

# 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

Katie Harris  
 Executive Assistant

Vol. XXXIV No. 2

May 2020

## Sustaining Sponsors

<i>Alaska Glacier Seafoods, Inc.</i>	<i>Alaskan Observers, Inc.</i>	<i>Ballard Oil</i>
<i>Banner Bank</i>	<i>Bellingham Cold Storage Co.</i>	<i>Columbia State Bank</i>
<i>Covich &amp; Williams, Inc.</i>	<i>Cummins Sales and Service</i>	<i>Dana F. Besecker Co., Inc.</i>
<i>Dock Street Brokers</i>	<i>Dungeness Gear Works, Inc.</i>	<i>Echo Belle, Inc.</i>
<i>Fishermen's News</i>	<i>Fishing Vessel Owners/Marine Ways</i>	<i>Gardner Boat Repair Inc.</i>
<i>Haines Packing Company</i>	<i>Harrigan, Leyh, Farmer, Thomsen LLP</i>	<i>Haven Boatworks, LLC</i>
<i>Hingston, Miller, Hingston P.L.L.C.</i>	<i>Icicle Seafoods, Inc.</i>	<i>JK Fabrication</i>
<i>LFS, Inc.</i>	<i>Mac's Ballard Upholstery</i>	<i>Marine Resources Consultants</i>
<i>Mountain Pacific Bank</i>	<i>Westward Seafoods, Inc.</i>	<i>North American Fishing Supplies, Inc.</i>
<i>Northport Fisheries, 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>Parker Smith &amp; Feek</i>
<i>Peoples Bank</i>	<i>The Permit Master</i>	<i>Petro Marine Services Petro 49</i>
<i>Port Townsend Shipwrights Co-op</i>	<i>Puget Sound Hydraulics Inc.</i>	<i>Resurrection Bay Seafoods LLC</i>
<i>Satellite Technical Services</i>	<i>Seafreeze/Citylce Cold Storage</i>	<i>Seattle Marine &amp; Fishing Supply</i>
<i>Sitka Sound Seafood &amp; Alaska Pacific Seafoods</i>	<i>Joe Sullivan Law Office PLLC</i>	<i>Taku Fisheries</i>
<i>Trident Seafoods</i>	<i>Unlsea, Inc.</i>	<i>Vigor Industrial LLC</i>
<i>Yakutat Seafoods</i>		

**Thank you for your support!**

Members and Friends,

This newsletter will get you caught up on the North Pacific Fishery Management Council actions, IPHC, and markets versus relief funding for COVID-19.

**\*\*NPFMC\*\***

**Halibut**

The NPFMC met May 15, 2020 by teleconference. The Council took two emergency actions that will apply to the 2020 season. These two actions are noted below. Other actions by the Council are also listed below. Even though the council voted for the two emergency changes, their action will still take 5 weeks to implement. With regard to relaxing the vessel CAP in area 4, this means you can exceed any CAP you might be subject to as long as the extra fish is from 4 bcd.

IFQ Program Task List  
May 2020

**Status of analytical projects related to the Halibut & Sablefish IFQ Program**  
Updated May 2020

Name	Description	Target Date
<b>Projects in the implementation process – Result of May 2020 NPFMC Special Session</b>		
Emergency Rule Recommendation: Modify IFQ Transfer Provisions for 2020	Allow temporary transfer of halibut and sablefish IFQ for all quota share holders for the remainder of the 2020 fishing season. This action would not modify other aspects of the IFQ Program.	Summer 2020
Emergency Rule Recommendation: Waive halibut vessel use caps in Areas 4BCD for 2020	Temporary action to remove vessel use cap regulations under 50 CFR 679.42(h)(1) for halibut harvested in IPHC regulatory areas 4B, 4C, and 4D for the remainder of the 2020 IFQ fishing season. This action would not modify other aspects of the IFQ Program.	Summer 2020

