

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

Carol M. Batteen
Executive Assistant

Vol. XXIV, No. 1

January 2010

Sustaining Sponsors

Alaska Fresh Seafoods	Alaskan Leader Seafoods	Ballard Oil
Bellingham Cold Storage Co.	Citylce Cold Storage	Covich & Williams, Inc.
Cummins Northwest	Dana F. Besecker Co., Inc.	Danielson, Harrigan, Leyh & Tollefson
Dock Street Brokers	Fishermen=s News	The Fish Factory
Fishing Vessel Owners/ Marine Ways	Haven Boatworks	Icelander, Inc
Law Office of Paul L. Anderson, P.L.L.C.	Marine Resources Consultants	Marine Service & Supply
Marsh	Northern Lights Seafoods	Northport Fisheries, Inc.
Northwest Electric Corp	Northwest Farm Credit Services	Ocean Beauty Seafoods LLC
Offshore Systems, Inc.	Pacific Fishermen, Inc	The Permit Master
Philip D. Hingston, Inc, P.C.	Resurrection Bay Seafoods LLC	Rickey & Associates
Satellite Technical Services	Seafood Producers Co-op	Seafreeze Cold Storage
Seafresh Marketing LLC	Seattle Marine & Fishing Supply	Sitka Sound Seafood & Alaska Pacific Seafoods
Trident Seafoods	Unisea, Inc.	Viking Community Bank
	Westward Seafoods, Inc.	

Thank you for your support!

Dear Longliner:

Happy Holidays! This newsletter will bring you up-to-date on the recent harvest recommendations for Halibut and Sablefish, activities in Washington, D.C., and Council activities.

****IPHC ****

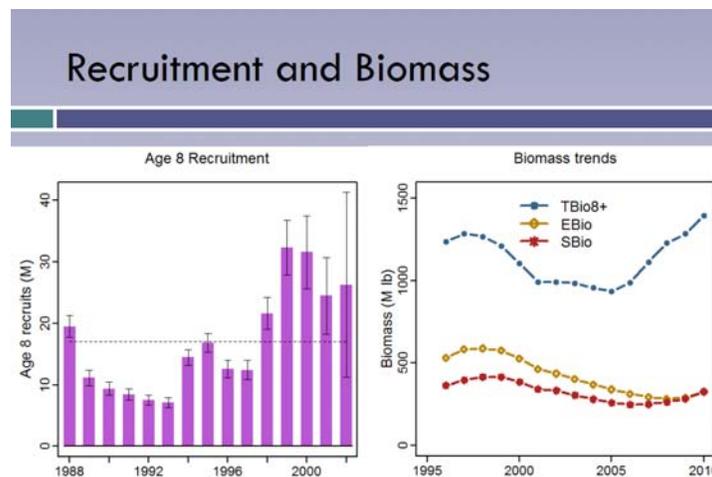
The Halibut Commission's 2010 harvest recommendations are listed below.

Area	2009	2010	↓↑
2A	.95	.76	20%↓
2B	7.63	6.59	13%↓
2C	5.02	3.71	.26↓
3A	21.70	19.99	.07↓
3B	10.90	9.90	.09↓
4A	2.55	2.33	.08↓
4B	1.87	2.16	.15↑
4CDE	3.46	3.25	.06↓
Totals	54.08	48.69	.09↓

The below graphics, I believe, speak for themselves. The commission has changed several of their scientific terminologies. The Commission changed the exploitation rate in Area 3B to .15 from .20. This was a significant change and reflects the Commission's uncertainty of their research results in Area 3B.

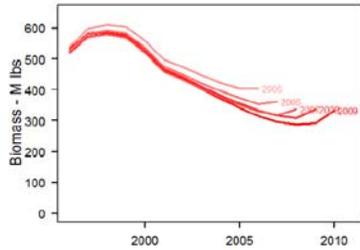
The following graphics reflect the state of your halibut resource. Here are some acronyms you will need in order to read these graphics.

