

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 the news from the Pacific Council, North Pacific Council, IPHC, and Washington, D.C.

****Pacific Council****

Allowable Catch Levels.

	Sablefish Coastwide	Sablefish N. of 36°	Sablefish S. of 36°
ACL 2012	6645 Mt	5347 Mt	1298 Mt
ACL 2013	5451 Mt	4012 Mt	1439 Mt
ACL 2014	5909 Mt	4340 Mt	1560 Mt.

The harvest level for sablefish is expected to gradually move back to a harvest level of 7000 Mt by 2017. The 2008 age class is believed to be the largest ever recorded. The 2010 year class, though not as large as the 2008 year class, is well above average. As these fish mature, the biomass will increase over the next five years. A full analysis will likely be postponed in order to allow the 2010 year class to recruit to the annual surveys. There will be a 2012 trawl survey. The resource will bottom out in 2013.

NMFS has informed us they have assigned a person to begin researching and drafting regulation changes for the tiered ownership CAP. We have several vessels that were requested to divest their permits. Hopefully, we can get help on this for 2013.

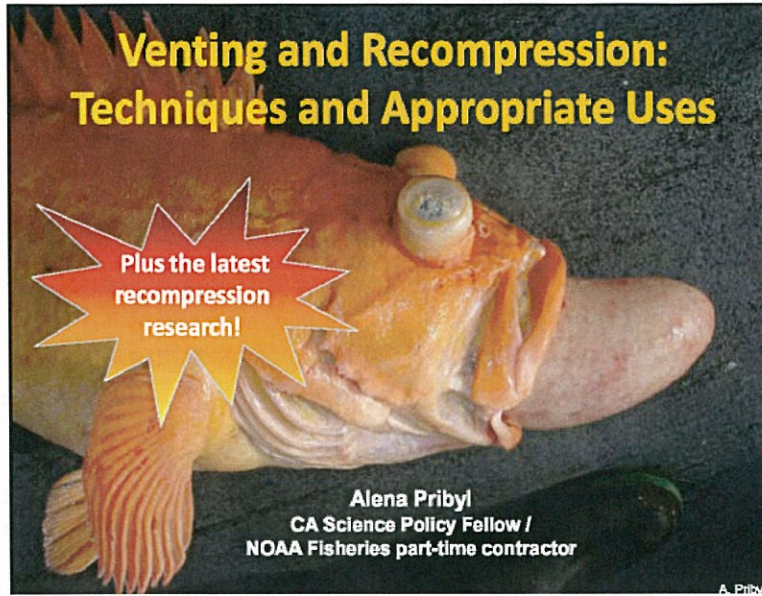
Trawl IFQ. The Council has delayed for two additional years before QS can be permanently transferred (i.e. bought and sold). This is due to the current court case. The Council will send the judge an option after their September meeting this fall.

The Council will not change ownership limits. Those currently in excess of ownership Caps will have two years to divest after the court issue is resolved, but they must divest.

The Council did not change ownership CAPS for sablefish but did reduce the amount of trawl quota that could be fished on a vessel from 4.5% to 3% of the trawl allocation. This would be 220,000 round pounds for 2012. This will be effective in 2013.

The Council was petitioned by Greenpeace to protect unmanaged forage species. The Council has taken steps to accommodate their request. The big concern in California is NRDC has sued to close or restrict the California squid fishery as a forage species. Squid is tightly managed by the State of California. Only 3% of the resource is allowed to be harvested.

Barotrauma. This is what happens to a rockfish when it comes up from the deep too fast. The sports and small day trip commercial fishermen are using a snap-on device that attaches to the lip of the fish and you send the fish back down. It releases at a set depth, 150 feet, underwater video shows the fish' eyeballs start to return back to normal and the fish swims away. By the way, I have felt just like this rockfish after a few Council meetings.



****North Pacific Council****

Gulf Halibut Bycatch CAPs. The Council listened to almost 100 testifiers. There were thousands of comments received by the Council. Of note, the longline fishermen testified extremely well. No processors testified in support of any of the reduction options of 5%, 10% or 15%. This is unfortunate. The IPHC testified and expressed concern that the existing assumptions of bycatch mortality were under valued in light of the many holes in the current observer program. The following was the Council's final action on a 10 to 1 vote.

