

The Wheel Watch

a newsletter of the

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

Robert D. Alverson
 Manager

Katie Harris
 Executive Assistant

Vol. XXXVII No. 1

April 2021

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 & 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>OBI Seafoods</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>Romo Design Upholstery</i>	<i>Offshore Systems, Inc.</i>	<i>Parker Smith & 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 & Fishing Supply</i>
<i>Sitka Sound Seafood & 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!

Dear Members and Friends,

This newsletter will update you on the North Pacific Fishery Management Council and Pacific Fishery Management Council action in April, as well as action from Olympia and Washington, D.C.

****NPFMC****

The Council met for two weeks in early April. The issues of concern included development of amendments to the sablefish pot operations, transfer mechanisms for entry into the fishery and Bering Sea halibut bycatch reduction efforts.

The Council, on the motion of Cora Campbell, developed an omnibus package of 6 changes to the IFQ program that mostly affect fishing sablefish with pots. They are as follows:

Alternative 2: Revise IFQ program to address the following regulatory clarifications

Element 1: Clarify that “slinky pots” are a legal gear for the IFQ fishery, revise regulations to allow the use of biological twine in the door latch or pot tunnel.

Element 2: Remove buoy configuration and flagpole requirements in regulation but retain “LP” marketing requirement.

Element 3: Authorize jig gear as a legal gear type for the harvest of sablefish IFQ

Element 4: Revise the pot gear configuration requirements to remove the 9-inch maximum width of tunnel opening so it does not apply when vessel has unfished halibut IFQ onboard.

Element 5: Pot Limits

Options 1: Change the Pot Limit for WY and/or SEO to

Sub-option a.) 180 pots per vessel

Sub-option b.) 300 pots per vessel

Elements 6: Gear Retrieval requirements

Option 1: Remove the gear retrieval requirement

Option 2: Modify the gear retrieval requirement to 7 days for all GOA areas

Sub-option: 3 days in SEO

Alternative 3: Remove Adak CQF residency requirement for a period of five years.

There were two previous actions that the Council kept active on its “to do lists.” These included a relook at restricting the use of hired master and a mechanism to transfer quota to newer entrants into the IFQ fishery. These two items were removed from the “to do list.” There was also a proposed

action item to transfer 2% of quota to tax exempt corporations to assist new entrants. This proposal and the two action items on the “to do list” were dismissed by the Council.

Cost Recovery: You pay an annual fee not to exceed 3% of ex-vessel value of halibut/sablefish for the IFQ program. As you can see the total value of our two fisheries took a 1/3 devaluation in 2020.

2014	\$4,530,572.00	\$176,983,090.00	2.60%
2015	\$5,593,603.00	\$183,896,787.00	3.04%
2016	\$5,902,497.00	\$189,455,394.00	3.12%
2017	\$4,659,869.00	\$208,013,345.00	2.20%
2018	\$4,573,407.00	\$161,400,657.00	2.80%
2019	\$4,488,393.00	\$150,034,178.00	3.00%
2020	\$4,414,604.00	\$103,127,774.00	4.28%

*Actual fee liability percentage before the mandatory adjustment to the 3.0% maximum

Release of small sablefish: None of the Council members tried to include this action for review. Some elements of NMFS-Juneau have expressed concern that this may put too much responsibility on the observers to record discards; EM does not record length frequencies well, and it would take a long time to come up with a discard mortality rate. Other Council members pointed out 1.) a mortality assumption is already used off WA, OR, CA, in B.C., and in Chatham Strait, which could be adopted, 2.) observers currently make discard assumptions in other black cod fisheries and 3.) observers currently record length frequencies on boats. Hopefully this issue will be elevated for review again. Council members Kenny Down, Dr. Jim Balgizer, and Bill Tweet all expressed support.

