

The Wheel Watch

a newsletter of the
Fishing Vessel Owners' Association
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Dear Longliner:

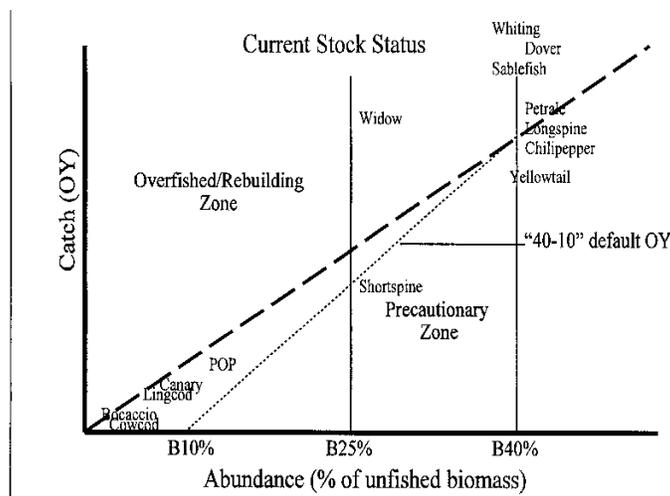
This newsletter will bring you up-to-date on actions occurring at the Pacific Council, North Pacific Council, the Halibut Commission, Magnuson Act Reauthorization, and your favorite market information.

****PACIFIC COUNCIL****

Highly Migratory - Those of you who fish for albacore or other highly migratory species should be aware that the Council has set their March 2000 Council meeting as a time to set a control date for limiting entry into these fisheries. This would affect fisheries within the 200 mile zone off Washington, Oregon and California.

Sablefish - The Council adopted a harvest level equal to last year. This will result in a catch of 7,919 mt. The Council sets seasons in April for this fishery. You can probably count on a season and harvest levels similar to 1999.

Trawl Restrictions - The on-bottom trawl fisheries were restricted from using roller gear in excess of 8 inches in diameter. This was done to keep the larger tire and rock hopper gear out of the rock piles in order to protect the habitat areas of some of the more depleted shelf rockfish. There is no restriction on their slope operations. The following graph shows the effects of the last 24 years of management of the major rockfish species by the Pacific Council. For 20 years, the Council's best scientific information suggested an aggressive harvest approach. Five species are listed as overharvested and two species are now in the precautionary zone. The last three years I have been on the Council, we have reduced quotas three consecutive times. I want to thank both John and Jack Crowley for attending the November Council meeting. Grandfather Jack always has good fatherly advice for the Council.



IPHC

The Halibut Commission recommends significant reductions. The following harvest levels will be recommended by the IPHC scientist at their annual meeting in January.

2000 IPHC Staff Preliminary Catch Limit Recommendations		
Regulatory Area	1999 Catch Limit	2000 Staff Recommended
2A	0.76 ¹	0.65 ¹
2B	12.10	10.14
2C	10.49	8.40
3A	24.67	18.31
3B	13.37	15.03
4A	4.24	4.97
4B	3.98	4.91
4CDE	4.45	4.13 ²
Total	74.06	66.54

¹ Area 2 recommendations include all removals designated in the PFMC catch sharing plan

² Individual regulatory quotas for Areas 4C, 4D, and 4E are designated by the NPFMC catch sharing plan

Preliminary rationale for the reductions are: (1) lower CPUE in the surveys; (2) poor recruitment; and (3) weight at age seems to be down again.

2000 Recommendations - There are nine industry recommendations. The three major issues that will be discussed at the Annual Meeting, other than harvest levels, will be: (1) allowing live fish deliveries, (2) a CDQ company wants a new area in the Bering Sea for 200,000 lbs. This will mean 4C, 4D, and 4E will have to give up some fish to provide for the new area. The area is proposed in the nursery area. (3) Should the season open March 1st and close November 30th? The Annual meeting will be in

Lynnwood, Washington at the Embassy Suites, January 10-13, 2000.

****MAGNUSON ACT REAUTHORIZATION****

The Senate will have a hearing on Magnuson Act issues on January 19th at Sea-Tac. The issue of the IFQ moratorium will be a critical issue of debate. The moratorium is scheduled to sunset October of 2000; however, Senator Stevens has hinted that a continuance of the moratorium should be expected. The lower Pacific coast trawl and fixed gear industry have all indicated support for some form of a trip limit IFQ opportunity. Senator Glade Gorton has requested an open mike for the public in addition to general industry testimony.