If approved by the Secretary of Commerce, the preferred alternative would reduce the GOA halibut PSC limit for the 1) Groundfish trawl gear sector and 2) Groundfish catcher vessel (CV) hook-and-line gear sector by 15%. The proposed reduction would be phased in over three years: 7% in year 1, 5% in year 2 (to 12%), and 3% in year 3 (to 15%). The proposed reduction for the 3) catcher processors (CP) hook and line gear would be 7% which would be implemented in one step in year 1. The Council intends that year 1 would occur in 2014 and that all reductions would occur by 2016.

This action would result in a new cap of 1,848 mt (in 2014), 1,759 mt (in 2015), and 1,705 mt (in 2016 and later years) for the trawl sector. The new hook-and-line halibut PSC limit may change annually, so the numbers reported are illustrative of what may occur in the future, based on the GOA Pacific cod split formula. Based on 2012 Pacific cod TACs in the Western and Central GOA, the hook-and-line CP sector would fish under a 109 Mt halibut PSC limit. The hook-and-line CV sector PSC limit would be 161 mt (in 2014), 152 mt (in 2015), and 147 mt (in 2016 and beyond).

New Rules and Regulations.

12/20 Rule – this rule has not yet been put into place by NMFS. This regulation, requires an initial recipient to be a recorded owner on a vessel in the amount of 20% and have had that ownership for 12 months, if they were going to have a vessel catch their fish. This could be implemented this fall.

Control Date, February 12, 2010. The Council's action to disallow initial recipients to

purchase quota after February 12, 2010 without being physically on the vessel when it is caught, has yet to leave the NPFMC. When it does, it goes to NMFS where a 184-day review process will take place.

Reporting IFQ Landings. IFQ permit holders and Hired Masters must provide harvest information but need not log in to the reporting system for Buyers to make electronic landing reports. When Hired Masters are fishing for IFQ permit holders, **the NMFS ID of the Hired Master, and NOT that of the IFQ Permit Holder, must be reported on the IFQ Landing Report. IFQ permit holders, their Hired Masters, and Registered Buyers share responsibility to ensure that the correct NMFS IDs are used.**

Out-of-state Landings. Registered buyer permit holders who land halibut at a processor that is not located in Alaska, must complete and submit:

1. An IFQ report through the online system available at:
<https://alaskafisheries.noaa.gov/webapps/ifuaccounts/Login>
2. An out-of-state landing report for each shipment of halibut or sablefish available online at:
<http://www.alaskafisheries.noaa.gov/rr/forms/outofstateelandings.pdf>. The Registered Buyer must enter information by noon of the day following completion of the delivery and submit the complete Out-of-State landing Report to NMFS by fax to: 907-586-7131.

Catch Share Plan, Between Charter & Commercial. This affects Areas 2C and 3A. The following are the Council's Preliminary Preferred actions for 2C and 3A. Final action will be at the October meeting. Without voicing your concerns, you could loose another 2% of your halibut QS to the new Council position. The State of Alaska has taken a turn toward the sports and charter fishermen.

Option 1: Area 2C

At a combined catch limit of <5 mlbs, establish the CSP allocation at the upper end of the original range proposed for the CSP (20.8%); at a combined catch limit of ≥5 - <9 mlbs, establish the CSP allocation at the upper end of the original range proposed for the CSP (18.6%).

At combined catch limits ≥9 Mlbs, maintain the original target CSP allocation of 15.1%.

Option 2: Area 3A

At a combined catch limit of <10 mlbs, establish the CSP allocation at the upper end of the original range proposed for the CSP (18.9%); at a combined catch limit of ≥10 - <20 mlbs, establish the CSP allocation of the upper end of the original range proposed for the CSP (17.5%).

At combined catch limit of ≥20 mlbs, maintain the original target CSP allocation of 14.0%.

Future Meetings.

October 1-8, 2012 – Observer Deployment Plan will be discussed in a paper on halibut/Sablefish IFQ Leasing Prohibition.