FVOA, DSFU, and the Sablefish Pot Associations produced a report from Dr. Ian Knuckey that demonstrates our total mortality from discarding fish 3-3.5 lbs. round weight and less might result in a mortality of 246 to 492 tons, or less than 0.2% of the biomass. The Council hardly blinked in December when trawlers recorded 6.5 million pounds, nearly 3000 tons, of discards. The Council and SSC said it was too little to worry about. For the full Dr. Knuckey report, you can go to our website at www.fvoa.org or give us a call.

2020 only – discard mortality weight (assuming 30% mortality) IS deducted from TAC

Fish kept (□ lb)	TAC (t)	Value \$/lb	Value \$M \$Mil	% Disc weight	Dead (t) 30.0%	Dead / TAC	Dead / Biomass
0.00	18000	\$1.86	\$73.84	0.0%	0	0.0%	0.0%
1.50	17998	\$1.86	\$73.85	0.0%	2	0.01%	0.00%
2.00	17935	\$1.88	\$74.33	1.2%	65	0.36%	0.01%
2.50	17732	\$1.94	\$75.67	4.8%	268	1.51%	0.04%
3.00	17391	\$2.02	\$77.49	10.5%	609	3.50%	0.09%
3.50	16827	\$2.16	\$79.65	18.9%	1173	6.97%	0.18%
4.00	16356	\$2.27	\$80.76	25.3%	1644	10.05%	0.25%
4.50	15714	\$2.41	\$81.27	33.2%	2286	14.55%	0.35%
5.00	15048	\$2.56	\$80.49	40.8%	2952	19.62%	0.45%

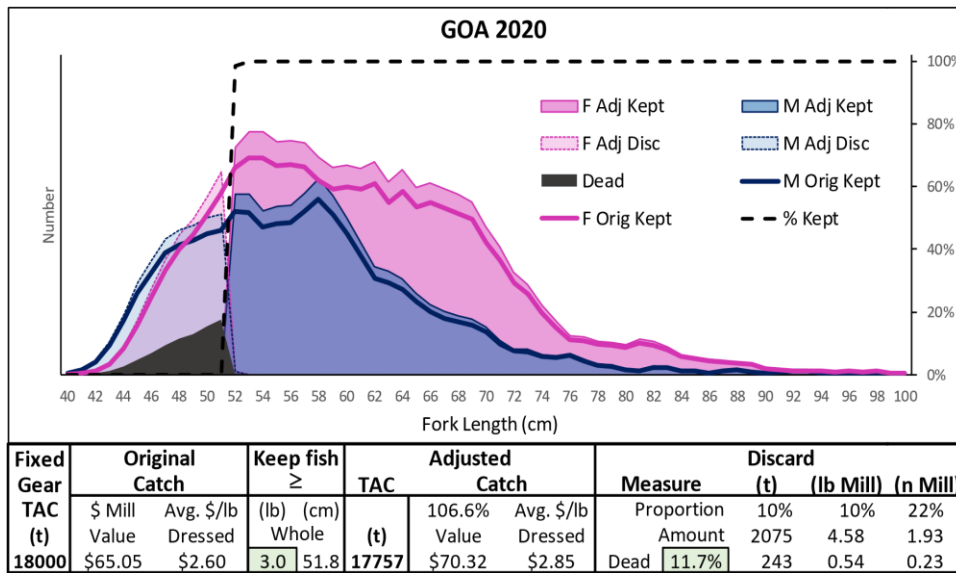


Figure 4. Diagram of the estimated length frequency of retained male (✓) and female (✓) and discarded male (✓) and female (✓) sablefish resulting from retention of fish \geq 3 lb (51.8 cm) in the GOA fixed gear during 2020. The estimated length frequency distribution of dead fish resulting from the discards is shown (✓). Discard mortality weight *IS* deducted from TAC.

This graphic shows the entire fixed gear industry may cause a mortality of 243 tons of sablefish if we release 3 lb. round fish and assume a 11.7% mortality. The trawlers killed 3000 tons with no complaint from The Council last December. We also increased our value from \$65 million to \$70.3 million due to releasing. Below is a similar figure for the BSAI.

