

# The Wheel Watch

*a newsletter of the*

Fishing Vessel Owners' Association  
 Room 232, West Wall Bldg., 4005 - 20<sup>th</sup> Ave. West  
 Seattle, WA 98199-1290  
 Phone: (206) 284-4720 / 283-7735  
 Fax: (206) 283-3341  
 Website: / [www.fvoa.org](http://www.fvoa.org)

Robert D. Alverson  
 Manager

Carol M. Batteen  
 Executive Assistant

Vol. XXIX, No. 2

June 2015

## Sustaining Sponsors

<i>Alaska Glacier Seafoods, Inc.</i>	<i>AmericanWest Bank</i>	<i>Ballard Oil</i>
<i>Bellingham Cold Storage Co.</i>	<i>Calfo, Harrigan, Leyh &amp; Eakes LLP</i>	<i>Columbia State Bank</i>
<i>Covich &amp; Williams, Inc.</i>	<i>Cummins Northwest</i>	<i>Dana F. Besecker Co., Inc.</i>
<i>Dock Street Brokers</i>	<i>Fishermen's News</i>	<i>The Fish Factory</i>
<i>Fishing Vessel Owners/Marine Ways</i>	<i>Haven Boatworks</i>	<i>Icelander, Inc.</i>
<i>Law Office of Paul L. Anderson, P.L.L.C.</i>	<i>LFS, Inc.</i>	<i>Mac's Ballard Upholstery</i>
<i>Marine Resources Consultants</i>	<i>Marine Service &amp; Supply</i>	<i>Mountain Pacific Bank</i>
<i>Mustad Autollne Inc.</i>	<i>Northport Fisherles, Inc.</i>	<i>Northwest Electric Corp</i>
<i>Northwest Farm Credit Services</i>	<i>Ocean Beauty Seafoods LLC</i>	<i>Offshore Systems, Inc.</i>
<i>Pacific Fishermen, Inc.</i>	<i>Parker Smith &amp; Feek</i>	<i>The Permit Master</i>
<i>Phillip D. Hingston, Inc, P.C.</i>	<i>Port Townsend Shipwrights Co-op</i>	<i>Resurrection Bay Seafoods LLC</i>
<i>Rickey &amp; Associates</i>	<i>Satellite Technical Services</i>	<i>Seafreeze/Citylce Cold Storage</i>
<i>Seafresh Marketing LLC</i>	<i>Seattle Marine &amp; Fishing Supply</i>	<i>Sitka Sound Seafood &amp; Alaska Pacific Seafoods</i>
<i>Sullivan &amp; Richards LLP</i>	<i>Trident Seafoods</i>	<i>Unisea, Inc.</i>
	<i>Westward Seafoods, Inc.</i>	

**Thank you for your support!**

Dear Longliner and Sustaining Sponsors:

This newsletter will bring you up-to-date on events before the North Pacific Management Council meeting, the Pacific Council meeting, IPHC, and markets.

## **\*\*North Pacific Council\*\***

### **NPFMC Meeting in Sitka.**

The main issue before the Council in June was the Bering Sea halibut bycatch limit reduction options set for a June Council final action. This issue had plenty of pre-meeting drama. Fishermen's Finest, a trawl company out of Seattle, had threatened that they may not build their \$50 million new boat should the Council reduce the halibut CAP. In fact, the halibut bycatch was part of their business plan. The Seattle Factory Trawlers delivered a petition to Governor Inslee of 23,000 signatures asking for very limited halibut bycatch reductions. The drama got even tenser when factory trawl lawyers went to Juneau to visit NOAA legal personnel to protest certain business arrangements of two Alaskan members of the NPFMC. Those two, David Long, a resident of Alaska and a skipper on Glacier Fish factory trawlers, and Simon Kinneen, an executive of Norton Sound Economic Development Council, were both told they could not vote. More anxiety developed for the Alaska voting sector when Ed Dersham, an Alaskan sports representative, was not re-appointed to the Council and apparently rebelled against the Alaska effort to reduce the Halibut CAP due to not being reappointed.