December 2012 – IFQ discussion paper (GOA Sablefish Pots, unharvested halibut in Area 4; sablefish A shares CAPS).

IPHC

The International Pacific Halibut Commission (IPHC) and the North Pacific Fishery Management Council (NPFMC) put on a “halibut workshop” sponsored by and requested by the large trawl organizations in the Bering Sea and Gulf of Alaska. For anyone who has attended the IPHC Annual Meetings, the workshop was a very well put together reproduction of data the IPHC has been presenting for a long time. This workshop comes at a time when the NPFMC was considering lowering trawl halibut CAPs in the Gulf and Bering Sea.

The “Halibut Work Group” made up of largely trawl interests hired two scientists, Drs. Steve Martell and Tom Jagielo to look at the IPHC science. It would appear Tom Jagielo was hired to see if the IPHC assumptions on migration were accurate. His presentation looked at how important immature halibut in the Bering Sea and Area 4A are to the Central Gulf and Area 2. Dr. Martell seemed to be hired to challenge whether the assumption that trawl-caught halibut >26” is a biological issue or just an allocation debate. There was well over 130 people present at this workshop, most of which were from the trawl sectors. I want to thank Jack Knutsen, Eric Olsen, and Dave Franklin for attending this event with me. Dr. Tom Jagielo and Dr. Martell were given extraordinary access to IPHC’s offices and databases to conduct their reviews. Tom Jagielo, in his presentation, confirmed the long held assumption of an eastward migration of juvenile halibut from the Bering Sea to S.E. Alaska, Canada, and Washington. His conclusion was that data supported the migration patterns assumed by IPHC. The weak part of the IPHC data is that throughout the life span of a single year class of halibut, the data is not adequately precise to know how much juvenile halibut migrates from area 4A to specific areas such as 2C in any single year. So Tom Jagielo confirmed the IPHC assumptions of halibut movement. Below are a few data sets he presented that confirmed the 88 years of science behind the IPHC.

Estimated annual migration rates, 100 cm fish
PIT tags 2003-2010 (Webster et al. *in progress*)
Area in yr I+ 1

Area In yr i	4A	3B	3A	2C	2B
4A	0.833	0.041	0.093	0.013	0.019
3B	0.002	0.907	0.084	0.004	0.003
3A	0.000	0.059	0.934	0.003	0.004
2C	0.000	0.000	0.025	0.895	0.080
2B	0.006	0.000	0.002	0.008	0.984

These numbers are read as follows: for Area 4A, 83.3% of the 100 cm fish on year 1 stayed in Area 4A while 4.1% moved to 3B; 9.3% moved to Area 3A, and 1.3% moved to 2C and 1.9% moved to 2B. Over a 10-year period, if these migration rates held steady, you can see how important bycatch might be in Western Alaska and the Bering Sea and the effect it would have on the areas to the east. The following charts presented at the workshop further confirm the migration importance.

Figure 5. Movement of PIT tags released in the Bering Sea (2003-2004) and recovered in 2007. Source: Map provided by Dr. Ray Webster, IPHC.