Name	Description
<b>Projects previously scheduled but currently pending (**order does not reflect priority**)</b>	
Initial Review: Small Sablefish Release	Analysis of alternatives to allow discarding (careful release) in the IFQ sablefish fishery. The Council is motivated by low commercial value and high survival rates for small sablefish, with potential for positive effects on stock biomass and future value. Alternatives include voluntary release of sablefish and a range of DMRs for pot and hook-and-line gear. Voluntary release is preferred over a size limit because it maximizes flexibility. There are two options to address catch accounting including observer-based and survey-based discard estimation. Total discard mortalities would be estimated in the stock assessment. The analysis will explore how voluntary release would be accounted for in stock assessments and in setting catch limits. Monitoring and enforcement provisions that could improve discard estimation will also be evaluated. The accounting system for the IFQ fishery would need to be overhauled since IFQ discards could reduce allocations to trawl and IFQ vessels. Because IFQ is assigned to an individual and discards might be attributed based on observer program estimates, individual liability may need to be addressed. Previously scheduled for October 2020; Council will discuss timing of IFQ actions at the June 2020 meeting.
Discussion Paper: IFQ Access Opportunities	Consider design elements of a quota share "access pool" intended to promote entry into the halibut and sablefish IFQ fishery by entry-level participants. Entry-level is defined as a vessel owner/operator or crew who owns less than 5,000 lbs. of IFQ based on 2019 quota levels. Access pool QS would be held by a non-individual entity and could not be transferred by the eligible participants who qualify to fish the quota. The total amount of access pool QS would be capped at 1.0% of the total amount of quota for each species in each management area. QS could be placed in the access pool either by a one-time allocation or by withholding a percentage of QS that is transferred between existing QS holders until the cap is reached – or some combination of those two mechanisms. The paper will discuss the functionality and scope of the access pool's impacts, identify Council decision points, and consider issues of consistency with MSA definitions of quota holding entities (e.g., Regional Fishery Associations). Previously scheduled for April 2020; Council will discuss timing of IFQ actions at the June 2020 meeting.
Three-Year Review: GOA Sablefish Longline Pot Fishery	The Council requested a review paper on the functioning of the GOA sablefish longline pot gear fishery to be conducted after three years of implementation. The fishery was implemented for the 2017 fishing year, so the review will cover 2017 through 2019. Depending on the timing of publication, 2020 fishery information may be included. Staff will include – but is not limited to – information about participation, catch, bycatch, observer coverage, gear loss, and gear conflict. Economic performance data will be included for the 2017 through 2019 fishing years based on what is available. Information on implementation costs will be included to the extent that it is made available by participants. Staff will also consider any available information that relates to the Council's policy objectives, including mitigation of whale depredation, safety at sea, and cooperation among fishermen to avoid gear conflict. Previously scheduled for April 2020; Council will discuss timing of IFQ actions at the June 2020 meeting.

Name	Description
<b>Projects not yet scheduled (**order does not reflect priority**)</b>	
Discussion Paper: Use of Hired Master Provision	Given the increasing use of hired masters in the IFQ fishery, assemble data on hired master use and describe business arrangements between vessel owners, QS holders, and crew to the extent possible. The Council is scoping for potential modifications to hired master regulations that would promote the original program objective of an owner/operator fleet.
Discussion Paper: QS Transfer Mechanisms	Explore regulatory and non-regulatory options that promote willing transfers of QS from initial QS recipients to hired masters and crew, including but not limited to the Right of First Offer concept used in crab cooperatives. Also scope potential for changes to the Federal loan program that would increase use by individuals looking to purchase QS.

The Council deferred two emergency requests at the May 15 meeting. There was a request to allow a 30% roll over of quota and a request to extend the season year round. These two requests could be revisited at the October meeting. The Council also relaxed the charter fish retention limits due to the COVID-19 situation and many charter operations choosing not to operate in 2020.

The Council will have a webinar June 8-10, however there are no major IFQ issues on the agenda. The following items, however, may find their way onto the October Council agenda.

- IFQ access opportunities expanded discussion paper
- Halibut Abundance Based Management Discussion paper (this deals with Halibut trawl bycatch in the Bering Sea)
- Small sablefish release Initial Review
- Observer annual report
- GOA sablefish pots – 3 years review

The following items have been suggested for consideration under this topic. There may be other ideas that will be added.

- 1.) Increase the SE/West Yakutat pot limit to 300, it is currently 120 pots
- 2.) Some pot operators do not want to have one of their ends market with a buoy. (I have talked to several pot operators and there is not much support for this)
- 3.) Remove the requirements for pots to be taken off the grounds in West Yakutat and SE when making a delivery of fish. (I suspect the U.S. Coast Guard may have more to say on this from a vessel stability perspective and that will result in a change.)
- 4.) Remove the restrictions that limit a tunnel entry to 9 inches (I sense a lot of support for this.)
- 5.) Change the 7 day requirement for tendering gear in the Central and Western Gulf
- 6.) Regulations that allow halibut to be retained in the BSAI be the same for the Gulf of Alaska
- 7.) Sharing pots

The Council will not be taking final action on the items above in October, but could start an amendment package that addresses these items.