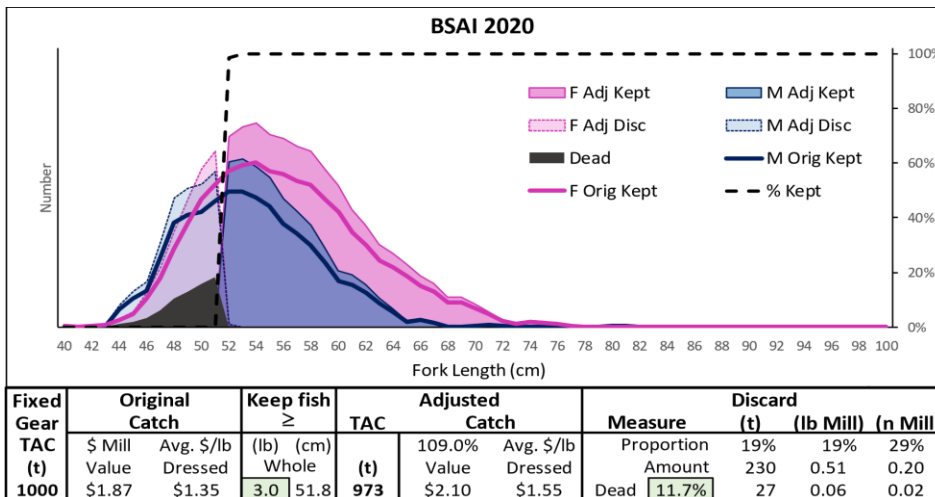


Figure 10. Diagram of the estimated length frequency of retained male (■) and female (■) and discarded male (■) and female (■) Sablefish resulting from retention of fish \geq 3 lb (51.8 cm) in the BSAI fishery. The estimated length frequency distribution of dead fish resulting from the discards is shown (■). Discard mortality weight *IS* deducted from TAC.

ABM: The Council took action on Abundance Based Management (ABM) of small sablefish. The Council moved to release their analysis for final action after incorporating the SSC comments. Below is the Council's most aggressive proposed action to reduce halibut bycatch in the Bering Sea. There are 3 other alternatives. Contact our office for more information.

Alternative 4: A 4X2 look-up table with PSC limits that range from current PSC limit to 45% below current limit. PSC limit is determined annually based on survey values from the most recent year available.

		EBS shelf trawl survey index (t)	
		Low < 150,000	High ≥ 150,000
IPHC setline survey index in Area 4ABCDE (WPUE)	High ≥ 11,000	1,396 mt (20% below current)	1,745 mt (current limit)
	Medium 8,000 – 10,999	1,222 mt (30% below current)	1,396 mt (20% below current)
	Low 6,000-7,999	1,047 mt (40% below current)	1,222 mt (30% below current)
	Very Low < 6,000	960 mt (45% below current)	1,047 mt (40% below current)

Options for Alternatives 2, 3 and 4:

Option 1: PSC limit is determined using a 3-year rolling average of survey index values instead of the most recent survey value.

Option 2: PSC limit varies no more than (suboptions: 10% or 15%) per year.

Option 3: Establish an annual limit of (suboptions: 80% or 90%) of the PSC limit generated by the look-up table. In 3 of 7 years, the A80 sector may exceed the annual limit up to the PSC limit generated by the look-up table. If the A80 sector has exceeded the annual limit in 3 of the past 7 years, then (suboptions: 80% or 90%) of the PSC limit generated by the look-up table is a hard cap for that year.

Option 4: (mutually exclusive with Options 2 and 3) PSC unused in one year may roll to the following year to increase the PSC limit generated by the lookup table up to 20%. Any PSC savings in excess of 20% would stay in the water.

