

The Wheel Watch

a newsletter of the
Fishing Vessel Owners' Association
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Vol. XVII, No.3

July 2003

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Thank you for your support!

Dear Longliner

****Pacific Council****

I have just returned from the June Pacific Fishery Management Council meeting. **I RECOMMEND THAT YOU FISH YOUR "A" SABLEFISH ENDORSED PERMIT BEFORE THE SEPTEMBER 8-12 COUNCIL MEETING.** I am concerned about how the National Marine Fisheries Service may account for total mortality of Sablefish.

The current observer data used by the NMFS to account for discards in the trawl and fixed gear fleets assigns a 10% loss to mortality to fixed gear and a 22% loss to mortality for trawl gear. The observer data however showed a 61% discard rate of Sablefish in the targeted trawl Sablefish fishery. At the April Council meeting, the Council voted 10-to-2 to use the recent observer data for in-season management. This would have significantly reduced the trawl trip limits of Sablefish. Somewhere between April and June, the "system" chose to use the old information of trawl discards at 22% with a review of the observer data in September for additional acceptability.

The concern I have is, if it is determined the best scientific information available is the new observer data, then there could be an additional 700 to 1000 mt. (1.5 to 2 million lbs.) of mortality added to the harvest. The scientists have already stated the observer data should be used. The NMFS representative indicated that the additional mortality could be counted against the fixed gear allocation in order to avoid going over the total harvest limit. That's right! The trawl fleet discards it and the fixed gear guys could get charged for it. I would hope the Council and NMFS would not choose such an action.

There is no way to know for sure what may happen in September. I advise you to harvest your "A" Sablefish permits before the September Council meeting. It is anticipated we will have fixed gear discard rates available in September from the observers' data. We will have to live with whatever numbers are generated by the observers. I have no idea what that observer data shows for fixed-gear operations. The trawl bycatch numbers are twice what is currently assumed.

VMS. It appears the vessel monitoring system will not be required until late October or November. The Council requested NMFS to start the VMS program in 2004. This is the electronic device that will be used to determine if you are outside 100 fathoms. The NMFS is enforcing the 100 fathom regulation this year with significant fines. Enforcement is being done with over flights and stepped up Coast Guard at-sea operations, so stay to the west of the 100 fathom line. No exceptions. The Council will examine the possibility of moving the line to 125 fathoms for 2004, because of potential Canary bycatch. The Canary rockfish stocks are at very critically low levels. This would be a September decision.

Preliminary Harvest Level for 2004. Some good news. The Council's range of sablefish harvest levels for 2004 were as follows: low 4670 mt., medium 7,556 mt., high 8,365 mt. The harvest level in 2003 was 6,500 mt., so things seem to be up a little. This is based on the two large year classes moving into the fishery. The Council will take final action on this in September. I want to thank John Crowley for attending the Advisory Panel meeting on behalf of FVOA.

****North Pacific Council****

Subsistence Halibut. This issue has developed into a problem, the degree of which is not known yet. The Council started out trying to provide certain western Alaska native populations customary practices by supplying fish (Halibut) for their elders and members of their community for personal use consumption. The Council proposed that certain tribal and rural residents can use 30 hooks and catch 20 fish each day for subsistence purposes. One problem with this is that five people can go out on one vessel, drop 150 hooks and catch 100 fish. The fish are not allowed to be sold into the commercial market or to a processor. The Council allowed up to \$400 cash to be received for the purpose of bait, gear, fuel for those who would catch the fish on behalf of others. The Council's intension of no sale for commercial purposes was clear enough, however, NMFS enforcement has said with the \$400 exemption, it cannot enforce the regulations. They say the language is too vague. There are potentially 80,000 people who could qualify. There are 7000 licenses for subsistence that have been issued this year. It is unclear how many of the licenses have been active. The subsistence harvest will come off the top of the harvest before commercial and sport use next year.

The Council has some additional amendments which will reduce the hook and bag limits in higher population areas, such as, Cook Inlet, Kodiak, and Juneau. Additionally, the Council and NMFS will be meeting in July to review potential regulatory amendments that would make the program more enforceable. The Council will take up reports on this at the October 6-12 meeting in Anchorage. All I can say at this time is, this is a problem. One of the sources of the problem is that the Council did not distinguish between tribal and non-tribal rural residents and made the program state-wide. FVOA will be looking at this issue over the summer and fall. I have received calls from our members reporting new subsistence activity in Sand Point and S.E. Alaska. If you see abuses of this during the summer, call NMFS @ 1-907-586-7414 (NOAA **General Counsel**) and let someone know so there is a record going into the October Council meeting.