Alaska Commissioner, Sam Cotten, made a motion to reduce the halibut PSC cap by 33% on the Amendment 80 Factory Trawl fleet and a 25% reduction on all other sectors affected by PSC Caps. This action would not have preserved the 1.25 million harvest limit currently allowed by the Halibut Commission in Areas 4CDE. It was an attempt by Alaska to compromise, knowing they did not have the votes for a higher reduction. Bill Tweit, from Washington State, moved to amend the numbers to a 25% reduction on the Amendment 80 fleet and a 15% reduction for all other sectors. This passed on a vote of 6-3 with the two Alaskans recused and Mr. Dersham voting with Washington and Oregon. NMFS voted for the amendment as well. The CDQ trawl ended up with a 20% reduction.

The following is a post Council meeting analysis of that action.

METRIC TONS					
Sector	Current PSC Limit	Percentage Reduction	New PSC Limit	2014 Use	% Change from 2014 Use
BSAI TLA	875	15.0%	744	717	3
Amendment 80	2325	25.0%	1744	2106	-17
Longline Pacific cod CVs	15	15.0%	13	7	82
Longline Pacific cod CPs	760	15.0%	646	412	56
CDQ	393	20.0%	314	244	28
Other non-trawl	58	15.0%	49	1	4830
Total	4426	-20.7%	3510	3487	0

The action would actually increase the CAP for the sector known as Bering Sea Aleutian Islands Trawl Limit Access (BSAI TLA) by 3% over their 2014 usages. The 25% reduction on Amendment 80 trawlers nets out to a 17% reduction from 2014 usages. All the other sectors have been operating well below their current assigned PSC Caps. The 15% reduction to these sectors still would allow significant increases in halibut mortalities should those sectors begin to encounter more halibut.

The new PSC limit is actually greater than the overall 2014 halibut mortality by all sectors in 2014, 3510 mt vs. 3487 mt. So it basically preserves a status quo situation.

The following graphics clearly demonstrate how the halibut biomass has dropped since 2000 and how bycatch mortality has basically stayed static while the directed catch has collapsed since 2011.

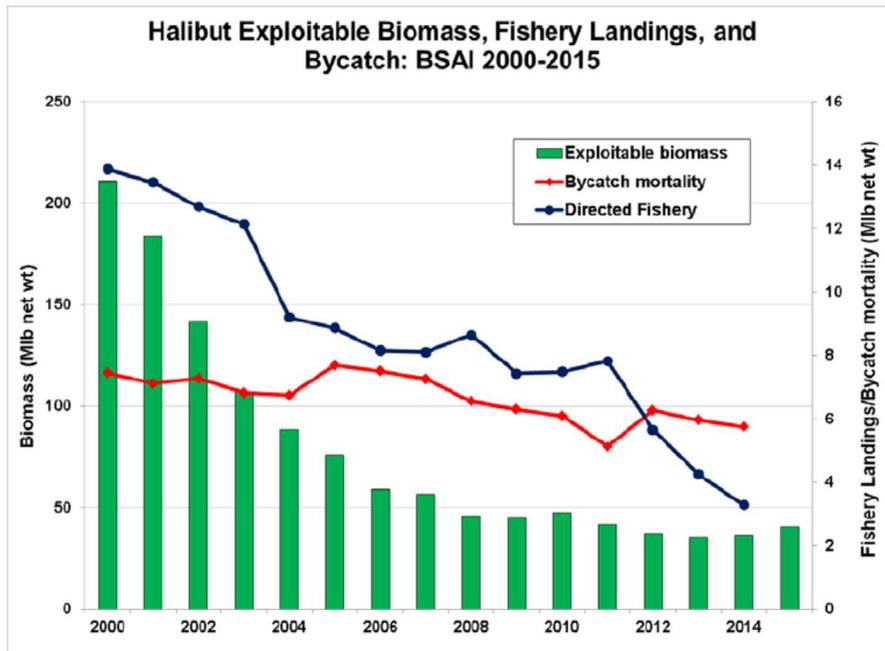


Figure 1. Trends in halibut exploitable biomass, bycatch mortality and directed halibut fishery catch limits in the BSAI, 2000-2015.

