

The Wheel Watch

a newsletter of the

Fishing Vessel Owners= Association
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Thank you for your support!

Dear Longliner:

This summer newsletter will brief you on issues before both the North Pacific Council and the Pacific Council, IPHC, Washington, D.C. activities, and markets.

****Pacific Council****

The National Marine Fisheries Service (NMFS) has corrected the sablefish tier limits. The new published harvest limits for your permits are as follows. Corrected numbers for 2012 will be published soon.

2011
Tier 1 - 47,697
Tier 2 - 21,680
Tier 3 - 12,389

If you have any questions, Sarah Williams at NMFS has been designated the go-to person on these corrections. Her phone number is (206) 526-4646.

NMFS has adjusted your original limits. If you have already fished your permit, you can go out and catch the amount you were shorted. If you typically do not fish until later this summer or fall, you will only have more to catch. If you also fish the DTL fishery, your numbers will be corrected as well, but you may want to check with NMFS first.

Trawl ITQs. We have about four, maybe five of our members lined up to catch some of the trawl designated sablefish with fixed gear. The 100% observer requirement is 90% paid by NMFS this year and 2012. The IFQ 3% fee is not yet implemented but will likely become effective in 2014. There are some first-year bumps, but the program seems to be moving forward and presents some interesting fixed-gear opportunities.

2013-2014 Sablefish Assessment. We have hired Tom Jagielo to review the new assessment model. The previous model had ended up with well over 200 mathematical variables. The new model is being "simplified." If you are interested in Tom's reports, please call the office.

****North Pacific Council****

I want to thank John Crowley for attending the meeting in Nome, AK this June.

Charter Limited Entry. Judge Emmet Sullivan ruled against four new charter boat owners who were trying to block implementation of the Council's Limited Entry program for charter vessels. The participants for this suit did not meet the basic participation requirement to qualify. The judge said no. This was a positive development.

GOA - Chinook Salmon Pollock CAP. The Council's action on this is significant as one component of this action will require the current observer program to be extended to Pollock trawl vessels <60 feet in length. I am sure the observer will see more than just salmon bycatch. This affects the Gulf of Alaska. However, observers are not scheduled until January 1, 2013, which is of little immediate help. Considering this is the date the new observer program may take affect, this action is of little short-term use.

New Observer Program. The new observer program is being prepared for implementation. This fall, the Observer Committee will take up several design issues. Two of them are below—the deployment of observers on vessels <57.5 feet and >57.5 feet in length.

Duration of selection for vessels in the “Call-in Selection” pool (≥57.5’). Once selected, how long is a vessel in the “call-in selection” pool (initially, fixed gear vessels ≥57.5’ and all trawl vessels) required to have observer coverage?

NMFS’ Current Perspective: Vessels selected for observer coverage via the “call-in (trip) selection” pool would be selected for observer coverage for a fishing trip. NMFS recognized the potential for operators to attempt to manipulate observer coverage for conducting unrepresentative fishing (i.e., conducting “observer tows”) during a selected trip and contemplated alternate coverage durations. However, NMFS continues to propose a fishing trip as the duration for coverage and proposes to use the flexibility in the restructured system to increase a vessel’s probability of being selected for observer coverage if it is detected that a vessel is ‘gaming’ its observer coverage. NMFS will also consider methods for enforcing requirements for vessels to call-in and carry an observer when selected. NMFS is open to suggestions for effective enforcement strategies as well as trip duration for the call-in selection pool.

Duration of selection for vessels in the “vessel selection” pool (≤57.5’). For vessels within a vessel selection list, NMFS would randomly choose a subset of vessels (based on FFP number or the process above for non-FFP vessels) to observe for subsequent fishing operations for a predetermined time period. The analysis notes that initially, fixed gear vessels <57.5’ LOA would participate in a vessel selection system and fixed gear vessels ≥57.5’ and all trawl vessels would participate in a call-in (trip) system for observer deployment.

Once selected, how long is a vessel in the “vessel selection” pool (initially, fixed gear vessels <57.5’) required to have observer coverage?