Council Appointments. The new council members from Alaska will be Arne Fuglvog from Petersburg, and Ed Rasmussen from Anchorage. The Rasmussen family is most well known for running the National Bank of Alaska. Mr. Rasmussen's father, Elmer, was the Council's first chairman in 1977. Dave Bensen from the Kitsap Peninsula and an employee of Trident Seafoods will be the new representative from Washington State. He takes Dr. Fluharty's seat.

I have talked to Arne Fuglvog about a number of Halibut and Sablefish IFQ issues. The Council has put out a request for amendments to the IFQ program; they need to be in by September. He indicated there is considerable support in S.E. Alaska to allow for pots in the Gulf for Sablefish. He cited round deliveries may yield a bigger price as the Sablefish stomachs may bring a good price in Korea. The primary rationale for pots seems to be the sperm whale interaction with sablefish on longline gear.

The folks in Kodiak and western Alaska seem to want to change the block program as it is not working for them out west. There are already four (4) proposals addressing this before the Council that have not been taken up. In my discussions with Arne Fuglvog, he indicated that some people will ask that the hired skipper provision to be re-addressed. S.E. Alaska interests in the past have wanted to eliminate or phase this privilege out. I expect all of the above to be part of an amendment package this coming winter before the Council.

Gulf of Alaska Rationalization: The Council is looking at IFQ-type formats to rationalize Gulf cod, pollock, flat fish and rock fish harvest. The Council eliminated the option of processor shares and conversely, eliminated a pure IFQ Halibut/Sablefish option. The remaining options include processor-linked cooperatives, community trust-held quotas, skipper shares allocation of 5-10-15% of all IFQs, regional landing restrictions and owner-on-board requirements. The Council hopes to take a vote on these options in June 2004.

Essential Fish Habitat and Other Habitat Closures: The Council is progressing down at least three paths regarding habitat issues. The Council is required to look at Essential Fish Habitat (EFH) and minimize impacts to the habitat by gear types. Under this item, the Council is looking at six alternatives. The option that seems to have the greatest focus is option 5B that would close certain areas in the Aleutians to trawl gear. However, there is an option 6 that would close 20% of all habitat to all gears. It would be devastating to all fishing operations. The Council is also looking at a procedure to determine marine potential areas (i.e.) closed areas and what are called Habitat of Particular Concern. The first two issues, EFH and Marine Protected areas, are driven by enviro lawsuits. All the Councils, including the Pacific Council, are required to go through this. I expect we will have some permanently closed areas up and down the coast in the end.

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

Senate Bill 1106: This bill amends to the Magnuson-Steven's Act relative to IFQs from Senator Snowe. Senator Snowe's bill would require a 2/3 referendum of the permit holders in order to activate an IFQ program. It places transfer fees on IFQs when traded. It does not, as yet, authorize processor shares. This bill was to be marked up on June 26, but due to too many proposed amendments, the mark-up did not happen. It was rumored that Senator Stevens would be adding Processor Quotas to be available to the NPFMC. It was suggested that Senator Smith from Oregon may request the same for the Pacific Council. The Snowe bill currently protects existing IFQ programs and eliminates the double referendum on IFQs. There is only one referendum proposed at this time for new programs. It was not known what other amendments may be added from the environmental interests or when Senator Snowe would reschedule her mark-up.

C.C.F.: Senator Wyden from Oregon, introduced amendments to the CCF fund that would allow you to take the existing funds out without penalty and put them in your retirement or IRA program. There seems to be more support for this, this session. However, because of the tax and revenue nature of the legislation, it must go through and be approved by a variety of subcommittees.

Crab Rationalization. It is anticipated that this fall the crab rationalization plan passed by the NPFMC will be attached to an appropriation's bill. I expected some changes favoring selling crab to Kodiak buyers coming from the Bering Sea. However, I discount that at this time because of comments Governor Murkowski made at the Kodiak Council meeting suggesting it is time to try something to rationalize the current situation on crab in the Bering Sea. He left some holes in his statement should the program develop problems, but in short, he seemed to want to

get on with other business. The Bristol Bay price-fixing lawsuit was won by the processors, many of whom will get processor crab shares. Had the jury decided against the processors, that would have likely resulted in a problem for the current rationalization plan. There was also a hearing in Washington, D.C., specific to crab rationalization, and Senator Stevens seemed to support the Council's action, citing nine years of work, a unanimous vote and a need to try something. I expect a rider this fall and possible implementation with King Crab in the fall of 2004 but no later than for Opilio in 2005.