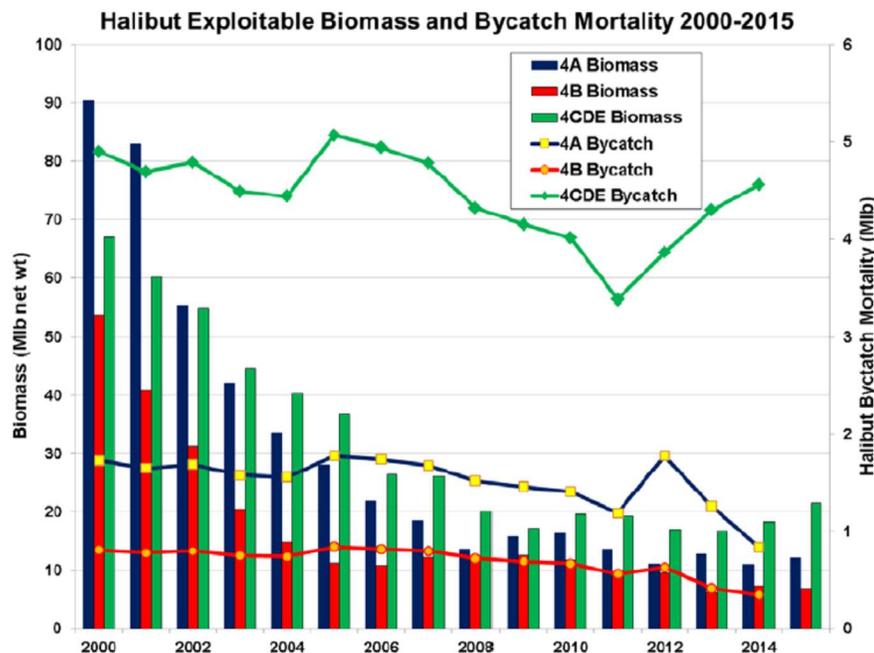
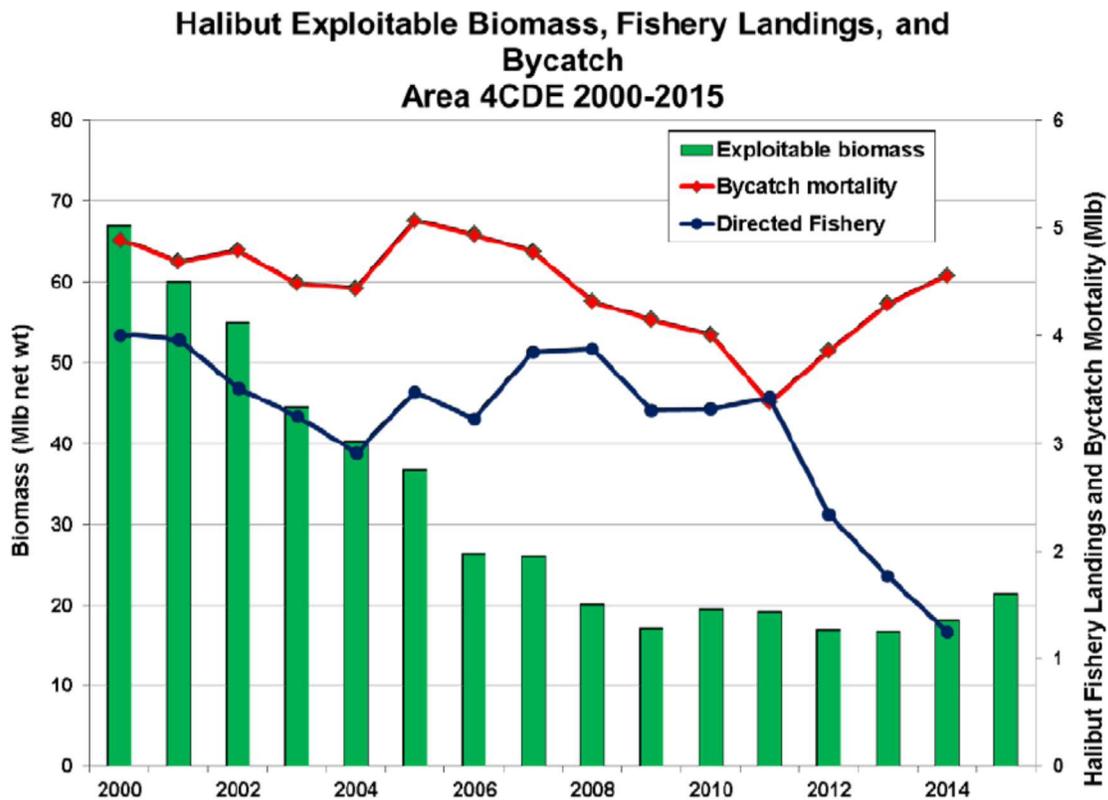


Figure 2. Trends in halibut exploitable biomass, bycatch mortality and directed halibut fishery catch limits by IPHC Regulatory Area, 2000-2015.