#### Observer Requirements

At the time of writing this newsletter there is a waiver of taking observers for the partial coverage fleet except if the vessel is leaving for fishing out of the port of Kodiak

I have been told that about the 1<sup>st</sup> week of July there could be a change and observers could be in use again. The current program is based on trips. Beginning in early July you may get an observer for multiple trips in order to eliminate the quarantine times for observers.

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

The Pacific Fisheries Management Council will have a webinar meeting from June 10-19<sup>th</sup>. The council will receive a report from the Gear Switching Committee. There are four options that have been developed. One is status quo, then there is a not so ugly option promoted by the State of Washington, and two increasingly uglier options.

I do not expect much council discussion on the report at the June meeting. The Council's September meeting will be where the sparks fly on this action item and the alternatives.

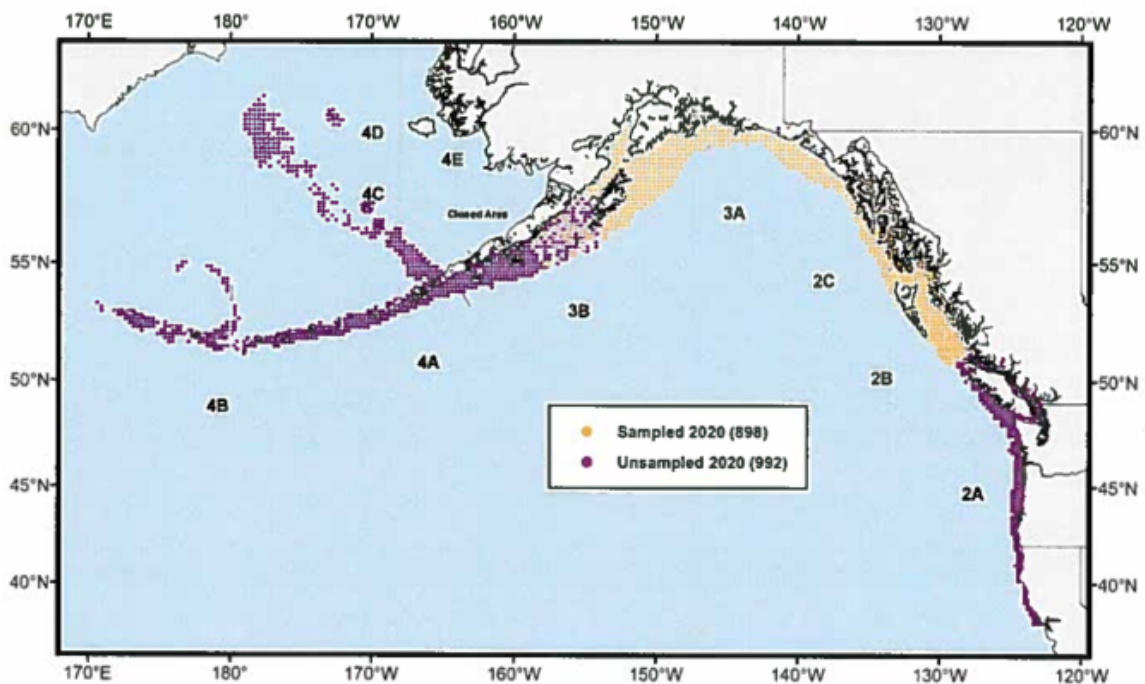
The reason this issue is before the Pacific Council is that some shore side processors and trawlers do not like “trawlers” leasing black cod to fixed gear fishermen. Before COVID-19 they claimed this was driving up the lease cost per pound for trawlers as fixed gear received more for their fish. Ninety percent of the trawl sablefish is owned by trawlers however, 33% of the trawl sablefish is taken with fixed gear. This means trawlers are leasing to fixed gear vessels. Not all trawlers are in favor of the restrictions being suggested.

## **\*\* International Pacific Halibut Commission \*\***

The set line survey for the Halibut Commission has been scaled back due to market price reduction for Pacific Halibut. The areas of 3A, 2C and 2B have helped subsidized the survey work noted in purple below. The purple areas will not be surveyed in 2020. As of the writing of this newsletter it looks promising that the survey in gold will take place in 2020. These will include 898 stations that represent 75% of the halibut biomass.

