

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 last North Pacific Council meeting, Magnuson Act activity, Pacific Council issues, and market information.

****North Pacific Council****

I want to thank Mark Lundsten, Jack Knutsen, Karl Vedo, John Crowley, Jack Crowley, Wilbur Brown, and Dick Curran for attending a very long but important meeting.

Charter Guidelines Harvest (GHL). The Council had a record 133 individuals testify on this issue, which will significantly affect quota shareholders in 3A and 2C. The Council started on Tuesday and finished on Saturday morning on this issue. The Council set the Area 2C and 3A GHL based on the average of 1995-99 charter boat average in pounds (1.4 million in Area 2C and 3.91 million in Area 3A). This is very close to the 1995 numbers originally requested. The charter GHL will rise and fall in proportion to the area abundance best determined by the IPHC. This was a big win as there was a fear of having a fixed guaranteed charter allocation. The charter boat fleet will incur reductions in their harvestable amounts a year following the commercial reductions. There are some regulations that will ease the charter fleet down should the quota go down more than 15% in a given year. This was part of the compromise. Additionally, the Council decided that the guided charter fleet should be under an IFQ that is tradeable between the charter fleet and the commercial fleet. The Council will set up a committee to work on this beginning March 15, and have an initial review in October 2000, and take final action February 2000. Action can be taken quicker and implemented fast because these actions fall under the Halibut Act, not the Magnuson Act. The ultimate vote was 10 to 1. Many thanks to the three Washington representatives who made good arguments and asked good questions that helped shape the ultimate decision. Thanks to John Bundy, Dennis Austin, and Dr. Dave Fluharty. A significant part of the charter industry embraced the final decision and there was significant positive energy to develop an IFQ program that fits with the commercial program. If this is done right, I believe we will have a very strong ally for our IFQ program.

Bering Sea Aleutian Pacific Cod License. The Council released proposals for public comment which would establish cod endorsements for fixed gear vessels based on the delivery of certain pounds. The following tonnages are round pounds.

Freezer Longline Vessels

Qualification Years:

Option 1: Any one year 1996, 1997, 1998

Option 2: Any one year 1996, 1997, 1998, 1999

Minimum poundage requirement during any qualifying year:

Option 1: 100 metric tons

Option 2: 200 metric tons

Option 3: 300 metric tons

Catcher Longline Vessels

Qualification Years:

Option 1: Any one year 1995, 1996, 1997, or 1998

Option 2: Any one year 1995, 1996, 1997, 1998, or 1999

Minimum poundage requirements during any qualifying year:

Option 1: A landing only (no minimum poundage)

Option 2: 7.5 metric tons

Option 3: 15 metric tons

Option 4: 25 metric tons

Suboption 1: Allow catcher vessels less than 60' LOA to use their jig landings as part of their catch history to apply towards a minimum landing requirement.

Suboption 2: Allow catcher vessels of any length to use their jig landings as part of their catch history to apply towards a minimum landing requirements.

Those of you who are Bering Sea or Aleutian Island Limited entry qualified, should look at these options and let me know your thoughts. Final action is in April.

New IFQ Amendments. After taking action on the charter boat IFQ action, the Council chose not to do any of the recommendations that the IFQ Implementation Committee suggested for changes to the IFQ program. These recommendations included a review of the block program in Western Alaska, changing the amendment schedule so final decision could be made in December or February when the fleet is home, and addressing certain vessel cap issues. None of these will be taken up. IFQ amendments are on a two-year review so we will have to wait two years for new changes. The Council did proceed with the Gulf Coast Communities Coalition proposal to assist in development of a discussion paper related to their previous request to allow certain tax-exempt village corporations to buy IFQs in the open market. This position paper would allow IFQs to be purchased by villages and leased to certain village residents.

Other Issues. The Council is devoting many hours to the American Fisheries Act amendments, which primarily affect pollock harvesters and buyers in the Bering Sea. Such issues as excessive ownership limits, who can buy pollock, who cannot, and “sideboards” on AFA vessels. Uncle Chuck still looks like the winner on AFA and best positioned company for the near future. But then, the Anchorage Times reports old “Data Bank Dave”—Dave Frasier—as being one of the best paid coupon clippers after leasing out his pollock fishing history for a million a year. What about his crew? Leasing? 3% fee? Ha, no problem, it is all done with Co-ops as defined in the AFA. These, currently, are single market Co-ops for shorebased vessels and multi-company Co-ops for at-sea processors. They have been highly successful for the at-sea processors because they operate much like an IFQ. They have been very controversial for shorebased operations because of landing restrictions on harvesters.