**Figure 3. Trends in halibut exploitable biomass, bycatch mortality and directed halibut fishery catch limits in IPHC Regulatory Area 4CDE, 2000-2015.**

The Council will meet in Anchorage in October and will make a decision on additional halibut bycatch options moving forward. These options likely include developing individual bycatch quotas for each trawl vessel or trawl co-op. There may be an additional opportunity to reduce CAPs during this discussion phase.

The Council requested both Amendment 80 cooperatives to provide halibut bycatch management plans for 2016 to the Council in December. The plans should be designed not just to accommodate the revised PSC mortality limit but to bring savings to levels below the hard cap.

**Hired Skipper Exemption for Low Quotas in 4CDE and 4B.** The Council will be looking at a change to the halibut/sablefish program that allows you to lease your fish to a CDQ company if your quotas are too low to fish yourself, but not between yourselves and 2<sup>nd</sup> generation and 1<sup>st</sup> generation fishermen. Hold your nose! These guys are helping us on the bycatch issues in the BSAI.

#### **Observer Programs.**

**Exemption Delivery to Tenders** - After three (3) years of testifying and writing letters on this exemption, the Council has instructed staff to develop a regulation that eliminates this loophole in the observer program. The deliveries to tenders exemption was provided by the NMFS without approval from the Council. It significantly provides an opportunity for those who delivery to tenders to not be part of the observer program. The initial review of the regulation correction is due back to the Council in February. Final action could come at the April Council meeting.

### **5.3.3 Observer Victim Complaints**

AKD has noted a significant trend involving catcher/processor vessels participating in Limited Access Programs where the fishery is limited by prohibited species catch. Observers reported a number of incidents of harassment, intimidation, hostile work environment, or attempted sample bias related to the collection of prohibited species catch data. AKD has also detected an increase of institutionalized intentional biasing of observer data, attempts to influence how observers collect samples and hostile work environment; multiple investigations are currently ongoing.

These investigations include allegations of physical sample bias including removing halibut from observer samples, or physically preventing a halibut from entering an observer's sample during collection. Additional allegations include hostile work environment due to industry behavior and remarks to the observer in an attempt to influence how they sample the catch to reduce the number of halibut in their sampling. -from NOAA Annual Observer Report

**Charter Boat Pool** – The charter vessel owners are interested in being able to buy a pool of halibut and use it to provide a 2 fish limit to their clients. The analysis will look at how the charter sector might buy it through a regional quota entity to adjust regulations for guided halibut anglers in an entire region. The analysis will look at Area 3A and 2C. This option, if adopted, will put more demand on existing QS and push the value of 3A and 2C quota shares ever higher.

## **\*\*IPHC\*\***

### **2015 International Pacific Halibut Commissioner Nominees**

NOAA Fisheries announced the nominations received for two positions to serve as United States Commissioners to the International Pacific Halibut Commission (IPHC). In a Federal Register Notice published May 5, 2015, ([80 FR 25673](#)), NOAA notified the public of the nomination period to ensure that the interests of the United States and all of its stakeholders in the Pacific halibut fishery are adequately represented. The following nominations were received by June 4, 2015:

- Donald Lane
- Robert Alverson

Public comments relating to this list of nominees will be accepted until July 9, 2015. Letters of support must be submitted by any of the following methods:

- E-mail (Preferred method): [IPHC2015comments@noaa.gov](mailto:IPHC2015comments@noaa.gov)
- Mail: Mr. Pete Jones, NOAA Fisheries Alaska Regional Office, P. O. Box 21668, Juneau, AK 99802-1668
- Fax: 907-586-7249, attention: Pete Jones

Bob Alverson and Don Lane have been nominated for continued service as U.S. members on the International Pacific Halibut Commission.