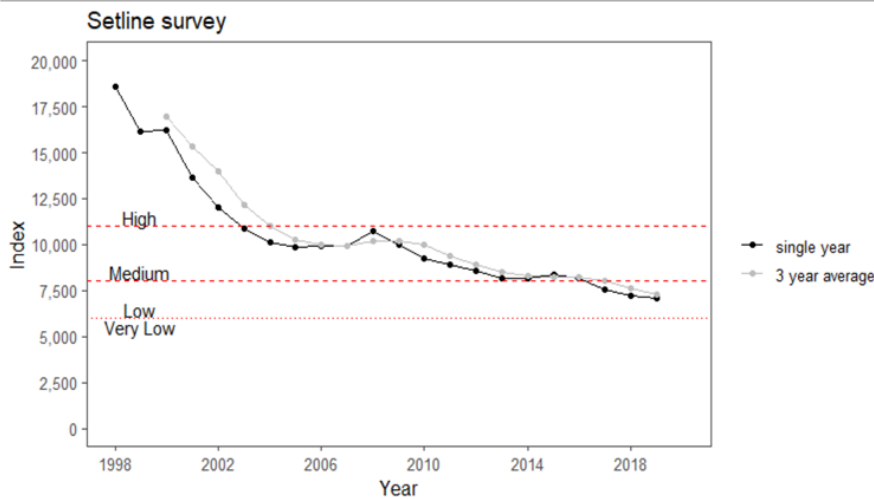
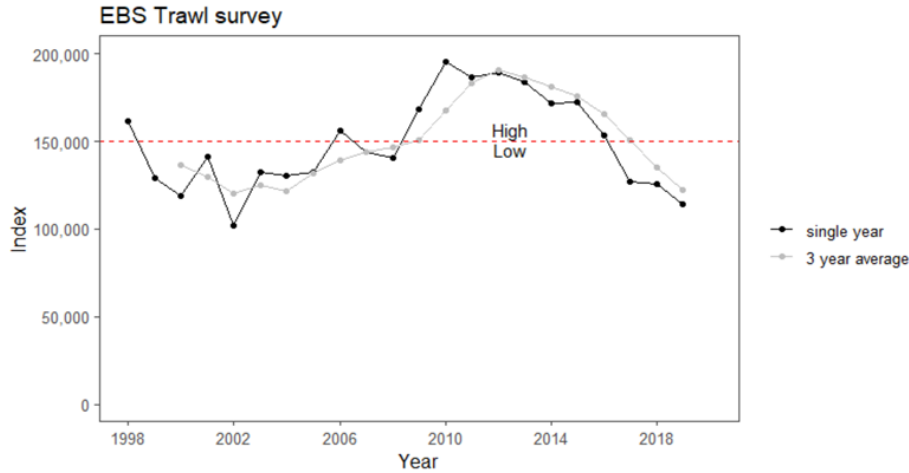


Figure ES-1 Survey states for Alternatives 2,3,4. Top panel: EBS trawl survey (1998-2019) with ‘survey state’ delineation (dotted line) between ‘High’ and ‘Low’ at 150,000 t. Bottom panel: IPHC Setline survey 1998-2019 WPUE with ‘survey’ state delineations for ‘High’, ‘Medium’, ‘Low’ and ‘Very low’. Both single within year data (black line) as well as the rolling three-year survey average (grey line) are shown.

These two graphs show the index of halibut from the trawl NMFS survey and the IPHC setline survey in the BSAI. Both show a low index. This would result in a 40% reduction in the halibut CAP based on Alternative 4, previous page.

Markets

Halibut: Retail marketing saved halibut prices in 2020. Prices west of Seward were generally in the \$3.75 price range, including Kodiak. This year prices in S.E. Alaska began to be at \$5.75 lb. As of 4-20-21 Kodiak prices were from \$5.00 to \$5.50. Bellingham halibut was \$6.40 head on. Cold storage from 2020 was reported a non-problem going into 2021. Prices should hold as more and more restaurants begin to open up.