****Markets****

Halibut. Prices took an upward surge in late June, rising above \$3.00 per pound throughout Alaska. In talking to several buyers who thought prices would relax, they have told me the market seems to be moving the product at these incredibly high prices. Cold storage holdings could be a problem in the future and the main reason being that NMFS does not publish cold storage numbers anymore. The industry is flying blind on cold storage holdings, and this is not good. Last year, 75% of the quota was landed by July 15. It does not appear that it is going to happen this year, although, 60% could well be landed by July 15, which leaves four more wonderful months for selling halibut!

Individual Fishing Quota (IFQ) Allocations and Landings						
From 01-MAR-03 through 25 - June -03						
Area	Vessel Species	Total Catch Landings	Allocation Pounds	TAC		Percent Lande
				Remaining Pounds	Pounds	
2C	halibut	1,235	4,947,068	8,500,000	3,552,932	58
3A	halibut	1,277	14,127,152	22,630,000	8,502,848	62
3B	halibut	425	8,618,461	17,130,000	8,511,539	50
4A	halibut	79	1,052,786	4,970,000	3,917,214	21
4B	halibut	54	984,775	3,344,000	2,359,225	29
4C	halibut	7	45,300	1,015,000	969,700	4
4D	halibut	2	117,788	1,421,000	1,303,212	8
Total		3,079	29,893,330	59,010,000	29,116,670	51

Sablefish. Markets continue to be strong. The yen versus the dollar has moved favorably for exporting and this has strengthened the market.

Individual Fishing Quota (IFQ) Allocations and Landings						
From 01-MAR-03 through 25 - June -03						
----- TAC -----						
Area	Species	Landings	Pounds	Pounds	Pounds	Landed
AI	sablefish	52	887,987	4,100,556	3,212,569	22
BS	sablefish	58	518,525	2,557,336	2,038,811	20
CG	sablefish	424	9,021,142	11,358,099	2,336,957	79
SE	sablefish	391	4,750,645	7,848,376	3,097,731	61
WG	sablefish	68	2,226,824	4,532,658	2,305,834	49
WY	sablefish	135	3,173,480	4,466,520	1,293,040	71
Total		1,128	20,578,603	34,863,545	14,284,942	59

****Second Watch****

Please welcome a new “Sustaining Sponsor” to the Association, **Resurrection Bay Seafoods L.L.C.**, David Brindle, Seward, Alaska; and a new “Associate” member, **Cape Caution**, Charles Piecuch of Seattle, Washington. Thank you for your support!

Marketing Efforts: FVOA and DSFU have formed a non-profit organization for education purposes to inform the public initially on wild halibut and sablefish. The organization’s name will be “Eat on the Wild Side!”. Some initial projects are as follows:

(1) **Green Label for Pacific Halibut and Alaskan Sablefish.** We have received a grant from the Resource Legacy Fund to pursue a green label. A scientific team has been contracted with and work will start in about three weeks. The Canadians decided to go with the same green label efforts for Halibut which delayed the project by about three months. The project is still scheduled to be done by early spring 2004 (March/April). We are seeking a London-based Marine Stewardship Certification. Alaska Pollock should receive such an endorsement shortly and Alaskan and British Columbia salmon were certified last year.

(2) **Advertising.** We have developed the following logo, which we hope to introduce to food chains to help draw attention to wild halibut.

(3) **Joint Effort.** With the Canadian Blackcod Association, we have developed several letters to the British Columbia government on their



next round of permitting licenses for farmed fish, other than salmon. We are involved in an economic study with the University of Washington economics division to help make an economic impact argument about the impacts from farmed sablefish.

(4) **Legal Liability.** We are having a review done on the legal liability of disease transfer from farm activity into the wild populations. This should be available this fall.

Halibut Season. The Halibut Commission will sponsor an interagency work group meeting to determine the logistics of extending the halibut season. Eric Olsen will be attending on behalf of FVOA.

May 28, 2003. Markets around the country began scurrying to re-label their farmed salmon after a class-action lawsuit in Washington state accused retailers of failing to tell shoppers that artificial color was added to fish feed.

Canada - May. After a week of violence, a fish plant, a warehouse and four federal vessels were destroyed by an angry mob. 250 people, some of which had been drinking, turned violent when the Canadian government cut snow crab quotas.

USA Today from 1996 to 2002. 460 fishermen were killed. Alaskan waters are the most deadly. 35% occurred during January, December and April.

Unemployment. Olympia reduced fisheries-related unemployment benefits from \$358/week to \$268/week, or a 25.1% reduction. We are doing our part to keep Boeing.