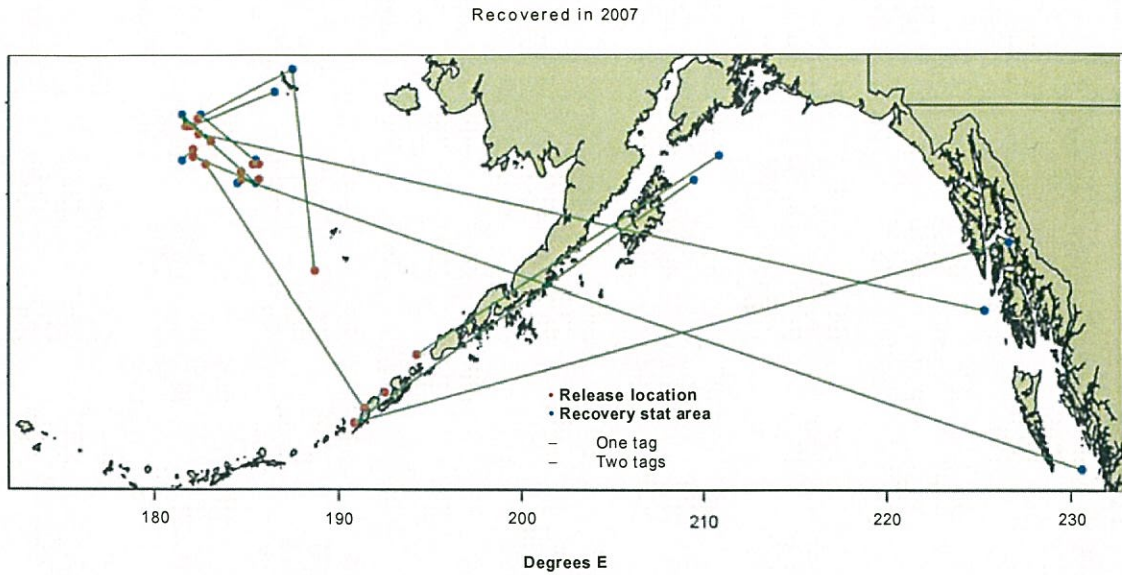
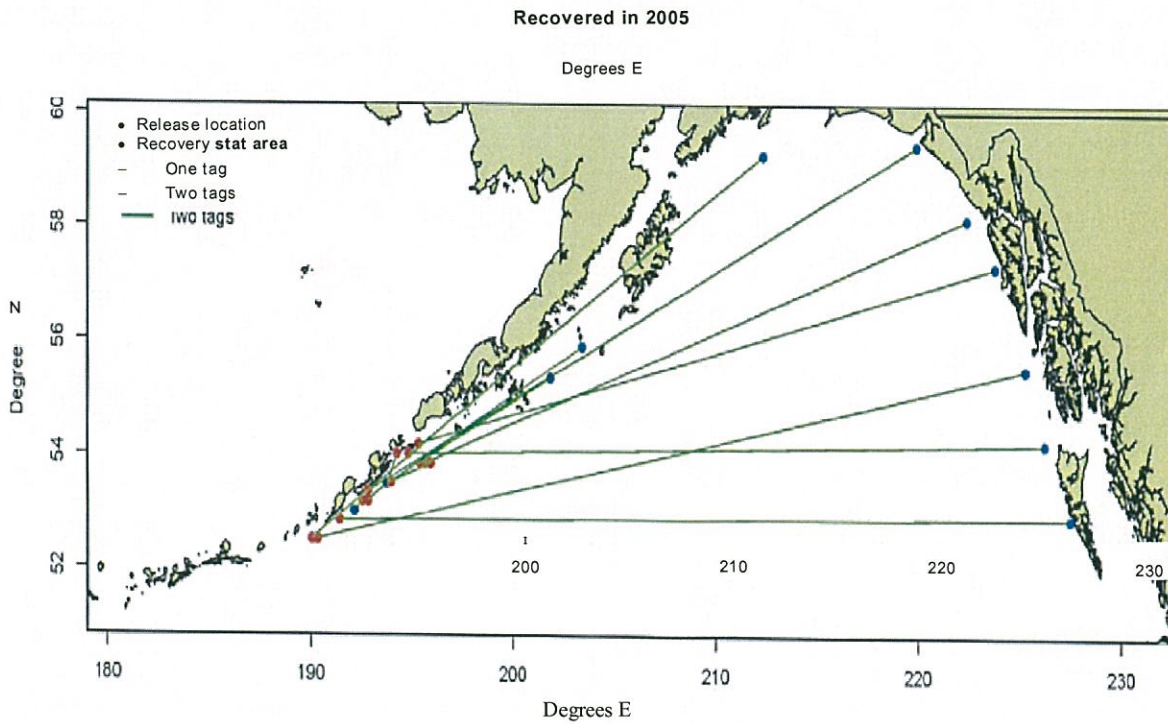


Figure 10. Movement of PIT tags released in the Gulf of Alaska (2003-2004) and recovered in 2005. Source: Map provided by Dr. Ray Webster, IPHC.