Individual Fishing Quota (IFQ) Allocations and Landings

Area	Species	Vessel Landings	Total Catch Pounds	Allocation Pounds	---- TAC ----	
					Remaining Pounds	Percent Landed
2C	halibut	142	668,908	3,530,000	2,861,092	19
3A	halibut	188	1,029,537	8,950,000	7,920,463	12
3B	halibut	16	119,527	2,560,000	2,440,473	5
4A	halibut	***	***	1,660,000	***	***
4B	halibut	***	***	984,000	***	***
4C/4D	halibut	***	***	885,600	***	***
Total		350	1,844,894	18,569,600	16,724,706	10

Sablefish: Markets and being made and old owes are coming back. The lower price of sablefish has helped buy new markets. The Japanese market is still the driver with 65% of volumes U.S. production. Japan's corporate dinner structure was hurt badly by Covid. As it emerges greater demand will build for 4 lb. to 7 lb. fish.

Prices to FVOA boats in Cordova mid-April were as follows:

Pounds	1-2	2-3	3-4	4-5	5-7	7 ↑
Price	0.75	2.10	3.00	3.65	3.65	5.50

A Bellingham delivery perhaps gives more hope on prices:

Pounds	1-2	2-3	3-4	4-5	5-7	7 ↑
Prices	1.30	2.30	2.80	3.20	4.00	5.30

With increased volumes and markets coming back on line, 2021 should be much improved over 2020.

Individual Fishing Quota (IFQ) Allocations and Landings

Area	Species	Vessel Landings	Total Catch Pounds	Allocation Pounds	---- TAC ----	
					Remaining Pounds	Percent Landed
AI	sablefish	***	***	6,239,018	***	***
BS	sablefish	***	***	2,993,847	***	***
CG	sablefish	51	1,152,478	14,206,442	13,053,964	8
SE	sablefish	148	2,014,561	10,094,863	8,080,302	20
WG	sablefish	***	***	4,281,333	***	***
WY	sablefish	56	996,079	5,630,548	4,634,469	18
Total		259	4,293,252	43,446,051	39,152,799	10

****Pacific Council****

The PFMC met the same week as the NPFMC. The principal action affecting fixed gear operations was gear switching. The PFMC established a trawl IFQ program effective in 2011. Part of that program allowed for fixed gear to harvest trawl quota as long as you bought it or leased it. Since 2011 the following percentages have been taken by fixed gear and trawl, from the trawl allocation.

Table 1. Sablefish north of 36° N. lat. total catch by year and gear type (millions of lbs.) compared to the allocation and total available pounds (allocation plus surplus carryover) and number of gear switching vessels and permits, 2011-2019. Discard mortality rates applicable in 2019 only. Source: GEMM.

Landing Year		2011	2012	2013	2014	2015	2016	2017	2018	2019	2011-2019 Avg
Total Catch (millions of lbs)		5.29	4.92	4.07	4.13	4.82	5.02	5.56	5.06	5.62	4.94
Catch by Gear	Trawl	3.75	3.26	3.09	2.86	3.24	3.22	3.69	3.27	3.61	3.33
	Fixed Gear	1.54	1.66	0.98	1.27	1.58	1.80	1.87	1.79	2.01	1.61
Allocation Lbs (millions)		5.61	5.44	4.03	4.38	4.85	5.32	5.33	5.56	5.69	5.13
Percentage by Utilization	Trawl	66.8%	59.9%	76.7%	65.3%	66.8%	60.5%	69.2%	58.8%	63.4%	65.3%
	Fixed Gear	27.4%	30.5%	24.3%	28.9%	32.6%	33.9%	35.1%	32.3%	35.3%	31.2% ^{a/}
	Unharvested	5.8%	9.6%	-1.1%	5.7%	0.6%	5.6%	-4.4%	9.0%	1.3%	3.5%
Available Lbs (millions)		5.61	5.44	4.29	4.52	5.05	5.46	5.64	5.67	5.94	5.29
Percentage by Utilization	Trawl	66.8%	59.9%	72.1%	63.3%	64.2%	58.9%	65.4%	57.7%	60.7%	63.2%
	Fixed Gear	27.4%	30.5%	22.9%	28.0%	31.3%	33.0%	33.2%	31.7%	33.8%	30.2% ^{b/}
	Unharvested	5.8%	9.6%	5.0%	8.7%	4.5%	8.1%	2.4%	10.7%	5.5%	6.6%
Gear Switching Participants	Vessels	17	20	11	15	14	16	16	15	15	15
	Permits	17	21	11	14	14	16	16	15	15	15