****NORTH PACIFIC COUNCIL****

I want to thank Jack Knutsen and Pat McBride for attending the December Council meeting in Anchorage with me.

Sablefish TACs - The following harvest levels for Sablefish were adopted.

	Area	2000	2000	1999	1999	1999
		<u>ABC</u>	<u>TAC</u>	<u>ABC</u>	<u>TAC</u>	<u>Catch</u>
<u>Sablefish</u>	EBS	1470	1470	1340	1340	628
	AI	2430	2430	1860	1380	529
	W	1840	1840	1820	1820	1487
	C	5730	5730	5590	5590	5828
	WYAK	5760	2207	5290	2090	1704
	EYAK/SEO		3553		3200	3080

The good news about Sablefish is that there appears to be three notable year classes coming into the fishery. Evidence of a strong 1998 year class has been recorded throughout S.E. Alaska, Kodiak, and even the Aleutians.

Charter Boat Allocation - The Council has sent out the 250 page analysis, which would allocate the charter vessel operations a portion of the 2C and 3A halibut quotas. Now that harvest levels have been recommended to be reduced in 2A and 3A, this becomes a bigger concern for the commercial industry and the charter industry. Alaska Council members, Dave Benton for the Governor's office, and Joe Kyle from Juneau, continued to carry forward the options for the charter vessels. Joe Kyle happens to be the Vice-President of the Halibut Association of North American, a group that represents processors. I suggest that a major battle will ensue at the February meeting largely because the Council has procrastinated six years on this issue. Had a decision been made two years ago, the noise level would have been faint relative to what I expect will come in February. The potential for

reduced quotas puts an extra charge in the politics.

Linda Behnken did an extraordinary job trying to protect your QS from charter boat options; however, the State of Alaska, represented by Dave Benton, got more votes on the options favorable to charter operations. Kevin O'Leary, the other longliner, voted with Linda but was noticeably quiet during the debates.

Senator Murkowski sent a letter recently on this issue and it concluded that "a fixed allocation for charter operations was made by the director of the State of sport fishing. For my part, I do not believe that is appropriate."...Senator Murkowski.

Halibut/Sablefish IFQ Changes - A report from the Implementation Committee on amendments to the halibut and Sablefish IFQ program will be presented in February to the Council. It will include recommendations to liberalize the block program in 3B and westward so potentially you could own two or three blocks plus an unblocked quota in those areas. It is expected that the Gulf Village Coalition will also ask the Council to allow village corporations to be able to bid against crewmen and vessel owners for quota shares. The betting line is that the State of Alaska will support this.

Pacific Cod - The good news is that the TAC for cod in the Bering Sea is up. The harvest level will be 193,000 mt, up from 177,000 mt in 1999. This increase is given with caution. The resource is currently made of up older, larger fish, so this year the harvest is up; however, the three-year forecast is that there are few recruits moving into the fishery and the harvest could fall to 105,000 mt in three seasons. The TAC in the Gulf was reduced from 68,000 mt in 1999 to 60,0000 mt for the 2000 season.

MARKET REPORT

Halibut - The fleet landed 97% of the harvestable fish in 1999.

Fishing Quota (IFQ) Allocations and Landings From 01-MAR-1999 through 15-DEC-1999 <----- Tac ----->							
Area	Species	Vessel	Total Catch		Allocation	Remaining	Percent
			Landings	Pounds			
2C	halibut		3,451	9,896,079	10,490,000	593,921	94
3A	halibut		3,074	24,310,879	24,670,000	359,121	99
3B	halibut		774	13,217,473	13,370,000	152,527	99
4A	halibut		307	4,165,215	4,240,000	74,785	98
4B	halibut		120	2,776,569	3,184,000	407,431	87
4C	halibut		159	767,567	1,015,000	247,433	76
4D	halibut		36	1,302,747	1,421,000	118,253	92
4E	halibut		0	0		0	0
Total			7,921	56,436,529	58,390,000	1,953,471	97

2B	halibut	12,200,000	12,100,000	100%
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Prices were wonderful in 1999. The market for fresh was never so active. It is seldom that quotas go up and the price also rises. The cold storage report shows 7,749,000 pounds in cold storage, which is 13 percent below last years inventories. This should move out relatively easily leaving low inventories for the 2000 season. The proposed reduction in 2B, 2C and 3A should strengthen fresh fish sales in 2000 and make frozen deliveries out west more valuable; however, the \$3.00/lb. fish is great until the restaurants take it off the menu. Just a warning should the prices get too high.