**If you are so inclined, please send an email of support for Bob and Don!**

## **\*\*Pacific Council\*\***

### **Regulations effective 2015 and 2016**

**Seabird Rule** - mandatory streamer lines on vessels 55' and larger effective for 2015.

**Sablefish Rule** - Includes registering a L.E. trawl and fixed gear permit to a vessel at the same time (joint registration). Sablefish-endorsed LE fixed gear ownership issues and electronic fish tickets. Final rule winter 2015 effective April 1, 2016.

**Cost Recovery** - The Magnuson Act requires all quota share programs to pay up to a 3% landing fee. In the case of the LE Sablefish Tier program, the NMFS has concluded that the fee program "does not seem to be appropriate at this time, but it would be important to revisit should the Council amend the program further generating additional recommendable costs." The cost for renewing permits apparently covers the cost of administrating the current program. The Council will not pursue a cost recovery program for the tiered sablefish program at this time.

**Status of the Sablefish Stock.** A recent report was made available at the June meeting citing the following:

Despite harvest rates that were below the current overfishing level (OFL) the stock declined continuously from 1983 to 2001 due to poor recruitment. There were possible above average recruitments from 1995, 1999, and 2000 but poor recruitment from 2002 to 2007. The relative spawning biomass is estimated to be at 33% of unexploitable levels going into 2015. The goal is to be at 40% of unexploitable levels. There are above-average year classes from 2008, 2010, and 2013. Only the 2008 year class has begun to materialize and contribute to the spawning biomass. It is 50% recruited to the fishery. The 2010 year class was downgraded by 20% but still remains above average and will begin to recruit in two years. The 2013 year class appears to be one of the top ten largest recruitments in the history of the fishery. It is 5 years out from recruitment to the fishery and contributing to the spawning biomass.

**Long-term Forecast of Harvest Limits.** OFL - Overfish level / ABC - Allowable Biological Catch / ACL - Allowable Catch limit

Year	OFL (mt)	ABC (mt)	ACL (mt)	Spawning Biomass (mt)	Relative depletion
2015	7857	7173	6512	6512	33%
2016	8526	7784	7121	7121	35%
2017	7596	6935	6602	51469	35%
2018	7879	7194	6902	52503	36%
2019	8050	7350	7086	53162	36%
2020	8217	7502	7253	53544	36%
2021	8286	7565	7323	53727	36%
2022	8185	7473	7238	53812	37%
2023	8105	7400	7172	53913	37%
2024	8070	7368	7148	54039	37%
2025	8043	7343	7131	54182	37%
2026	8018	7320	7116	54330	37%

**Historical Catches by Gear Type in Metric Tons**

Year	Hook & Line	Pot	Trawl
2004	2515	816	2411
2005	2807	997	2399
2006	2604	1053	2538
2007	2060	688	2489
2008	2301	675	2892
2009	3274	863	3061
2010	3379	910	2539
2011	3231	1449	1724
2012	2561	1179	1498
2013	1865	846	1402
2014	1868	1032	1256

**Albatross.** The Pacific Council area has become very important to the Federal Fish & Wildlife department for albatross takes for both Short-tailed and Black-footed. The Council heard a report that half of the lower coast fleet uses floats on their gear and of course, these do not sink as fast as gear without floats. The Council is considering not requiring streamer lines if gear is set at night time. This apparently reduced bird takes by tenfold.

***\*\*Eat on the Wild Side\*\******Nutritional values for Pacific Northwest Seafood**

Serving size: 3.5 oz/100g

Species, Calories	Protein (g)	Fat (g)	Saturated Fat (g)	Sodium (mg)	Cholesterol (mg)	Omega-3s (mg) (EPA+DHA)	Vitamin D (IU)
Halibut, 140	27	3	<0.5	70	40	460	N/A
Cod, 100	23	<1	<0.5	90	45	280	N/A
Alaska Pollock, 110	23	1	<0.5	115	95	470	0
Rockfish, 120	24	2	<0.5	75	45	450	310
Sole, 120	24	1.5	<0.5	105	70	500	120
Black Cod/ Sablefish, 250	17	20	4	70	65	1800	N/A
King salmon (Chinook),230	26	13	3	60	85	1700	N/A
Sockeye (Red) 220	27	11	2	65	85	1200	930
Alaska King Crab, 100	19	1.5	<0.5	1100	55	400	N/A

**Antibiotics Responsible.** Nearly four times as many shrimp shipments have been refused through May 2015 compared to 2014 levels. The rejects are due to illegal antibiotic residue levels. Most were from Malaysian exports to the United States.

