

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
Website: www.fvoa.org

Robert D. Alverson
Manager

Carol M. Batteen
Executive Assistant

Vol. XV, No. 1

January 2001

Sustaining Sponsors

Access Unlimited, Inc.	Alyeska Seafoods, Inc.
Ballard Oil	Bellingham Cold Storage Co.
CityIce Cold Storage	Covich & Williams, Inc.
Cummins Northwest	Danielson, Harrigan & Tollefson
Dock Street Brokers	Farm Credit Services - Fisheries Division
Fishermen's News	Fishing Vessel Owners/Marine Ways
Global Seafoods North America	Icicle Seafoods
Jeffrey Moormeier & Deborah Werner/Merrill Lynch	Marine Service & Supply
Marsh	Mundt MacGregor L.L.P.
N C Power Systems Co.	Norquest Seafoods, Inc.
Northport Fisheries, Inc.	Northwest Marine Electric
Pacific Fishermen, Inc.	Philip D. Hingston, Inc. P.C.
Offshore Systems, Inc.	Rickey & Associates
Royal Aleutian Seafoods	Seafood Producers Co-op
Seafreeze Cold Storage	Seafresh/Wards Cove Packing
Seattle Marine & Fishing Supply	Sitka Sound Seafoods
The Permit Master	Trident Seafoods
Unisea, Inc.	Westward Seafoods
YKI Fisheries	

Thank you for your support!

This newsletter will bring you up-to-date on activities in Washington, D.C., the North Pacific Council, the Pacific Council, and markets.

****Washington, D.C. ****

The Association has been working with members of Congress for the last 18 months anticipating certain fisheries related legislation. The Association requested and testified at Senate field hearings in Seattle to allow the Pacific Coast fixed gear fleet and Pacific Council to be granted an exemption to the national moratorium on IFQs, in order to rationalize that fishery. Senator Gorton, this past fall, sponsored such an amendment to Senator Stevens, who is chairman of Appropriations. Senator Stevens accepted the exemption for the lower Pacific Coast and the amendment was added to a large Appropriation's bill. Senator Murray's office was extremely helpful. Senator Murray talked directly to Senator Stevens on our behalf on this issue and assured her fellow New England Democrats in the Senate this was a good idea. Senator Murray recently presented a document asking that the IFQ moratorium be lifted for all regional councils and noted the problems of the Pacific Coast, fixed-gear fleet and success of the Alaska sablefish program. Senator's Wyden and Smith from Oregon also expressed a need for rationalization of the sablefish fishery on the lower coast, which was very much appreciated. Congressman Don Young had been insisting on processor language that would have, in essence, put a moratorium on new sablefish buyers; however, Senator Hollings and New England interests did not like limited entry for processors. They said a significant public debate before the Councils, much like fishermen's L.E. programs, needs to occur before processor limited entry occurs. Congresswoman Jennifer Dunn's and Congressman Norm Dicks' offices were helpful with Mr. Young. Congressman Young is one of the authors of the national IFQ moratorium.

FVOA, with the help of the above congressional offices, secured the **only outright exemption** from the 1996 nationally imposed moratorium on IFQs. The exemption, drafted by Senator Gorton, reads:

(b) Notwithstanding sections 303(c)(1)(A) and 303 (d)(1)(B) of the Magnuson-Stevens Fishery Conservation and Management Act, as amended by this action, the Pacific Fishery Management Council may recommend and the Secretary of Commerce may approve and implement any fishery management plan, plan amendment, or regulation, for fixed gear sablefish, subject to the jurisdiction of such Council, that—

(1) allows the use of more than one groundfish fishing permit by each fishing vessel; and/or

(2) sets cumulative trip limit periods up to twelve months in any calendar year, that allow fishing vessels a reasonable opportunity to harvest the full amount of the associated trip limits.

The Gulf of Mexico Council was given a potential opportunity for an IFQ by submitting to Congress, an economic and social impact analysis of any fishery in its jurisdiction that may benefit from an IFQ format. That Council voted in favor of a red fish IFQ only to have it denied in 1996 by the national IFQ moratorium. Additional Congressional action for an IFQ would be required for approval of their red fish program.

The Alaska Crab Coalition, whom FVOA teamed up with to address the IFQ moratorium, got language that mandates the North Pacific Council examine its groundfish fishery and crab fishery with respect to special processor IFQs, community IFQs (i.e. where the community owns the IFQ and leases back to its citizens), and fishing IFQs. The presumption being if the Council can agree on something, then Congress may implement it or alter it.