3% Fee. It only took the government four years to implement the 3% IFQ fee, which will be charged against the ex-vessel value of halibut and sablefish landings this year. You will receive, as a quota shareholder, a bill in December from NMFS, based on average regional prices for halibut and sablefish. If you disagree with the amount of the bill, you will need to have your landing tickets to verify the amount you think is correct and you may pay off of your fish tickets. If you should not pay the fee, you will not be issued your IFQs the following year. Only the West Coast will be paying this fee—the East Coast doesn't pay on their Coag Clam IFQ. The fee will go to enforcement and management of the IFQ fisheries and to help finance the IFQ loan program.

Magnuson-Stevens Act. Heads up! It is rumored that Congressman Don Young plans to introduce a bill similar to his HR 39 bill from four years ago. We have not received any word if existing IFQs will be protected from new standards and guidelines. It has been suggested that some of the guidelines could be mandatory. Congressman Miller's staff has suggested that if the moratorium is lifted on IFQs, the IFQs should not be allowed to be transferable. How would crewman buy in? How could you sell out? How could new vessel owners establish themselves? How could an over-capitalized fleet ever consolidate? Congressman Miller is from California. Congressman Young is said to like co-ops, the type from the AFA. In fact, at the last Council meeting, some Kodiak fishing organizations were supportive of this. However, there were others opposed and saying the anti-trust word. It has been suggested that the Gulf Coalition's proposal will be added to the amendments as well.

The Magnuson-Stevens Act bill will no doubt, be a barn-burner again. You, as an IFQ holder, could do yourself a big favor by calling your congressman and inquiring, "how will you handle existing IFQs? Will co-ops be allowed? Will IFQs be allowed? Is the Gulf Coalition going to have their issue taken up by Congress or the Council?" Tell them you just bought some IFQs.

Congressman Young - (202) 225-5765 Senator Stevens - (202) 224-3004
Senator Gorton - (202) 224-3441

The Washington State delegation has been very helpful on our IFQ program in the past and supported relaxing the moratorium without unreasonable guidelines.

****Pacific Council****

Well, I've been three years writing nothing but sad stuff on this Council so here is a bit of positive information. The President put \$2.3 million in his budget for a West Coast Observer Program. There is a movement by West Coast Congressman Wyman to develop a letter of support for this program. Last year, the Senate supported this, but the House put the nix on it. Additionally, the President put \$1,000,000 additional for research. In March the scientists for the Council will get together for a major group clutch and determine new harvest strategies for several rockfish species, including sablefish and whiting. I expect all species to get an additional 10% to 15% drop in harvest levels for 2001, for precautionary reasons.

The Strategic Plan team will have recommendations to the Council, which will include some aggressive ideas for decapitalization. Some ideas are: Stacking permits, both trawl and fixed gear, reducing the trawl and open access fleets by 50% as well as the fixed gear fleet targeting for rock fish. Should the moratorium on IFQs be lifted, the Pacific Council is ready to move on several ideas, but this will depend on Congressional action on how the moratorium is handled, and if the guidelines and conditions are reasonable.

****Markets****

Halibut. The cold storage reports show a 13% drop to 6.7 million pounds through the end of December. It appears that there could be 2 to 3 million carried over for last year. I suspect this

will have little effect on this years market with the reduced quotas. Prices should be good for 2000. However, prices were pushed to the limit last year. Last week I saw frozen halibut in Redmond for \$9.50/lb. It looked good.

Sablefish. The yen versus the dollar has been steady at 103 to 105 for several months. I expect prices similar to last year. Last year, Japan bought 15 million pounds of dressed sablefish through December for a reported \$40.5 million. Hong Kong, Taiwan, and Singapore accounted for about 300,000 pounds each. A new market showed up on our website at www.fvoa.org. That was Guadalupe at 2890 kilos. Que pasa mi amigo?

Pacific Cod. Still a strong market. Going to all parts of the world--Japan, Spain and U.S. (.43/lb. round in Kodiak. Ask for Dave Woodruff in Kodiak).

****Second Watch****

Please note a correction to the February newsletter. We welcomed "Far East Maritime" when the correct name is **Global Seafoods North America**. Our apologies.

Please welcome as a new Sustaining Sponsor, **Russ Trombley of Marine Service & Supply, Inc.**, of Seattle, Washington. Thank you for your support.

The largest halibut caught on IPHC charter was 247 cm or about 391 lbs. dressed, head off, caught south of Unimak Island by F/V Kaare in 1993.

The next class for **First Aid and CPR, through Washington Sea-Grant, will be held on Thursday and Friday, March 9 and 10.** Once again, please contact Sarah Fisken at (206) 543-1225 to register. Classes generally run from 9-5 on the first day and 9-1 on the second day. The cost is \$80—half of which is underwritten by the Seattle Fishermen’s Memorial Committee.

****Calendar of Events****

March 6-10, 2000	Pacific Council Meeting	Red Lion Hotel Sacramento, CA
March 12, 2000	Blessing of the Fleet	Fishermen’s Term. Seattle, WA
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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