

The Wheel Watch

a newsletter of the

Fishing Vessel Owners' Association
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Thank you for your support!

Dear Members:

The Summer Solstice is here. Summer has arrived. Here is an up-to-date on the recent North Pacific Fishery Management Council, the Pacific Council, markets, and Washington, D.C. issues.

****North Pacific Council – June in Kodiak****

IFQ Community Outreach: The Council held a town-hall type meeting in Kodiak for the public to comment on the 20 year review of the halibut/sablefish IFQ program. Most of the comments came from very rural community persons. They blame, in part, the exodus of rural populations on the IFQ program. One participant recommended a new allocation where everyone gets equal QS regardless the size of a vessel. Others would like to end the ability to hire skippers. **There were no fishermen from Kodiak who spoke of the positive effects of the program as occurred in Seattle.** We were told they were working and fishing.

Teresa Peterson and Buck Laukitis made motions directing the Council staff to institute two discussion papers related to IFQ community access and entry opportunities. One action will look at Norway's IFQ program that apparently requires upon QS transfer, 20% being provided to a holding group for distribution to worthy fishermen. Another idea is to require a **first right of refusal** should you sell quota. An example of this would be you may have to publicly put your quota up for sale for 30 days to see if a CQE or other entity will buy your quota before you sell it. The paper would discuss regulatory and non-regulatory changes that provide transfers of QS between persons using hired masters and crew members away from initial QS holders!

It was unfortunate that Alaskan quota share-holders that are making the program work by purchasing QS, using hired masters, and walk-aboards, did not find time to testify.

Halibut in Pots: The Council had an initial review of this and could take a final action in October. Their preliminary preferred alternative will allow retention of halibut in pots in the BSAI if participants have halibut IFQ or CDQ in the appropriate regulatory areas. They planned not to have the 9-inch opening restriction. Pots, however, could be disallowed if they have too much crab, cod or octopus bycatch.

Mixing of Guide & Unguided Halibut: In areas 2C and 3A, this would apply to charter and non-charter halibut fishing trips. The alternative preferred by the Council is if guided and unguided halibut are on board the fishing vessel at the same time, the stricter management measures for guided sports fishing would apply to all halibut anglers on board.

Partial Coverage Observer Program: this program was reviewed at the Kodiak meeting. FVOA had requested the Council complete their fix of the tendering exemption for taking observers. Though the Council voted last fall to fix this, a majority of the Council chose not to proceed and fix this loop hole. This year, the exemption will have little effect as the Gulf Cod resource is 80% reduced, hence, little tendering will take place. We also asked for a study on getting trawl and fixed gear observer rates up to at least 30%. Several Council members said they will request this in October as they want to wait for a different Council make-up in the fall.

Hallbut Abundance-Based Management: The Council did not support an option to provide for a fishery in 4CDE as a priority before considering trawl bycatch. The Council is trying to have a halibut-trawl CAP that floats with the abundance. The initial review will occur no sooner than October 2019. However, with the October 2018 meeting, the Council should develop alternatives to be analyzed. The SSC helped get a new point for analysis which is the current trawl usage which is 1917 tons. The actual trawl CAP is 3500 Mt.

Small Sablefish: The scientists are saying there are likely two very large year classes of sablefish. Further evidence of these large year classes is the Pacific Council and the Canadian government asking their whiting fishermen to avoid the juvenile sablefish. These two fleets have an incentive to avoid small sablefish as their respective QS programs force their QS holdings to act like hard CAPs on how much sablefish they can access. However, in the Bering Sea, the Pollock and trawl fleets have an allocation of about 670 tons of sablefish. They only have 77 tons left on their harvest limit. Since the over fishing level in the Bering Sea is 2800 Mt, NMFS is saying once the trawl fleet exceeds this 77 Mt allocation, they can exceed this and discard until the surplus reaches the over fishing level is achieved. This is a horrible interpretation of how harvest limits work. The good news is lots of small sablefish; the bad news, lots of trawl bycatch. The trawl sablefish is averaging 2 pounds a fish. In the Gulf of Alaska, the trawl fleet is currently prohibited from retaining sablefish; however, they are discarding sablefish.