- TBi08 – Total age 8 Biomass
- EBio - Exploitable Biomass
- SBio – Spawning Biomass
- WPUE – Weight per unit of effort

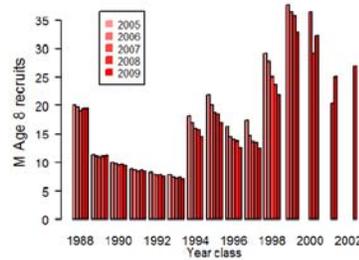


Model retrospective behavior

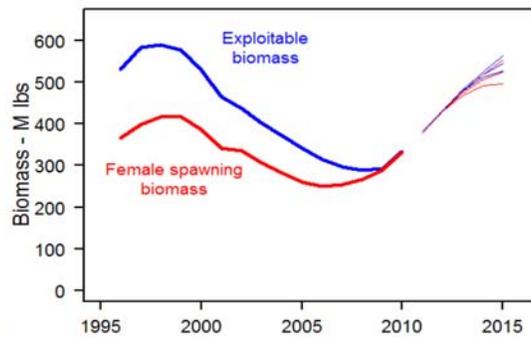
Exploitable Biomass



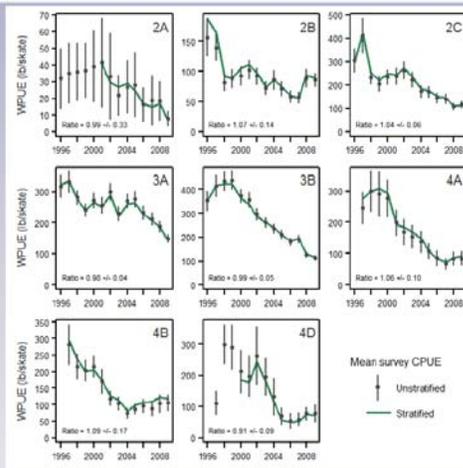
Age-8 Recruitment



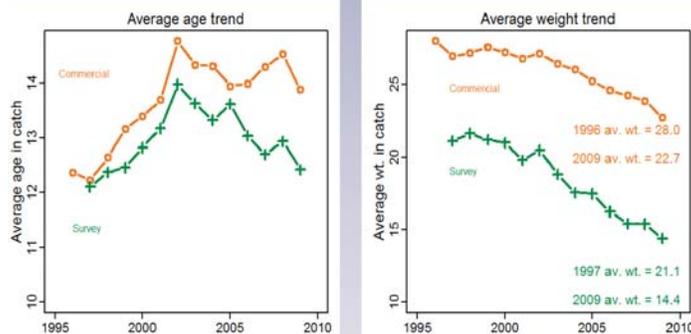
Coastwide 5-year biomass projections



Comparison of simple and depth stratified survey index



Age and weight trends



The most alarming issue that the graphics show is that despite very good juvenile recruits from 1998, 2000, 2002, and perhaps 2003, the Commission’s survey WPUE numbers, and commercial WPUE numbers continue to fall. The Commission has been projecting increases in overall biomass since 2005 (see, Model retrospective behavior chart) and yet their new data suggests their 2009 assessment is missing 100,000,000 lbs. of biomass since their 2005 assessment and projections. Where are the missing fish? Are we losing the fish to unobserved bycatch? Are the 5-year biomass projections fictitious?

****NPFMC****

Cod Splits.

Sector definitions

The Western and Central GOA Pacific cod TACs will be allocated among the following sectors.

Central GOA

- Trawl catcher processors
- Trawl catcher vessels
- Hook-and-line catcher processors
- Hook-and-line catcher vessels <50 ft
- Hook-and-line catcher vessels ≥50 ft
- Combined CP and CV Pot sector
- Jig vessels

Western GOA

- Trawl catcher processors
- Trawl catcher vessels
- Hook-and-line catcher processors
- Hook-and-line catcher vessels
- Combined CP and CV Pot sector
- Jig vessels

Component 4: Sector allocations with jig allocation taken off the top of the TAC

Western GOA	Annual Allocation	Compare to 60/40		A season allocation	B season allocation	A season allocation	B season allocation
		A season	B season	Percent of annual allocation	Percent of annual allocation	Percent of seasonal allocation	Percent of seasonal allocation
HAL CP	19.8%	55.2%	44.8%	10.9%	8.9%	18.2%	22.2%
HAL CV	1.4%	47.2%	52.8%	0.7%	0.7%	1.1%	1.8%
Pot CV/CP	38.0%	52.0%	48.0%	19.8%	18.2%	32.9%	45.6%