### APPENDIX V IPHC FISHERY-INDEPENDENT SETLINE SURVEY (FISS) 2020

Map of the 2020 FISS design. Each orange circle represents a FISS station targeted for sampling, while purple circles are stations that will be unsampled in 2020, based on a compromise of meeting Primary, Secondary and Tertiary objectives.



The IPHC Commissioners met over the internet on the 20<sup>th</sup> of May. They took two actions. They adopted the more liberal charter boat restrictions for the rest of 2020 that were passed by the NPFMC. Additionally for areas 2A they took the following actions:

*Pacific Halibut Bycatch in the Washington Sablefish Fishery*

IPHC – 2020 – ID008 (para. 13) The Commission **NOTED** and **ADOPTED** regulatory proposal IPHC-2020-SS07-PropA2, which amended the deadline for when a vessel operating in the incidental catch fishery during the sablefish fishery in IPHC Regulatory Area 2A must have submitted its “Application for Vessel License for the Pacific Halibut Fishery” form. The amendments (provided at Appendix IV) modify the deadline for submission from 15 March to 29 May 2020. The extension was made based solely on the potential negative impacts that the COVID-19 pandemic may have had on the licencees and does not set precedent for future years.

## **\*\* Eat on the Wild Side \*\***

The Halibut/Sablefish MSC (Marine Stewardship Certification) is going through its 4<sup>th</sup> full certification analysis this summer. We have been asked to add Chatham Strait sablefish to our MSC label. The process should be completed by late fall.

North Sea Cod lost its MSC certification triggered by a drop in North Sea cod stocks below sustainable levels. The MSC Council suspended its certification of the fishery. The stock of cod had been decreasing since 2015.

### **Marine Monuments**

President Obama established a marine monument, a closed area for fishing, on the East Coast that has curtailed lobster fishing. The Courts upheld the monument. Lobster fishermen contended that it did not comply with the National Marine Sanctuaries Act.

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

*The National Oceanic and Atmospheric Administration (NOAA) on Friday announced it was taking the ‘unprecedented step’ of cancelling five major Alaska fisheries research surveys critical to the management of Alaska Pollock, Pacific cod, and other major groundfish species in the North Pacific.*

*Citing concerns over the ongoing COVID-19 pandemic, the agency said it would cancel the Aleutian Islands bottom trawl survey, the eastern Bering Sea bottom trawl survey, the northern Bering Sea bottom trawl survey, the Berin Sea Pollock acoustics survey an the Fall Ecosystem Survey.*

***The annual Alaska Longline Survey will take place as planned, the agency said.***

**-Intrafish**

*The Alaska Department of Fish and Game announced the full year closure on Dec. 31, spanning both the commercial and recreational sectors. Targeted fishing for all [non-pelagic] rockfish, which included species like yelloweye, quillback, tiger, china rockfish, will be closed across the region due to declining populations of the fish. This is the S.E. district.*

*[Non-pelagic] rockfish, particularly yelloweye, are popular among sport anglers and are regularly caught by the longline commercial fishing fleet in the region. The personal use fisheries for yelloweye in Sitka and Ketchikan will be also be closed for 2020, according to the announcement.*

**-Seafood.com**

Commerce Secretary announces allocation of \$300 million in CARES Act funding for fishing losses. Alaska and Washington state received \$50 million each. Next Massachusetts received \$28 million and Florida \$23 million, California received \$18 million. The Alaska, Washington, and California Department of Fisheries will develop applications likely available by mid-June. The applications will be filled out by yourselves and sent to the Pacific States Commission in Portland for processing.

**This is why you have an association.** Here is what is happening in Chile to their limited entry quota programs:

*Lawmakers are currently considering the proposal of Ley Corta (Short Law), which seeks to eliminate companies' rights to renew their licenses every 20 years under the Fishing Law of 2013, or the Longuiera law.*

*This would mean 100 percent of the existing fishing rights in Chile would be put up for auction in 2033, a move the industry considers to be detrimental to businesses, workers, and the sector in general.*

**-Intrafish**

## **\*\* Testing for COVID-19 at Fisherman's Terminal\*\***

**Ann Jarris, MD, MBA, FACEP**  
CEO, Discovery Health MD, PLLC  
13075 Gateway Drive, Suite 100  
Seattle, WA 98168  
Cell: 206-351-0693  
Fax: 206-826-1814  
DiscoveryHealthMD.com

A single PCR test, all inclusive, will be \$280. A combo PDR/serology test would be \$330. Pricing would be different if you want to do the testing at the beginning and end of quarantine.