It would appear that the national IFQ moratorium is beginning to crumble. The difficult debate ahead for West Coast groundfish and crab fisheries in Alaska is that new IFQs may have to share historical fishermen's harvest with historical processing in some guaranteed delivery system based on historical purchases and landings, such as "two-pie", and some share of the fish may be granted to native-controlled, tax-exempt villages throughout Alaska. Under this format, in time, as we are seeing with the pollock fishery, which is significantly influenced by the American Fisheries Act, the family-owned, independent vessel, is disappearing. Vertically controlled processing and harvesting companies are evolving from AFA. It is hard for me to conceive how the family boat owners can compete with the processors and tax-exempt native corporations in the future. This is occurring in pollock and could occur in Bering Sea crab and other groundfish fisheries. The lower coast groundfish fisheries, other than the fixed-gear fishery for sablefish, are in so bad of shape, it's hard to know how the industry will evolve.

****North Pacific Council Actions****

The sablefish TAC s will be:

	2001	2000	Change
WG	2010	1840	+10%
CG	5410	5730	-5.6%
WY	2060	2207	-6.7%
EY/SE	3360	3553	-5.5%
EBS	1560	1410	+10.7%
AI	2500	2430	+7%
Pacific Cod - BS*	188,000 mt	193,000 mt	-7.8%
Pacific Cod - GOA	WG	18,300	20,625
	CG	30,250	34,080
	EG	3,560	4,010

***Pacific Cod - BS** - This resource continues to be dominated by an older year class with little evidence of recruit classes. A significant drop in TAC could occur if new year classes are not identified. I said this last year but it did not occur.

Halibut Charter IFQs and Community Set-Asides. The Council has chosen to examine, at the next Council meeting, an option that would transfer .5 to 2.5 percent of the combined commercial/charter TAC for Gulf of Alaska Native Communities to develop charter operations. This will affect Areas 2C and 3A IFQ holders. The options before the Council include taking (1) equal pounds from the commercial and charter sectors, (2) Proportional amounts based on the split between the commercial and charter sectors; (3) and 100 percent of the pounds taken from

the charter sector.

The poundage would be available for 37 native communities in the Gulf of Alaska for the development of charter boat operations (23 in area 2C and 14 in area 3A). The proposed combined halibut quotas in 2C and 3A are about 27 million pounds. At a market IFQ value of \$9/lb., the proposed transfer represents 1.2 to 6 million dollars of value to be transferred from IFQ holders to someone else. Final action will be in April. It should not go unnoticed that the same communities which are willing to buy quota on the open market for commercial purposes are asking for this set-aside. An option to allow communities to purchase the quota was submitted by Kevin O'Leary, but the Council did not support the option and the staff said they did not have time to analyze it. Apparently, there is time to analyze taking fishing opportunity from someone but not purchasing it on the open market. The draft of these proposals will be back before the Council in February and final action in April. Any Council action will likely result in some reduction in your QS in the 2002 season to provide more economic opportunities to the 37 communities; however, these economic opportunities will likely result in less opportunity in the towns of Petersburg, Kodiak and Seward.

IFQ Cost Recovery Fee. The amount of the fee was published by NMFS to be 1.8%. It could have been 3%. Hey, this is good news!

IPHC Recommendations. Good News in 3A and 3B!

2001 IPHC Staff Preliminary Catch Limit Recommendations

<u>Regulatory Area</u>	<u>2000 Catch Limit</u>	<u>2001 Staff Recommended</u>
2A	0.83 ¹	1.14 ¹
2B	10.60	9.99
2C	8.40	8.78
3A	18.31	21.89
3B	15.03	18.50
4A	4.97	4.97
4B	4.91	4.91
4CDE	4.45	4.45 ²
Total	67.50	74.63

Annual IPHC Meeting is January 22-25, 2001 in Vancouver, B.C. The Canadians always provide a good time!

Mercury in Fish. The Clinton Administration is under significant pressure from consumer protection groups to lower the action level of mercury in fish. Currently it is at 1 part per million (ppm). This was established during the 1980's with the help of Senator Stevens.

Mercury occurs naturally in the environment. According to FDA toxicologist, Mike Bolger, Ph.D., approximately 2,700 to 6,000 tons of mercury are released annually into the atmosphere naturally by degassing from the Earth's crust and oceans. Another 2,000 to 3000 tons are

released annually into the atmosphere by human activities, primarily from burning household and industrial wastes, and especially from fossil fuels, such as coal.

Apparently, the current status of 1 ppm was established to limit consumers to methyl mercury exposure to levels **10 times lower** than the lowest levels associated with adverse effects. However, FDA says this doesn't mean it is safe to regularly eat fish that contains 1 ppm of methyl mercury.