Dr. Steve Martell, based on my interpretation of his report suggested that the biological impact needed to be discounted based on the bycatch of >26" and >32" halibut. That the issue was not biological but allocative. I must say biologists take a long time to call one another's cards. On the second day, Dr. Hare from the IPHC, whose stock analysis was largely under attack, like Doc Holiday backing up the Earps, leaned over and ask Dr. Martell twice if his assumed bycatch size reflected what IPHC used from the NMFS trawl survey, meaning the average size caught by trawl in the Gulf is 50% <26 inches and 50% >26 would he have come to a similar conclusion as IPHC? Dr. Martell said yes. The IPHC assumption is that the average bycatch contributes 2 to 1 in the Gulf to spawning biomass, thus making this a biological issue. In the Bering Sea, the fish are even smaller and the contribution to spawning biomass is 5 to 1. Tory O'Connell from Sitka confirmed this and it was put into the record. From the panel of experts, several acknowledged the issue as a biological and allocation issue and at 5 to 1, Dr. Martell said this was a biological issue as well.

So in the end, the group that calls itself the 'Halibut Working Group" including the At-Sea Processors, Groundfish Forum, PSPA, Marine Conservation Alliance, United Catcher Boats, Alaska Whitefish Association, and Alaska Groundfish Data Bank, hired two scientists to challenge IPHC assumptions only to have those scientists confirm the very assumptions they were hired to discount.

This, I am sure was part of the reason the NPFMC voted to reduce the trawl halibut Cap in the GOA by 15%. In fact, having the Bering Sea trawl groups come to the aid of the GOA trawl fleet, the least observed trawl fleet in the North Pacific, including Washington, Oregon and British Columbia, and the Bering Sea, did little to help their cause.

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

There is a lot of activity for the 2013/14 Magnuson/Steven's Act amendment process, as this congressional cycle comes to a close. The most dynamic issue involves IFQs.

Anti-IFQ Congressman Steve Southerland II put together a congressional petition including Congressman Don Young asking for a moratorium on any new IFQs for the East Coast and Gulf of Mexico.

Doc Hastings and the House of Representatives passed legislation that would permanently keep the EPA out of the fish boat business. Senator Cantwell and Senator Murkowski are looking at similar legislation in the Senate.

Senator Lisa Murkowski's amendment to require comprehensive analysis before genetically-engineered salmon enters the American marketplace was voted upon in the U.S. Senate. The measure barely failed to pass (46 yes votes, 50 no votes against), and the Senator noted afterwards that the numbers are trending towards a great wariness of the risks and potentially dangerous consequences involved – along with the thousands of Alaskan and American jobs lost in the process.

****Eat on the Wild Side****

Cooke Aquaculture has been ordered to kill all of its salmon at one of its farming sites by the Canadian Food Inspection Agency after an outbreak of ISA had spread at the company's farm in Shelburne Harbour. The CFIA's Sterling Belliveau gave the order that will result in the deaths of thousands of fish in 24 pens. ...[Seafood.com](#)

Genetically Engineered Salmon by Andrew Pollack. If Americans ever eat genetically engineered fast-growing salmon, it might be because of a Soviet biologist turned oligarch turned government minister turned fish farming entrepreneur. That man, Kakha Bendukidze, holds the key to either extinction or survival for AquaBounty Technologies, the American company that is hoping for federal approval of a type of salmon that would be the first genetically engineered animal in the human food supply. ...[Seafood.com](#)

****Markets****

Halibut: The market has been steady. As salmon season approaches, there has been some market resistance. Some buyers have turned away vessels. With 43 percent of the halibut landed through late June, I would expect a firmer market later in July. Prices to FVOA vessels in Seward have been as follows: 10-20's - \$6.00; 20-40's - \$6.35; and 40 Ups - \$6.55.