Trawl CP	2.4%	37.9%	62.1%	0.9%	1.5%	1.5%	3.7%
Trawl CV	38.4%	72.3%	27.7%	27.7%	10.7%	46.2%	26.6%
Total	100.0%			60.0%	40.0%	100.0%	100.0%

Central GOA	Annual Allocation	Compare to 60/40		A season allocation	B season allocation	A season allocation	B season allocation
		A season	B season	Percent of annual allocation	Percent of annual allocation	Percent of seasonal allocation	Percent of seasonal allocation
HAL CP	5.2%	80.3%	19.7%	4.2%	1.0%	6.9%	2.5%
HAL CV							
<50	14.6%	63.9%	36.1%	9.3%	5.3%	15.5%	13.2%
HAL CV							
>=50	6.7%	84.0%	16.0%	5.6%	1.1%	9.4%	2.7%
Pot CV/CP	27.8%	63.9%	36.1%	17.8%	10.0%	29.7%	25.1%
Trawl CP	4.1%	48.8%	51.2%	2.0%	2.1%	3.4%	5.3%
Trawl CV	41.6%	50.8%	49.2%	21.1%	20.5%	35.2%	51.2%
Total	100.0%			60.0%	40.0%	100.0%	100.0%

Allocation of Pacific cod to jig sector between 1 to 6%. Capped at 6%.

Management of unharvested sector allocation. Any portion of a CV, CP, or jig allocation determined by NMFS to remain unharvested during the remainder of the fishery year will become available as soon as practicable to.

CV sectors first, and then to all sectors taking into account the capability of a sector, as determined by the Regional Administrator, to harvest the reallocated amount of Pacific Cod.

Apportionment of GOA-wide hook-and-line halibut PSC (other than DSR) between catcher processors and catcher vessels. Apportionment of GOA hook-and-line halibut PSC to the CP and CV sectors in proportion to the total Western GOA and Central GOA Pacific cod allocations to each sector. No later than November 1, any remaining halibut PSC not projected by NMFS to be used by one of the hook-and-line sectors during the remainder of the year would be made available to the other sector. The apportionment of halibut will be proportional to the Pacific cod area apportionment determined during the TAC setting process.

Community protection provisions (western and Central GOA). These are restrictions on motherships buying cod fish.

IFQ Amendments to Halibut/Sablefish. At the NP Council meeting in Portland, the Council will entertain and possibly request new amendments to be formally analyzed. Some of the options currently being discussed involve (1) allowing pots in the gulf for sablefish; (2) allow Category D quota to be fished on Category C vessels in 4B; and (3) amend the grandfather/hired skipper privileges to sunset those rights on any future quota which is bought, traded, or gifted. The Council could add to this list as they choose.

Sablefish. Below are the 2010 harvest limits and apportionments for sablefish.

Apportionments are based on survey and fishery information	2009 ABC Percent	2009 Survey RPW	2008 Fishery RPW	2010 ABC Percent	2009 ABC	2010 ABC	Change
Total					16,080	15,230	-5%
Bering Sea	17%	19%	21%	18%	2,720	2,790	3%
Aleutians	14%	13%	14%	14%	2,200	2,070	-6%
Gulf of Alaska	69%	68%	65%	68%	11,160	10,370	-7%
Western	15%	18%	15%	16%	1,640	1,660	1%
Central	45%	44%	39%	44%	4,990	4,510	-10%
W. Yakutat	15%	13%	17%	14%	1,630	1,480	-9%
E. Yakutat/Southeast	26%	25%	29%	26%	2,890	2,720	-6%

This year, the Plan Team was very concerned about juvenile recruitments. Below is a summation of year class strengths, since 1960.

Strong	1960	1963	1964	1971	1977	1978	1980	1981	1984	1989	1991	1997	2000
Average	1972	1973	1974	1975	1976	1979	1982	1983	1985	1986	1987	1988	
	1990	1992	1993	1994	1995	1996	1998	2001	2002	2003	2004	2005	
Weak	1958	1959	1961	1962	1965	1966	1967	1968	1969	1970	1999	2006	

Observer CPUE Fishery Data.