**Bird Award.** “I am so pleased to inform you that the collaborative project you were involved with “Preventing Migratory Seabird Mortality in US West Coast Groundfish Longline Fisheries” has been selected for the **2015 Presidential Migratory Bird Stewardship Award**. As the head of a federal agency that takes actions that impact migratory birds, I sit on the **Council for Conservation of Migratory Birds**. The job of this Council is to oversee the implementation of the Executive Order 13186, Responsibilities of Federal Agencies to protect Migratory Birds.” Dan Edge – Oregon State

## **\*\*Second Watch\*\***

**Please welcome new Sustaining Sponsor, Columbia State Bank,** in Seattle, Washington. Evan Heriot is the contact with Columbia Bank. Thank you for your support!

**U.S. Senate.** Senator Cantwell has co-sponsored a bill to permanently exempt the commercial fishing industry from EPA permits for discharges incidental to normal operations of vessels.

**Europe.** The joint Russian-Norwegian Commission has reduced the Barents Sea cod harvest to 805,000 tons. This is a 10% reduction. They enacted a 10% reduction in 2014 as well. Demand for cod is on the rise in the U.S. with prices trending upward.

**History Lesson.** In the fall and early winter of 1887, three schooners sailed from Massachusetts for Puget Sound. These were the Mollie Adams and the Edward E. Webster of Gloucester and the Oscar and Hattie of Swampscott. The Mollie Adams made a good passage and reached her destination without mishap but the Webster met with an accident to her spars before rounding the Horn. She put into Montevideo for repairs was delayed and finally arrived on the west coast late in the season. The Oscar and Hattie reached Puget Sound some time later than the Adams but in time to engage in the halibut fishery, and sailed out of Port Townsend. Owing to the want of a suitable market and to the fact the schooner had to go to Tacoma to ship her catch east, the fishery from this place was followed with loss rather than profit. The Oscar and Hattie carried 6 dories and a crew of 14 men. About two thirds of the catch was sold fresh and the remainder was fletched out. The result of the season’s work in 1888 was 240,000 pounds of fresh and fletched fish with a value at the prices paid the fishermen of \$7,600. The average price received for fresh halibut was 3 cents per pound and for salt fish 2 cents per pound. The catch shipped east by the Oscar and Hattie was the first shipment made by railroad to the east coast. The ice used cost \$22.50 per ton and the high freight rates charged by the railroad took all the profit of the shipment.

**Frankenfish. Murkowski Waging Frankenfish Fight in Senate with New Bill. Senator’s Work on Capitol Hill building Bipartisan Support.** Senator Lisa Murkowski today announced she is introducing bipartisan legislation cracking down on the potential introduction of Genetically Engineered Salmon, or “Frankenfish.” Murkowski’s bill is being co-sponsored by Senators Maria Cantwell, Martin Heinrich and Jeff Markley, and would add two conditions: compulsory labeling of the product if it proceeds to market, and a stringent Environmental Impact Study be done beforehand assessing the potential risks and threats posed by the synthetically-manufactured creatures.

**\*\*Markets\*\*****Individual Fishing Quota (IFQ) Allocations and Landings**  
For Fishing Year 2015

Area	Species	Vessel Landings	Total Catch Pounds	TAC		
				Allocation Pounds	Remaining Pounds	Percent Landed
2C	Halibut	582	2,336,510	3,679,000	1,342,490	64
3A	Halibut	748	4,065,913	7,790,000	3,724,087	52
3B	Halibut	139	997,268	2,650,000	1,652,732	38
4A	Halibut	47	422,574	1,390,000	967,426	30
4B	Halibut	13	243,040	912,000	668,960	27
4C/4D	Halibut	***	***	715,920	***	***
	Total	1529	8,065,305	17,136,920	8,355,695	47

June halibut prices in Sand Point were \$5.75 for 10/20's; \$6.00 for 20/40's; and \$6.25 for 40 ups.