NMFS’ Current Perspective: NMFS would notify participants in November/December that they have been selected for coverage in the subsequent year. Once selected, NMFS would work with operations to review their general fishing plans for the coming season to determine an efficient observer deployment plan. Initially, NMFS proposes that selected vessels would be required to have all of their operations observed for three month period, though it may make better logistical sense to expand that time period to six months or further, particularly in cases where electronic monitoring (EM) is utilized.

Pacific Cod. The Pacific cod model is under review by the Center of Independent Experts (CIE). A total of 144 unique proposals were received to change the cod model. The Joint BSAI and GOA Plan Teams think 105 proposals could be accomplished this year while 39 would take longer. 116 proposals call for some sort of change while 28 recommend keeping some specific features of status quo. This all seems a bit too much but we will see this fall what the results are. The independent experts are in charge.

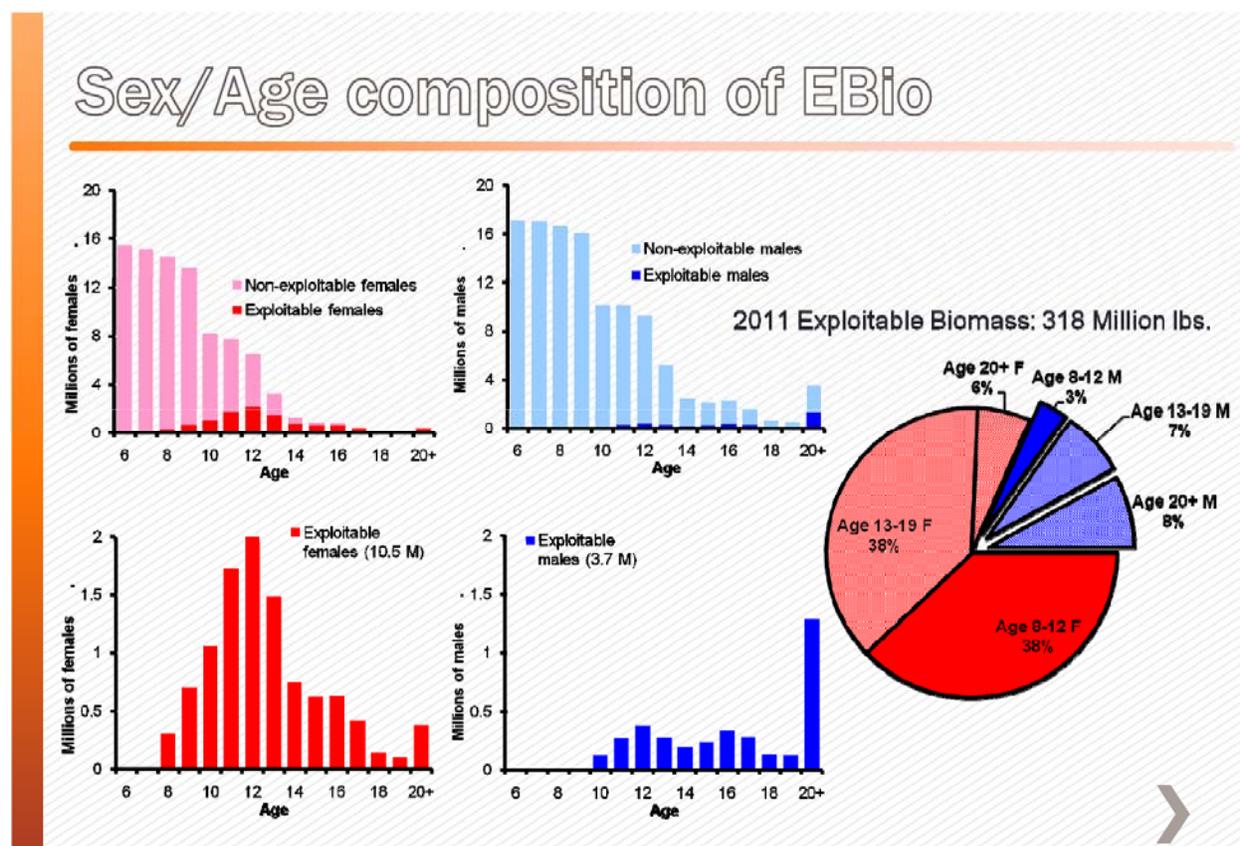
P.S.C. Halibut limits – GOA. The Council is planning to reduce the current trawl halibut PSC limit in the Gulf of Alaska effective January 1, 2012 by 5%, 10%, or 15%. The Council will choose a preliminary preferred alternative for publication in the 2012/13 GOA groundfish specification rule. Final decision on a reduction will be December 2011. This action is a positive development; however, without the new observer program effective until 2013 or 2014, it will have little effect, but it is progress.