	Aleutians	Bering Sea	WG	Central	WY	SF
2004	.21	.17	.47	1.08	1.23	1.08
2005	.15	.23	.58	.89	1.32	1.18
2006	.23	.17	.42	.82	.96	.93
2007	.35	.28	.37	.93	1.02	.92
2008	.37	.38	.46	.84	1.40	1.06

Sablefish Age 4+ Biomass. (In thousands of metric tons)

Year	Age 4+	Spawning Biomass	Age 2	Catch
2004	267	91	7.2	17.7 Mt
2005	265	96	10.2	16.6 Mt
2006	255	101	7.8	15.4 Mt
2007	247	104	6.4	15.0 Mt
2008	235	105	3.5	14.3 Mt
2009	221	103	6.6	12.1 Mt

Figure 3.18a. Estimated recruitment (number at age 2, millions) versus year for 2008 and 2009 models.

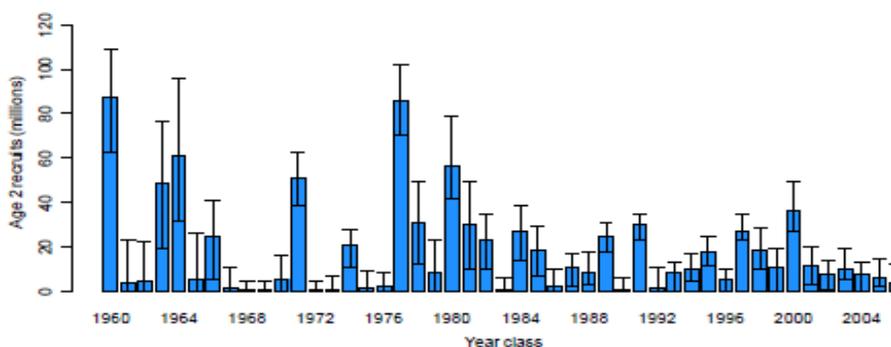


Figure 3.18b. Estimates of the number of age-2 sablefish (millions) with 95% credible intervals by year class. Credible intervals are based on 5,000,000 MCMC runs.

The inability to predict juvenile year classes is what is driving the assessment results downward. The NMFS uses about 1200 otoliths per year, to age the sablefish resource. This seems totally inadequate. The IPHC uses close to 20,000 and the pollock fishery in the Bering Sea uses 40,000. Otoliths seem to be the best way at this time to verify year class strength. FVOA has hired Dr. Mark Maunder to work with the NMFS assessment authors during 2010. NMFS will be redoing their sablefish model for the 2011 season.