In 2020 due to COVID, 19% of the trawl quota was not harvested and 35% was taken by fixed gear. The principal argument of some trawl and shore based processors is that they need the sablefish to catch more of the dover quota. Fixed gear sablefish prices tend to be higher so fixed gear can bid up the lease rates and also the purchase price value of the sable asset. This issue had had the Council in stalemate for 3 to 4 years. At the April meeting, the Council took the following action by Maggie Summers from Oregon:

“I move the Council adopt, for the purpose of guiding the development of draft alternatives that would limit gear switching a maximum level of fixed gear attainment of the trawl sectors northern sablefish allocation of 29%.

The Council will need to develop alternatives that determine who gets to catch the 29%. We are not sure how that will look, but we will be at the meeting.

Other actions: The Pacific Council adopted a bycatch allowance of 225 pounds of halibut per 1000 pounds of dressed sablefish plus 2 halibut for 2021. (2 + 225 per 1000 lb). This is only for the tiered fishery north of the Pt. Chehalis.

****Second Watch****

Olympia, Washington State: Our state legislature has embarked on a new capital gains tax of 7% on the privilege of voluntarily selling or exchanging stocks, bonds, and other capital assets where the profit is in excess of \$250,000. A group effort of the processors, trawl, crab, salmon and longline organizations were able to obtain an exemption in the House for commercial fishing privileges. This included federal quota and access fisheries and also includes limited entry permits from the state. This amendment was sponsored by Representative Frame. The Democrats and Republicans supported the amendment but the Republicans voted against the main motion as they are opposed to a tax of this nature which could be extended to withholding taxes in the future. We are expecting the Senate to similarly pass and the Governor to sign the legislation.

Automatic Identification System (AIS): By June 2021, the Federal Communications Commission (FCC) is set to initiate rule-making to consider allowing AIS devices to be used to mark fishing equipment. This was part of one of the stimulus packages. As of the writing of this newsletter, we have seen no proposed rule-making to comment on.

President Biden's 30 x 30 Executive Order: This order mirrors the Ocean-Based Climate Solutions Act (H.R. 8632). This requires the establishment of marine protected areas that ban all commercial fishing in 30% of U.S. ocean waters by 2030. We are trying to have this EO carried out through the Council process, where the fish industry will have more input. However, it could just be a top down decision. All the coastal states are concerned about this. The origin of this comes from a congressman from the landlocked state of Arizona.

Whale Entanglement Prevention Act of California would require all Dungeness gear off California and possibly sablefish pots to have pop-up gear. So far the pop-up gear only works occasionally, and no one can tell where someone else has set their gear. Dot-com companies from Silicon Valley are lobbying for this requirement. The gear is very expensive.

Marine Mammal Certificate:

Please be advised:

In recognition of logistical challenges with certificate issuance related to ongoing COVID-19 pandemic, the MMAP certificate issued in 2020 remains in effect, valid through December 31, 2021, for vessel or gear owners participating in Category I or II fisheries as of the final 2021 List of Fisheries. 2020 certificated may be retained or replacements downloaded below. Vessel or gear owners participating in previous Category III fisheries reclassified as Category II fisheries in this final 2021 LOF can obtain their MMAP certificate below.