## \*\* Market News \*\*

Halibut prices are reflecting the lack of a restaurant trade for fresh fish. Until the restaurant trade restarts halibut prices will be down. However, some states are opening up and the halibut market had a nice positive wiggle to it at Mother's Day and the week after. Prices to FVOA boats have been as low as 3.50 in Seward for small fish to \$4.50 for larger fish. Most recently, an FVOA vessel received \$4.10/\$4.35/\$4.60 in Seward. I expect a rally in August and September for halibut. At local stores, Costco and Haggen's in Woodinville, Washington, I have seen halibut for \$12.00/lb. and fillets for \$14.99/lb. Last year's prices at Haggen's were \$24.00/lb. so everyone along the supply chain is at a lower price point right now. Halibut landings are running about half the volume from last year as well.

NOAA Fisheries  
PO Box 21668  
Juneau, AK 99802-1668

Prepared: 05/14/2020  
Restricted Access Management  
800-304-4846

### Individual Fishing Quota (IFQ) Allocations and Landings

Area	Species	Vessel Landings	Total Catch Pounds	Allocation Pounds	--- TAC ---		Percent Landed
					Remaining Pounds		
2C	halibut	167	719,270	3410000	2,690,730	21	
3A	halibut	202	1,162,865	7050000	5,887,135	16	
3B	halibut	20	182,409	2410000	2,227,591	8	
4A	halibut	***	***	1410000	***	***	
4B	halibut	***	***	880000	***	***	
4C/4D	halibut	***	***	919200	***	***	
<b>Total</b>		<b>***</b>	<b>***</b>	<b>16079200</b>	<b>***</b>	<b>***</b>	

Sablefish prices are also off for similar reasons as halibut. The restaurant markets are not open, Japan is in lockdown, and increase supplies could be 25% increase over 2019 in Alaska. Prices offered in Seward have fluctuating about \$0.25 per category at times. Recent prices in Seward are \$0.30-\$0.50 for 1-2 lbs.; \$1.30-\$1.50 for 2-3 lbs.; \$2.30 to \$2.50 for 3-4 lbs.; \$2.75 to \$3.00 for 4-5 lbs.; \$4.50-\$5.00 for 5-7 lbs. and \$6.50 -\$6.75 for 7 lbs. and up.

At Costco in Woodinville, fresh sablefish fillets, smaller than I have seen but very nice looking were \$10.99 per lb. There were about 7% of the market going to China before COVID-19 and before relationships went sideways between The United States and China. This has not recovered as of yet. Japan still absorbs 60% of the quota and is in lockdown as I write. This market will come back but it could take this fall and next year to be as robust as it was.

Area	Species	Vessel Landings	Total Catch Pounds	Allocation Pounds	--- TAC ---		Percent Landed
					Remaining Pounds		
AI	sablefish	11	398,491	2696226	2,297,735	15	
BS	sablefish	17	396,732	1640222	1,243,490	24	
CG	sablefish	103	1,485,805	11366918	9,881,113	13	
SE	sablefish	193	2,108,451	8075450	5,966,999	26	
WG	sablefish	***	***	3425948	***	***	
WY	sablefish	95	1,425,947	4503998	3,078,051	32	
<b>Total</b>		<b>424</b>	<b>5,987,719</b>	<b>31708762</b>	<b>25,721,043</b>	<b>19</b>	

## **\*\* Load Line \*\***

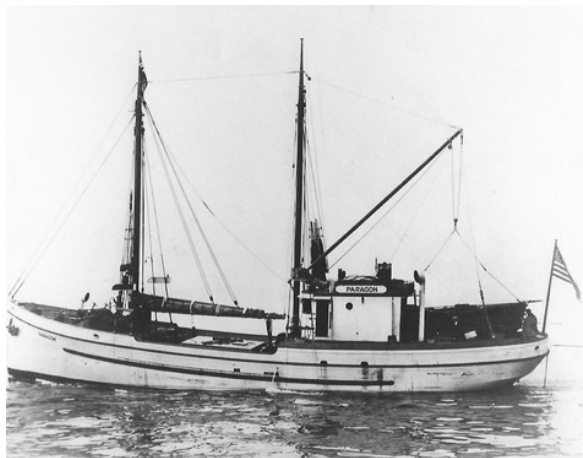
The US Coast Guard has indicated it will no longer look the other way on certain boats that tender. This is due to the sinking of a tender called the EXITO. So below are possible exemptions.