Average Seward Prices

2011 - \$6.82	2010 - \$5.23
2009 - \$3.42	2008 - \$4.64
2007 - \$4.58	2006 - \$3.98
2005 - \$3.12	2004 - \$3.03
2003 - \$2.95	2002 - \$2.29

Individual Fishing Quota (IFQ) Allocations and Landing For Fishing Year 2012

Area	Species	Vessel Landings	Total Catch Pounds	TAC		Percent Landed
				Allocation Pounds	Remaining Pounds	
2C	Halibut	612	1,639,901	2,624,000	984,099	62
3A	Halibut	903	6,076,333	11,918,000	5,841,667	51
3B	Halibut	215	1,863,622	5,070,000	3,206,378	37
4A	Halibut	59	577,512	1,567,000	989,488	37
4B	Halibut	45	509,722	1,495,200	985,478	34
4C/4D	Halibut	14	357,863	1,328,827	970,964	27
Total		1848	11,024,953	24,003,027	12,978,074	46

Sablefish. The sablefish market is adjusting to the new trawl ITQ program off of Washington, Oregon and California. Last year a significant amount of the trawl catch of 1, 2, and 3 lb. fish was landed. This has significantly weakened all prices 3-4's and smaller. The future looks bullish on Alaska sablefish stocks while Washington, Oregon and California will see a 30% drop in quotas for 2013. Overall supply will likely be static with

Alaska production being a bright spot in 2013. British Columbia harvest have been reduced recently as well. The sablefish prices to FVOA vessels in Seward have been as follows: 7[↑] - \$8.70; 5-7's - \$7.60; 4-5's - \$6.60; 3-4's - \$5.25; and <3's - \$4.40. Prices should remain relatively strong. More recent late June prices in Western Alaska were ↓3 - \$3.25; 3-4's - \$3.50; 4-5's - \$4.25; 5-6's - \$5.50; 6-7's \$7.25; and 7[↑] - \$8.50.

Average prices paid for sablefish delivered into Seward

2011 - \$7.74	2010 - \$5.95
2009 - \$4.92	2008 - \$4.63
2007 - \$4.05	2006 - \$3.87
2005 - \$3.43	2004 - \$3.12
2003 - \$3.82	2002 - \$3.36

Individual Fishing Quota (IFQ) Allocations and Landing
For Fishing Year 2012

Area	Species	Vessel Landings	Total Catch Pounds	TAC		Percent Landed
				Allocation Pounds	Remaining Pounds	
AI	Sablefish	50	915,224	2,710,776	1,795,552	34
BS	Sablefish	55	370,266	1,966,503	1,596,237	19
CG	Sablefish	368	6,453,593	10,158,797	3,705,204	64
SE	Sablefish	359	4,452,009	6,995,196	2,543,187	64
WG	Sablefish	89	1,477,762	3,139,350	1,661,588	47
WY	Sablefish	155	3,161,669	4,356,290	1,194,621	73
Total		1,076	16,830,523	29,326,912	12,496,389	57


Cod. The International Council AM Explorations of the sea recommended a 25% increase in the 2013 quota for North East Arctic cod in the Barents Sea. The 2013 quota will be 940,000 Mt., up from 740,000 Mt. North Sea Cod is in recovery mode with only 9,552 tonnes representing a 1% reduction from 2011. Green Peace called these quotas a farce. Seafood Source.Com

****Second Watch****


Please welcome as a new Sustaining Sponsor, Terry Reilly, **Parker, Smith & Feek**, Bellevue, Washington. Thank you for your support!

Warning - Remember that you should check with your buyer and/or local law enforcement about your bycatch limits on rockfish. These are usually managed by federal regulations. [However, Ling cod is not.] It is managed by the State of Alaska. So you need to ask about retention requirements, specifically of Ling cod which are managed by Alaska rules.

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****Calendar of Events****

September 12-17, 2012 Advisory Bodies may begin Tues. Sept. 11 Council Session begins Wed., Sept. 12	PFMC Meeting	Doubletree Hotel Boise, ID
September 22, 2012	Fishermen’s Fall Festival	Fishermen’s Terminal Seattle, WA
October – week of October 1	NPFMC Meeting	Anchorage Hilton Anchorage, AK
October 31-November 5, 2012 Advisory Bodies may begin Tue., Oct. 30 Council session begins Wed. Oct. 31	PFMC Meeting	Hilton Orange County/Costa Mesa Costa Mesa, CA
November 22-23, 2012	Thanksgiving Holiday	Office Closed
December – week of December 3	NPFMC Meeting	Anchorage Hilton Anchorage, AK
December 24-26, 2012	Christmas Holiday	Office Closed