Sablefish - The fleet landed 94% of their catch levels. The Central Gulf landed 99 percent.

Fishing Quota (IFQ) Allocations and Landings From 01-MAR-1999 through 15-DEC-1999						
Area	Species	Vessel	Total Catch		Allocation	Remaining
			Landings	Pounds	Pounds	Percent
						<----- Tac ----->
						Landed
SE	sablefish	744	6,910,643	7,054,720	144,077	98
WY	sablefish	273	3,942,953	4,023,395	80,442	98
CG	sablefish	679	9,762,324	9,858,971	96,647	99
WG	sablefish	134	3,072,512	3,209,898	137,386	96
AI	sablefish	83	1,095,189	1,825,409	730,220	60
BS	sablefish	81	626,749	1,181,666	554,917	53
Total			1,994	25,410,370	27,154,059	1,743,689 94

Total number of vessel offloads containing only halibut IFQ: 7067
 Total number of vessel offloads containing only sablefish IFQ: 1148
 Total number of vessel offloads containing both IFQ species: 826

The market for sablefish in Japan has been relatively uneventful for most of the fall, with limited amounts of product moving slowly at wholesale prices of ¥1,100 to ¥1,150/kilo (\$4.72 -5.42/lb). The importers hopes that the high prices for mero would help the market for sablefish but the retailers resisted price increases for sablefish. By mid-October, however, market conditions changed dramatically, with wholesale prices increasing rapidly as users started to build up inventories to meet their long-term needs.

The shift in market conditions resulted from several factors, all of which related to a change in the users' perception of the remaining supply. It was generally felt that the packers would hold on to their inventories of sablefish until prices improved. It now appears, however, that they have been quietly selling their sablefish to Japan and other markets, and there is virtually no product remaining in inventory. (Bill Atkinson's News Report)

The proposed 2000 increases will have little impact on the market. A great deal of the increase comes in the Aleutians and Bering Sea, where harvest has not been fully realized. Rumor control suggests another reduction in Chatham harvest levels. The yen is at 103 and looking good for the 2000 season.

You may be interested in the following sablefish exports through October of 1999.

67,654 kilos to the Bahamas 120,295 kilos to China

310,969 kilos to Hong Kong
92,004 kilos to France

8,157,018 kilos to Japan

Pacific Cod - Prices will be “nydelig” for the 2000 season. Bob’s price prediction is \$1.55 frozen Dutch Harbor. Round and wet prices are 35¢-45¢. The Europeans have proposed 30% reductions in cod harvest. This will tend to drive prices up for Alaskan Pacific Cod.

****SECOND WATCH****

Please welcome a new sustaining sponsor, **Seafood Producers Co-op from Bellingham, Washington. Barry Lester is President/CEO.** Thank-you for your support!

Millennium Note - January 1, 2000 is not the first day of the new millennium. It is the first day of the last year of the old millennium.

Halibut Highlights - Oldest male halibut - a 55 year old male measuring 118 cm was caught in the Bering Sea/Aleutian Island area.

Most halibut landed in a single year by all IPHC Charter vessels: 3,000,000 pounds during the summer and winter of 1998. Gosh, that almost sounds like a commercial operation!

Serious note - There will be several important meetings at which volunteers are needed. The IPHC Annual Meeting in Lynnwood, Washington, January 10-13, 2000; the February North Pacific Council meeting in Anchorage on the Charter Boat Allocation; and, the January 19, 2000 Magnuson Act hearing at the airport. If you fail to participate, no whining will be accepted!

Thank-you to all the wonderful volunteers who helped set up and staff the booth at **Fish Expo 99.** First, thank-you Steve Lindahl (F/V Resolute) for lifting, hauling and making setup a snap! Thank-you to the following volunteers for giving of your valuable time: Paul Clampitt (F/V Augustine); Art Hodgins (F/V Alrita); Dean Adams (F/V Quest); Dave Glem (F/V Aleutian) (a couple shifts!); Wade Bassi (F/V Polaris); John McHenry (F/V Seymour); and John and Mary Crowley (F/V Kristiana).

****Calendar of Events****

January 1, 2000

Happy New Year!

January 10-13, 2000

IPHC Annual Meeting

Embassy Suites, Lynnwood, WA

January 19, 2000	Magnuson Act Hearing	Sea-Tac Airport, Seattle, WA
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	Pacific Council Meeting	Doubletree - Columbia River Portland, OR
April 10-14, 2000	North Pacific Council Meeting	Anchorage Hilton

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Happy New Year!