****Pacific Council****

Stock or Stock Complex	2016			2017			2018			2019			2020		
	OFL	ABC	ACL												
Sablefish N. of 36	8526	7784	5241	8050	7350	5252	8329	7604	5475	8489	7750	5606	8648	7896	5733
Sablefish S. of 36			1880			1864			1944			1990			2033

OFL = Over Fishing Level; ABC = Allowable Biological Catch; ACL = Allowable Catch Limit

The Pacific Council sablefish numbers could jump for 2021 with the new stock assessment which will be done this July. The previous stock assessment was based on trawl surveys that did not include the 2014 and 2015 year classes.

Gear Switching. There will be a meeting on June 29th in Seattle to discuss gear switching. This issue revolves around complaints by trawl interests that too much of the trawl quota is being used as fixed gear, leaving not enough to prosecute Dover sole. It turns out about 5-7% of the trawl quota is owned by people who only used fixed gear. 95% of the ownership is owned by trawlers who are making a business decision to catch sablefish with their own pots and/or are putting out to lease.

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

Magnuson Act. The House of Representatives on June 25, 2018, are trying to bring a reauthorization bill with multiple amendments to the floor for a vote. The version of the House Bill requires Councils to review allocations between sports and commercial with a sports preference. The IFQ “red” fish fishermen in the Gulf of Mexico will be significantly affected. West Coast congressional interests did not allow these new allocation requirements to affect the Pacific, North Pacific or Hawaii Councils. The Senate may not even vote on this bill and if they do not by December 31st, this legislation will die until the next Congress takes over. Each session of Congress lasts two (2) years.

****Second Watch****

*Please welcome as a new **Sustaining Sponsor, Haines Packing Company, Haines, Alaska, Harry Rietze, Owner.** Thank you for your support!

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

Russia's Longline Pacific Cod & Halibut Fishery will begin MSC assessment. A pre-assessment occurred in 2016. This is being done with Russia's Longline Fishery Association (LFA). LFA operates 30 longline fishing vessels in the Russian Far East. LFA members caught 14,250 Mt of Pacific cod and 1802 Mt of halibut in 2015.

National Ocean Policy Coalition (NOPC). This policy group was formed under President Obama. It was set up to begin establishing coastal management restrictions to include coastal mining and drilling, fisheries closed areas, shipping lanes and many other coastal responsibilities. The NOPC was never approved by Congress and eventually defunded by Congress. This Policy group would have had authority over the Council process and Magnuson Act regulatory process. President Trump has revoked President Obama's executive order on the NOPC and it does not now exist.

Alaskan Halibut and Sablefish. We are coordinating the annual MSC and RFM reviews for Alaskan Halibut and Alaskan Sablefish. We will be adding halibut incidentally caught in Pots and incidental to the troll salmon fishery in S.E. Alaska to both green labels.

****Markets****

Halibut. Halibut prices started off down this spring. In the third week of June, an FVOA vessel delivered 20,000 lbs. to Bellingham and received \$6.10 for 10-20's; \$6.30 for 20-40s; and \$6.50 for over 40's. This is an encouraging sign. Retail prices did not seem to reflect the earlier price drop until May and early June.

Halibut from the Canadian Maritime, Nova Scotia and New Brunswick, saw harvest in 2015 of 3,601 Mt and 810 Mt respectively for a total of 4,411 Mt or 9,704,000 lbs. There has been some winter landings from the East Coast and Denmark as well.

NOAA Fisheries
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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	528	2,068,449	3570000	1,501,551		58
3A	halibut	708	3,881,746	7350000	3,468,254		53
3B	halibut	104	776,760	2620000	1,843,240		30
4A	halibut	37	302,667	1370000	1,067,333		22
4B	halibut	23	328,667	840000	511,333		39
4C/4D	halibut	14	47,491	880200	832,709		5
Total		1,414	7,405,780	16630200	9,224,420		45

Sablefish. As predicted, there is a huge year class maybe two, 2014 and 2015, that are having an impact on prices this year. China put a 25% import duty on various U.S fish, which included sablefish. In 2017 China imported 562,716 Kilos or 1,248,975 lbs. of sablefish (assumed J-cut). This was valued at \$7,610,415. The production of sablefish out of Alaska this year from the IFQ fleet will be 25,800,434 round pounds or 16,254,273 Eastern-cut pounds. Washington, Oregon and California will produce 6,300,000 Eastern Cut pounds for a total of 22,554,273 J-cut lbs. The Chinese market in 2017 was 5.5% of our federal production. Through April of 2018, we have exported 255,147 J-cut lbs. to China. Sam's Club in China is a large buyer of sablefish and apparently is still asking for more. Conclusion, the sky is not falling. As these new year classes mature, markets will stabilize.