**Individual Fishing Quota (IFQ) Allocations and Landings**  
For Fishing Year 2015

Area	Species	Vessel Landings	Total Catch Pounds	TAC		
				Allocation Pounds	Remaining Pounds	Percent Landed
AI	Sablefish	18	248,951	2,383,173	2,134,222	10
BS	Sablefish	22	71,514	1,177,256	1,105,742	6
CG	Sablefish	329	4,709,006	8,214,340	3,505,334	57
SE	Sablefish	363	3,774,228	5,912,737	2,138,509	64
WG	Sablefish	39	434,680	2,599,223	2,164,543	17
WY	Sablefish	156	2,555,703	3,282,649	726,946	78
	Total	927	11,794,082	23,569,378	11,775,296	50

Volumes of sablefish have been steady for the last 3 years with only slight changes in TAC between the lower Pacific Coast, British Columbia and Alaska. The yen vs. the dollar is at 120 which is a big change from 78 just two years ago. Processors in Sand Point paid to FVOA vessels in mid-June the following prices: 7 ups \$8.00; 5/7's - \$6.85; 4/5 - \$5.50; 3/4's - \$4.75; 2/3's - \$3.75.

**\*\*Calendar of Events\*\***

<b>Sept.11-16, 2015</b> Advisory Bodies may begin on 9/10	PFMC Meeting	Doubletree by Hilton Hotel Sacramento, CA
<b>Oct. 5-13, 2015</b>	NPFMC Meeting	Hilton Hotel Anchorage, AK
<b>Nov. 14-19, 2015</b> Advisory Bodies may begin Fri. 11/13	PFMC Meeting	Hyatt Regency Orange Co. Garden Grove, CA
<b>Nov. 26-27, 2015</b>	Thanksgiving Holiday	Office closed
<b>Dec. 1-2, 2015</b>	IPHC Interim Meeting	TBA
<b>Dec. 7-15, 2015</b>	NPFMC Meeting	Hilton Hotel Anchorage, AK
<b>December 24-25, 2015</b>	Christmas Holiday	Office closed
<b>January 25-29, 2016</b>	IPHC Annual Meeting	Juneau, AK Location TBA



**Satellite Technical Services**  
*Connecting Fishermen with Markets!*

[www.satellitealaska.com](http://www.satellitealaska.com)  
Phone: (206) 321-6896  
"Proud supporter of the  
Fishing Vessel Owners' Association"

**Mac's**  
Since 1948  
Ballard  
UPHOLSTERY

- Galleys
- Helm Seats
- Cushions
- Mattresses
- Curtains
- Covers
- Dodgers
- Headliners

## Marine Upholstery

**PLEASURE & COMMERCIAL BOATS**  
**CUSTOM CANVAS & ENCLOSURES • YACHTS**

**Mobile Services**  
Free Estimates

**Fast Quality Work**  
Insurance Claims

- Carpets
- Foam
- Repairs
- Custom Bedding
- Sheets
- Comforters

**Pick-Up & Delivery Available**

(206) **783-1696**  
[www.mactops.com](http://www.mactops.com)

**Keep Us in Mind Every  
Time Your Vessels  
Come to Port!**



**VESEL LOANS**  
**MARITIME RELATED BUSINESS LOANS**  
**QUOTA/PERMIT LOANS**

Aaron Overland  
 425.879.1619 aoverland@mountainpacificbank.com  
 5470 Shilshole Avenue NW #310



Member FDIC Keeping it local

**RICKEY AND ASSOCIATES**



**JUNEAU ALASKA**

**P.O. BOX 20330 • JUNEAU, ALASKA 99802**

Phone: **(907) 586-2442** Fax: **(907) 364-2282**

**FISHERY CONSULTING**

We assist fishermen and fish processors in satisfying the State and Federal government requirements for fishing operations in Alaska.

**WE CAN EXPEDITE:**

- Entry permits and vessel licenses
- All federal permits and licenses
- Permit transfers
- QS/IFQ transfers
- USCG vessel registration

**PERMIT, IFQ AND LLP BROKERAGE:** Buyers and Sellers please call for Permit, IFQ and LLP listings.

*Visa and MasterCard Accepted*



**YOU SEE POTENTIAL.  
SO DO WE.**

Work with a lender who knows your industry. Northwest Farm Credit Services has been serving the unique needs of commercial fishermen for more than 30 years. Visit our new web site to learn how our flexible financing and range of services can help your business reach its potential.



**Northwest**  
FARM CREDIT SERVICES  
FISHERIES FINANCING  
northwestfcs.com | 800.372.0112