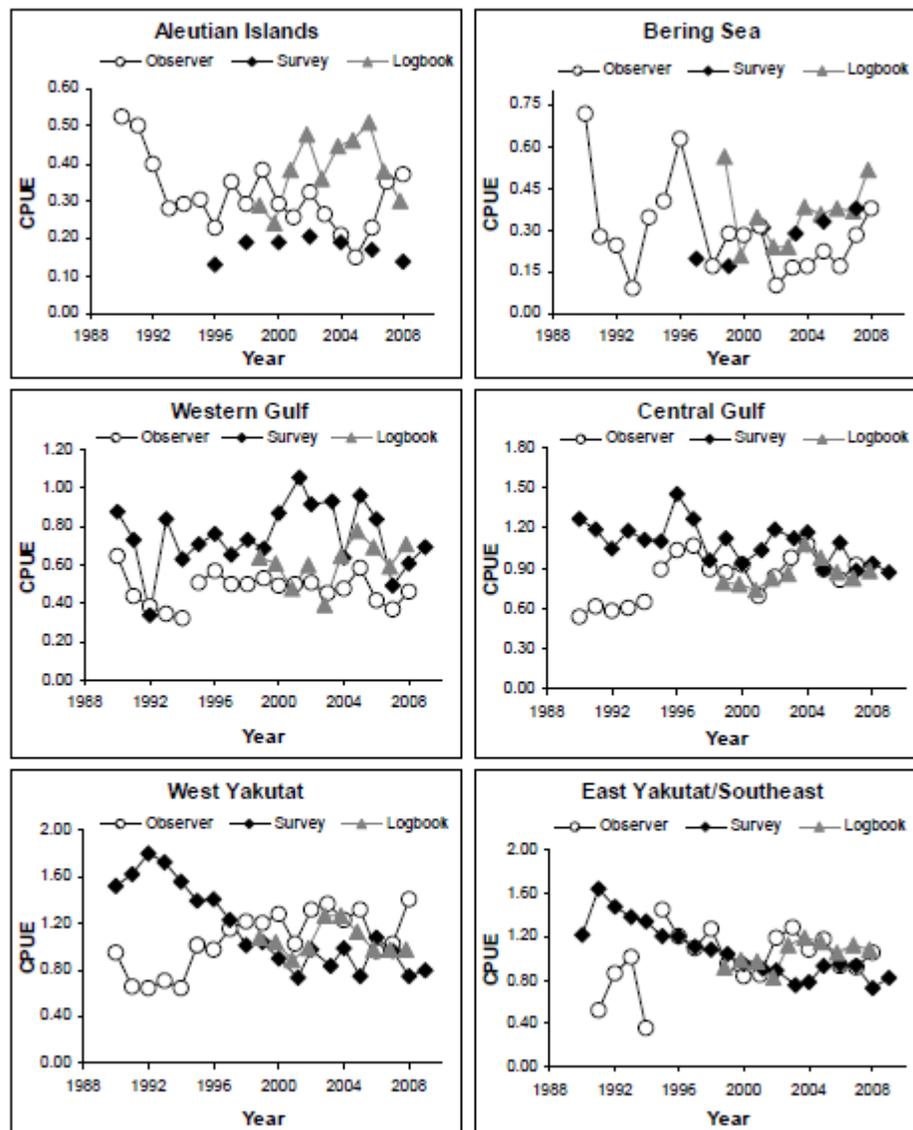


Figure 3.4. Average fishery catch rate (pounds/hook) by region and data source for longline survey and fishery data. The fishery switched from open-access to individual quota management in 1995.

****Markets****

Hallbut. The last boat to arrive back in Seattle this year, received a price of \$4.10 for 10-20's; \$4.40 for 20-40's; and \$4.50 for 40 ups in Bellingham. The fleet caught 97% of the potential harvest limit and the product seems to be moving well. Processors protected their frozen inventory with a wider price spread for frozen product. The proposed reduction in harvest limits for 2010 will put some upward pressure on prices next year. The high-end

restaurant trade was hit hard last year and was the main reason for the change in 2009 prices.

Area	Species	Vessel Landings	Total Catch Pounds	Allocation Pounds	Remaining Pounds	Percent Landed
2C	Halibut	1,689	4,832,242	5,020,000	187,758	96
3A	Halibut	2,289	21,354,893	21,700,000	345,107	98
3B	Halibut	786	10,662,931	10,900,000	237,069	98
4A	Halibut	271	2,454,444	2,550,000	95,556	96
4B	Halibut	67	1,232,219	1,496,000	263,781	82
4C	Halibut	13	53,360	784,500	731,140	7
4D	Halibut	57	1,684,308	1,098,300	-586,008	153
	Total	5,172	42,274,397	43,548,800	1,274,403	97

Sablefish. The yen versus the dollar was the economic force behind higher sablefish prices. The yen is currently at 88/yen to the dollar. Last year it was 93.3. Over a two-year period, the yen has gained over 20% against the dollar. Next year, Alaska harvest limits will be down as will be the Canadian harvest limits. Canada will be down about 30%. The lower coast will be down 5%. These harvest reductions from all areas will put upward market pressure on a reduced supply for the 2010 season. The fleet harvested 92% of this year's quota. The Aleutian and Bering Sea quota remain difficult to catch.