AK Bering Sea, Aleutian Islands Pacific cod pot fishery was elevated from category III to category II will not be required to carry MMAP certification onboard

AK Bering Sea Aleutian Island Pacific cod longline fishery was downgraded from category III to category II and will no longer have the requirement to carry MMAP certification onboard.

If you have any questions call Suzie Teelink, PH.D Marine Mammal Specialist (907) 586-7240

2021 Vessel IFQ Caps

Vessel IFQ Caps			
	Vessel Use Cap %	Annual IFQ TAC	Vessel Use Cap
Halibut	1% OF 2C HALIBUT IFQ TAC	3,530,000 net pounds	35,300 net pounds
	.5% OF ALL HALIBUT IFQ TAC	18,569,600 net pounds	92,848 net pounds
Sablefish	1% OF SE SABLEFISH IFQ TAC	10,094,863 round pounds	100,949 round pounds
	1% OF ALL SABLEFISH IFQ TAC	43,446,051 round pounds	434,461 round pounds

Calendar of Events

May 31, 2021	Office closed for Memorial Day	
June 1-16, 2021	North Pacific Fishery Management Council meeting	Meeting will be held virtually
June 22-30, 2021	Pacific Fishery Management Council meeting	Meeting will be held virtually
July 5	Office closed for 4 th of July Observed	
September 5-15, 2021	Pacific Fishery Management Council Meeting	Doubletree Hotel in Spokane
September 6, 2021	Office closed for Labor Day	
October 4-12, 2021	North Pacific Fishery Management Council meeting	TBD



- 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



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



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

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



 Member FDIC



Your trusted source.

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

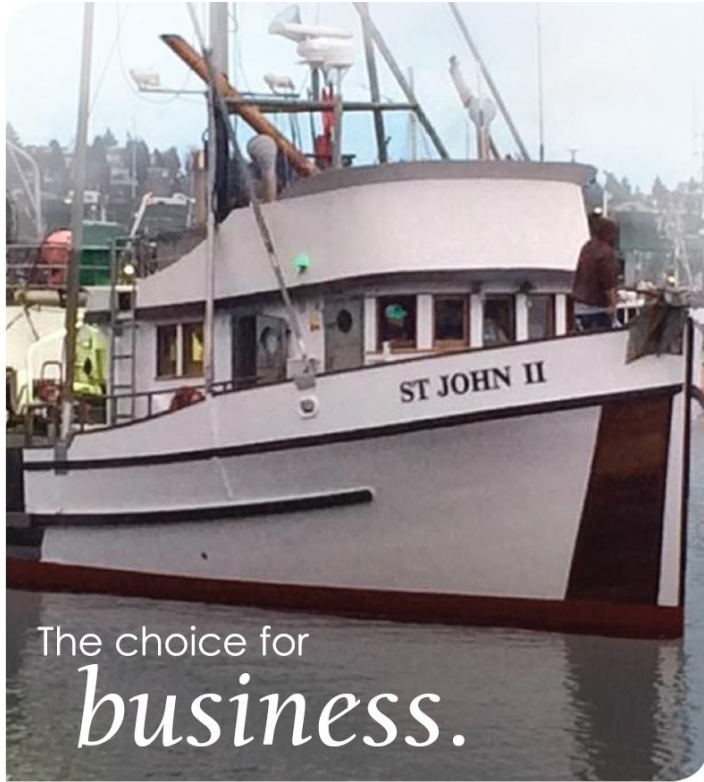
- Vessels
- Quotas
- Operating Lines of Credit

206.691.2000 | northwestfcs.com/fisheries

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



Here to Help You Grow™



The choice for
business.

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



Satellite Technical Services
Connecting Fishermen with Markets!

www.satellitealaska.com

Phone: (206) 321-6896

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