska. The question was asked, should penning be allowed in Alaska? They do it for herring. In fact, those species, without an air bladder, such as halibut, sablefish, and lingcod could all be penned and fattened up and sold in the winter. If they grow feathers we can compete with turkey over the holidays!

Overall, the Annual Meeting went very well. The next meeting will be in Vancouver, B.C. in

January 2001.

****Magnuson-Stevens Act Hearing****

I want to thank John and Jack Crowley, Mark Lundsten, Mark Worley, Arne Lee, Daryl Knutsen, and Wade Bassi for sitting through the hearing at the Sea-Tac, early morning on January 19, 2000 and testifying on our IFQ program. Senators Slade Gorton, Ted Stevens, and Olympia Snow from Maine, conducted the hearing. There was a very positive message from the three panels and industry people to relax the IFQ moratorium for West Coast groundfish off of Washington, Oregon and California, as well as in Alaska. In particular, to allow the lower coast tiered sablefish program to have a reasonably long season to get away from the nine-day derby.

On January 18, 2000, a similar hearing took place in Anchorage. Kevin O'Leary spoke well in favor of the current IFQ program and the problems of the crab fishermen and confessed his sins for opposing IFQs five years ago. He is forgiven. The Kodiak trawlers asked for a relaxing of the IFQ moratorium so they could have co-ops like the one for pollock in the Bering Sea. Rick Lauber, listed as speaking for the North Pacific Council, said the IFQ program had left a lot of "bodies wrecked" in its wake. Mr. Lauber is the Chairman of the Council and in 1992 lost 7 to 4 on the IFQ vote.

Senator Stevens, at the Seattle meeting, asked numerous questions about additional taxes and fees on IFQs. He did not ask about fees or taxes on the pollock co-ops, although environmental groups are asking. Senator Stevens directed this question to me and I responded that we support the current fees on our IFQ program, however, it could become an issue should only West Coast fishermen pay these fees while Senators Holling's, Breaux's and Inouye's fishermen continue to pull free fish out of the ocean. Senator Stevens acknowledged that several in Alaska have changed from opposing IFQs to being supportive of IFQs or similar management systems. Changes to the Act may happen this year. I do sense a change in policy coming on IFQs. I believe the question will be, "what mandatory requirement will go with IFQs and/or co-ops?" Senator Gorton has announced he wants a decision on this in October. It has been suggested that there will be an additional incentive to have a decision in 2000 because the House of Representatives could go to the democrats after the November elections. Should that occur, Congressman George Miller from California could likely be the Resource Chairman in the House, not Don Young. Congressman Miller is known **not** to be friendly towards co-ops, IFQs, or the recent American Fisheries Act.

****North Pacific Council****

Charter Boats. The Council will meet in Anchorage on February 6-14, 2000. The two agenda issues that we will be monitoring will be the charter boat allocative issue and the IFQ proposed amendments. The charter boat controversy will center around the following decisions: (1) which years to use for a database, 1995 or 1998. The 1995 and 1998 data would allocate 12.76% or 18.01% respective of those dates, of the 2C harvest to charter boats. The 1995 date and 1998 data would allocate 15.61% or 13.85% respectively to charter operations in 3A. (2) Should the charter allocation be fixed at a level that

does not float as the quota goes up and down? (3) In order to slow up the charter harvest in the chance that they go over their harvest level, should there be adjustments in bag limits, and (4) should the charter boat fleet be put into a limited entry program or an IFQ program. The Council's Scientific and Statistical committee will address this issue on February 7, 2000, the Advisory Panel on February 8, 2000 at noon, and the Council on Wednesday, February 9, 2000. This is scheduled for 20 hours before the Council, which begins on Wednesday. FVOA will be present.

IFQ Amendments. There are four proposals that requested liberalization of the block program in 3B and Area 4 for Halibut and for sablefish in the Western Gulf and the Bering Sea districts. There is also going to be a proposal by the Gulf of Alaska Coastal Communities Coalition, which was supposed to present a proposal at the Magnuson-Stevens Act hearing in Anchorage. Their proposal however, was not ready. Their proposal, which was verbally presented to the Council several months ago, would allow certain Coastal Villages designated as belonging to the Native Regional Corporations, to buy halibut and Sablefish IFQs. The village corporations would then lease the fish back to their residents. We have been opposed in concept to this idea; however, without a copy of their proposal, it is difficult to respond to it. There seems to be some support in Kodiak and Petersburg to look at this idea as a potential IFQ amendment.

****Groundfish/Sablefish Meeting in Sitka****

There will be a groundfish/sablefish forum at the Centennial building in Sitka, Alaska, the week of April 24, 2000. There will be all sorts of Ph.D.'s and smart scientists talking sablefish beginning on the morning of April 28. At 3 p.m. on the 28th, Dean Adams will be a guest speaker on a panel. It will be an interesting meeting as there is excitement about the 1995, 1996 and 1998 year classes for sablefish. If you are in S.E. Alaska, you should take a day off and attend.

****Market Information****

Halibut. December cold storage is recorded at 6,730,000 pounds, down 13% from November. However, this is almost equal to last years cold storage numbers. The price of this year's fish is much more than last year's fish, however. Cold storage levels should be below 2 million by March, but frozen inventories are moving slowly at this time.

Sablefish. The yen versus the dollar has been in the 105 to 100 range for almost 2 months. The Japanese economy is picking up and a consumer confidence report suggested an upward trend in Japan. This should be good for this year's markets.

Pacific Cod. Prices for round delivered cod are in the 49¢ per pound range in Kodiak and frozen from the Bering Sea is reported at \$1.25. The international markets are in short supply.

****Second Watch****

New Members. Please welcome **Far East Maritime Services**, from Seattle, Washington, as a new

Sustaining Sponsor. Corky Singleton is their representative.

Please welcome **Will Brown, F/V Bear**, from Metlakatla, Alaska, and **David Whitmire, F/V Skua**, from Homer, Alaska as new Associate Members. Thank you for your support!

Washington State Unemployment. As many of you may be aware, the State of Washington has sent out a questionnaire to help determine if you are required to pay unemployment tax to the state. Some of the criteria are: Do you maintain an office in the State of Washington, other than your home? Do you own multiple vessels? Do you do all your fishing in federal waters off Alaska? Do you make deliveries to the State of Washington? Do you fish off of Washington coast? If you have any questions, please call your Washington State Unemployment representative or Bob Alverson to answer your questions.

First Aid and CPR. The next set of classes for First Aid and CPR, sponsored by the Washington Sea-Grant, is scheduled for **February 15-16, 2000, at the Nordby Building at Fishermen's Terminal.** Please contact Sarah Fisker at (206) 543-1225 to register. Cost is \$80 - half of which is underwritten by the Seattle Fishermen's Memorial Committee.

****Calendar of Events****

February 7-11, 2000	North Pacific Council Meeting	Anchorage Hilton Anchorage, AK
March 6-10, 2000	Pacific Council Meeting	Red Lion Hotel Sacramento, CA
April 3-7, 2000	PFMC Meeting	Doubletree-Columbia River Portland, OR
April 10-14, 2000	North Pacific Council Meeting	Anchorage Hilton

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