Area	Species	Vessel Landings	Total Catch Pound	Allocation Pounds	Remaining Pounds	Percent Landed
AI	Sablefish	97	1,561,493	2,910,072	1,348,579	54
BS	Sablefish	185	1,495,680	2,398,605	902,925	62
CG	Sablefish	568	8,737,945	8,800,763	62,818	99
SE	Sablefish	538	6,069,025	6,053,832	-15,193	100
WG	Sablefish	145	2,830,907	2,892,435	61,528	98
WY	Sablefish	204	3,408,722	3,432,562	23,840	99
Totals		1,737	24,103,772	26,488,269	2,384,497	91

Pacific Cod. Prices of round delivered Pacific Cod in Dutch Harbor is .32/.16 and Akutan is .25/.16 based on a 23" size break while H&G prices are in the \$1.30 for smaller sizes up to \$1.50/lb. for collar-on exports. Seafood International reports that in 2009 imports into the U.S. were 31,000 mt. Cod seems to be rebounding throughout Northern Europe as well as Eastern Canada, though Canada has not allowed any increase in harvest limits. The reduced prices world-wide for cod have hit fish farm operations particularly hard in Europe. The NPFMC suggested a 2010 harvest limit of 173,000,000 mt in the BSAI for 2010.

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

Charter Boat Lawsuit. The U.S. district Court for the District of Columbia Judge Rosemary Collyer, ruled in favor of the government and the Halibut coalition. She stated, "The charter vessels exceeded the GHL by 22% in 2004; by 36% in 2005, by 26% in 2006, and by 34% in 2007. The Secretary understandably chose not to encourage such over harvesting."

The judge's ruling articulated all the testimony given by so many halibut IFQ holders. All the arguments of the Charter representatives were rendered unmeritorious.

Health Care. The House bill would affect all employers whose total wages are \$500,000 and more. The House bill would assess an 8% fee on employers based on wages and the bill would still limit new customers using existing health care providers after 2013. This

restriction forces people to use the government options. The Senate bill has some small business exemptions. Stay tuned.

****Second Watch****

Shot at the Halibut/Sablefish Program. The North Pacific Crab Association recently published a short paper extolling the virtues of the Crab rationalization program. The paper justified certain portions of the crab program such as forced deliveries to the Pribiloffs and the 90/10 delivery to historical processing facilities by taking a shot at the halibut/sablefish program.

“By focusing only on fishing effort and the fishing fleet itself, the program harmed many of Alaska’s rural coastal communities as port deliveries consolidated in just a few towns and rural quota share holders sold off their fishing rights in response to economic hard times.” ...NPCA

The NPCA is run by processors. It is obvious that after 15 years their henchmen still feel a need to throw stones. Actually, with all the activity in Washington, D.C., that could negatively affect the industry, it is time for the industry to be unified rather than picking at old issues. A “beggar your neighbor” approach to politics is destructive and short-sighted.

Certified Drug and Saliva Alcohol Training Classes. If anyone would like a class, please call Janet at Business Health Link, Swedish Medical Center (206) 781-6229.

The NPFVOA also offers a variety of safety classes from **STCW Basic Safety Training to Drill Instructor Workshops to OSHA Compliance at the dock or shipyard.** Their website is www.npfvoa.org.

****Calendar of Events****

Dec. 24-25, 2009	Christmas holiday	Office closed
Dec. 31-Jan. 1, 2010	New Year’s holiday	Office closed
Jan. 26-29, 2010	IPHC Annual Meeting	Seattle Marriott Waterfront 2100 Alaskan Way Seattle, WA
Week of Feb. 8, 2010	NPFMC meeting	Benson Hotel Portland, OR
Week of March 6-12, 2010 Advisory bodies may begin Thurs., March 4 Council session begins Sat., March 6	PFMC meeting	Doubletree Hotel 2001 Point West Way Sacramento, CA
Week of April 6, 2010 AP and SSC start Tuesday, because of Easter, Council starts Thursday	NPFMC meeting	Anchorage Hilton Anchorage, AK
Week of April 10-15, 2010 Advisory Bodies may begin Thurs., April 8 Council session begins Sat., April 10	PFMC meeting	Sheraton Portland Airport Hotel 8235 N.E. Airport Way Portland, OR

Financing Commercial Fishermen



- Quota & Permits
- Gear & Equipment
- Operating Expenses
- Residential Loans
- Vessel Construction
- Marketing
- Vessel Modification
- Processing
- Vessel Purchase
- Business Consulting



Northwest
FARM CREDIT SERVICES

Fisheries Team – 800.372.0112
fisheries@farm-credit.com

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



Satellite Technical Services
Connecting Fishermen with Markets!

www.satellitealaska.com

Phone: (206) 321-6896

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