From FDA Analysis from 1992-1994

Species	Range (ppm)	Average (ppm)
Domestic Samples		
Catfish	ND - 0.16	ND
Cod	ND-0.17	0.13
Crab	ND-0.27	0.13
Flounder	ND	ND
Hake	ND	ND
Halibut	0.12 - 0.63	0.24
Pollock	ND	ND
Salmon (canned)	ND	ND
Salmon (fresh or frozen)	ND	ND
Shark	0.30 - 3.52	0.84
Swordfish	0.36 - 1.68	0.88
Tuna (canned)	ND - 0.34	0.20
Tuna (fresh or frozen)	ND-0.76	0.38
Import Samples		
Pollock	ND - 0.78	0.16
Shark	ND- 0.70	0.36
Swordfish	0.80 - 1.61	0.86
Tuna (canned)	ND - 0.39	0.14

The Halibut Commission did a study that showed the industry average was .24 ppm; however, large halibut can be in the .6 to .7 ppm range.

Summary of mercury concentration in Pacific halibut

Area of catch	Number Of Fish	Mean weight		Mercury (ppm)			Percent of Samples exceeding 0.50 ppm
		Lb.	Kg	Low	High	Mean	
Bering Sea	152	54.8	24.8	0.02	1.00	0.15	4.6
Gulf of Alaska	781	71.8	32.6	0.01	1.28	0.20	5.0
Southeast Alaska	70	67.6	30.7	0.04	1.30	0.26	12.8
British Columbia	163	39.3	17.8	0.04	1.46	0.32	27.0
Washington-Oregon	81	30.3	13.8	0.10	1.43	0.45	35.8

The National Academy of Science came out with recommendations to lower the action level to .1. The suspicion is that some of the proponents supporting lowering the action level are trying to stop the commercial fishing for bill fish, particularly swordfish and sharks. An action level of .1 would be disastrous to us as well. The FDA may take an action on this before President Clinton leaves office on January 20th. Senators Stevens, Murray, Gorton, and Breaux signed a letter requesting a delay in action and more studies before FDA action is taken.

Pacific Council

Permit Transfers. The Council has chosen to simplify this process. A permit will be allowed to be transferred once per calendar year as opposed to once per 12 month period.

Permit Stacking. The last newsletter outlined the new stacking provisions. The action by Congress now allows the November Council recommendations to be implemented. The FVOA will be talking with NMFS regarding implementation of the stacking program. It is possible for NMFS to have the paperwork done on a stacking provision available for an August, September and October 2001 season. We remain hopeful that NMFS can accomplish this. We will keep you up-to-date.

Marine Reserves. The Council will conduct hearings on Marine Reserves. The President has indicated that this shall be done. In order for the Council to stay in a position of leadership on Marine Reserves, the Council has taken a very active role. With the six species listed as overfished, the Council does not need a court to begin establishing no fishing areas.

Observers. The NMFS received \$2.7 million for the West Coast groundfish fishery observer program, which could be implemented by mid 2001. The observers will be financed by the NMFS. You may be required to take an observer. There is no under 60' rule on the lower coast. The regulations are not yet in place, but should be by April 2001.

Markets

Halibut. The NMFS reports showed a considerable reduction in increasing inventories of halibut. By the end of October, inventories had reached 10.5 million pounds; however, the NMFS reports show inventories, beginning 12/1/00 at 5.3 million pounds. If the new numbers are accurate, this is very good news. The 5.3 million level would actually be below the 1999 December number by 30 percent.

Sablefish. Markets were favorable last year and are expected to continue. The slight decreases in quotas in Alaska and off Washington, Oregon and California, will tighten supplies. There are reports that Mero from Chili and elsewhere have had quality control problems reducing demand for Mero, which is an alleged substitute for sablefish.

Second Watch

Please welcome the following as new members: Larry and Brenda Demmert with the **F/V Voshte Lynn** and **Nicholas Daniel** of Lake Forest Park, Washington, as a new Associate Member, and Mike Painter, **The Permit Master**, from Anacortes, Washington, as a new Sustaining Sponsor. Thank you for your support.

Calendar of Events

January 22-25, 2001	IPHC Annual Meeting	Four Seasons Hotel, Downtown Vancouver, B.C.
February 5-10, 2001	NPFMC Meeting	Hilton Hotel Anchorage, AK
February 10, 2001	Flat Fish Ball	Spirit of Puget Sound Pier 70
March 5-9, 2001	PFMC Meeting	Doubletree Hotel - Columbia River Portland, OR