Tenders less than 79' are exempt from load line. If your vessel is less than 500 gross tons and:

- 1.) Was under contract to be constructed or constructed as a tender before January 1, 1980
- 2.) Converted for use as a tender before January 1, 1983
- 3.) Is a vessel 150 gross tons or less and keel laid or constructed before January 1, 1986

These elements may allow you to be exempt. Transiting through Canada may change your status however. Call the office if you have further questions.

## **Phillip "Jake" Jacobsen 10/10/1927 - 01/09/2020**



Jake began fishing on the family halibut schooner F/V Paragon in 1944. Jake was on the University of Washington basketball team and was coached under Hec Edmondson. He graduated in fisheries, worked at IPHC on surveys and became a deck hand on the Eclipse, the Chelsea, and the Polaris and shrimp vessels such as the Ray Mar Houston. He last fished on the Chelsea with Adolph Samuelson. He and his generation of fishermen were known as Ironmen on Wooden Ships.





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

206.397.3110 | 2244 NW 56th St., Seattle, WA 98107



Member FDIC

**Mac's**  
Since 1948  
Ballard  
**UPHOLSTERY**

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

**Pick-Up & Delivery Available**

(206) **783-1696**  
**www.mactops.com**

**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

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



# Your trusted source.

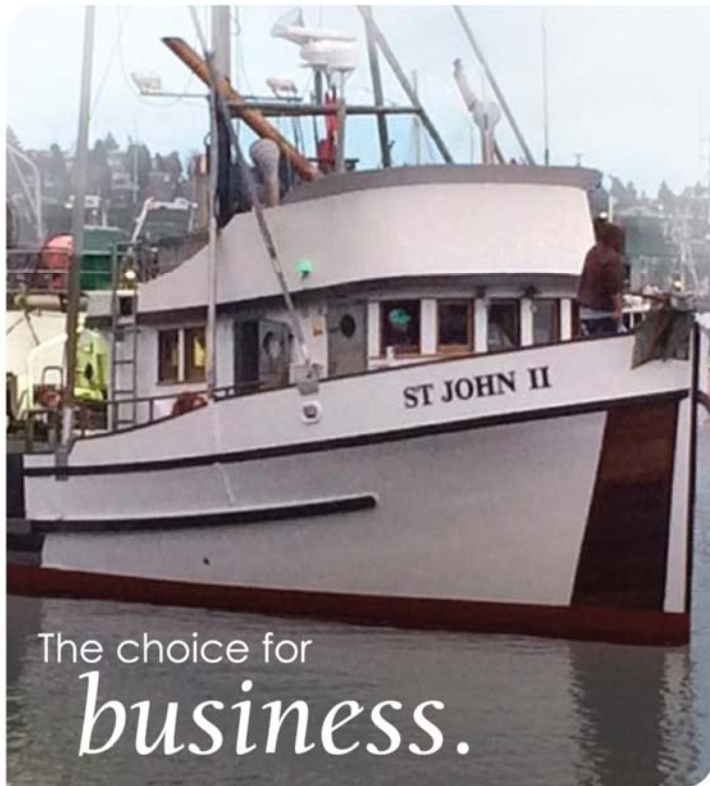
We support fisheries and agriculture with reliable, consistent credit and financial services, today and tomorrow.

- Vessels
- Quotas
- Operating Lines of Credit

206.691.2000 | [northwestfcs.com/fisheries](http://northwestfcs.com/fisheries)

This institution is an equal opportunity provider and employer.  
\*Served through Northwest Farm Credit Services Insurance Agency

Here to Help You Grow™



Boat Loans  
Quota Loans  
Permit Loans  
Maritime Financing

**Ballard Commercial  
Banking Center**  
5600 24th Avenue NW  
Seattle, WA 98107  
(206) 790-2742

Member FDIC

**Peoples Bank**  
*A higher level of service.*  
[peoplesbank-wa.com](http://peoplesbank-wa.com)



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

*www.satellitealaska.com*

*Phone: (206) 321-6896*

*"Proud supporter of the  
Fishing Vessel Owners' Association"*

HAVE A SAFE SEASON AND WE  
WILL SEE YOU IN THE FALL!