In late June, FVOA vessels received \$9.00 for 7-ups; \$8.30 for 5-7's; \$5.50 for 4-5's \$4.25 for 3-4's; \$3.25 for 2-3's and \$2.00 for 1-2 lbs. Thirty-eight percent of the quota is in.

Individual Fishing Quota (IFQ) Allocations and Landings

Area	Species	Vessel Landings	Total Catch Pounds	Allocation Pounds	---- TAC ----		Percent Landed
					Remaining Pounds		
AI	sablefish	23	326,887	2630088	2,303,201		12
BS	sablefish	32	419,607	1291896	872,289		32
CG	sablefish	297	3,217,374	9096180	5,878,806		35
SE	sablefish	367	3,207,022	6556480	3,349,458		49
WG	sablefish	58	722,494	2722681	2,000,187		27
WY	sablefish	161	2,277,276	3503109	1,225,833		65
Total		938	10,170,660	25800434	15,629,774		39

Pacific Cod. The International Council for the Exploration of the Sea (ICES) will cut cod production 5.2% in the Barents Sea. The harvest in 2019 was 717,000 Mt and will be reduced to 674,679 Mt. It also will cut haddock harvest 25% from 207,305 Mt to 152,000 Mt. (IntraFish). This will further strengthen the white fish market. Cod stocks in Eastern

Canada took a 25% drop down to 9,500 Mt. Eastern Cod can't seem to make a comeback.

****Calendar of Events****

September 5-12, 2018 Advisory Bodies may begin Thurs. Sept. 6	PFMC Meeting	Doubletree by Hilton Seattle, WA
September 19-20, 2018	IPHC Work Meeting	Bellingham, WA
October 1-9, 2018	NPFMC Meeting	Hilton Hotel Anchorage, AK
October 26, 2018	Bob's 70th Birthday	Woohoo!
November 1-8, 2018 Advisory Bodies may begin Fri., Nov. 2	PFMC Meeting	San Diego Marriott Del Mar San Diego, CA
November 27-28, 2018	IPHC Interim Meeting	Seattle, WA
Dec 3-11, 2018	NPFMC Meeting	Hilton Hotel Anchorage, AK

FVOA will have representation at all of these meetings to protect your interests!



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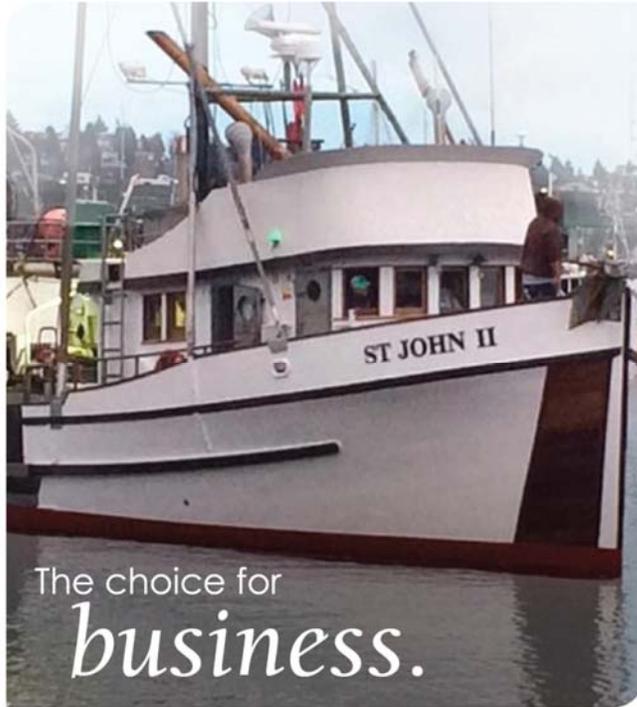
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