Initial QS Recipients of Halibut and Sablefish. A coalition of Alaskan and non-Alaskan initial QS holders have hired legal counsel to review the NPFMC's April action that restricts the purchase of new QS by initial recipients beginning February 2010. We will report further in the fall on this.

Chatham Strait Blackcod. This season will open on August 15 and close on November 15, 2011. The new harvest limits will be announced around July 15.

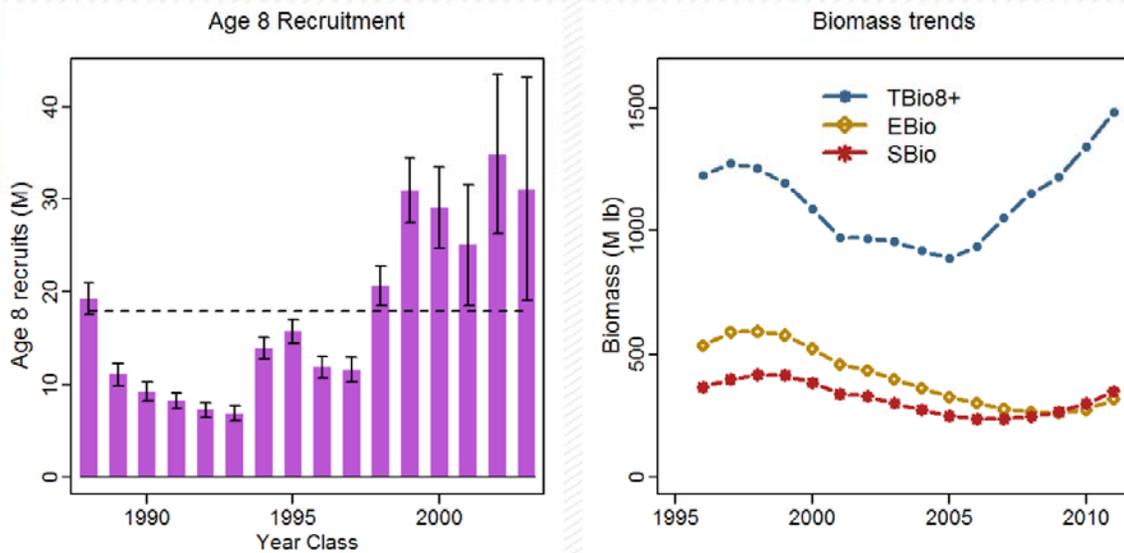
****IPHC****

This series of charts shows the age and sex make-up of the 2011 Exploitable Biomass of halibut: 318 million pounds.



These graphs show the recruitment expectation of the IPHC scientists. The beginning of the truth of this should have started last year with clearer evidence this year. The question to be asked, did you see more just over legal-sized fish? These should be from the 1999 year class. The next four year classes are supposed to be large. Let me know what you have seen, particularly in Areas 3A and 3B. The year classes are about five years delayed from entry into the commercial fishery due to small size at age. The 98 year class should have showed up last year. This year you should begin to notice something if they are there. Let me know.

Recruitment and biomass



Markets

Pacific Halibut. Have you ever been in a 70 MPH blow with the boat creaking and groaning? Well that is the market for halibut. Yes, there is market resistance but there is also market demand. Recent Seward prices to FVOA vessels were: 10-20's - \$6.40; 20-40's - \$6.80; 40-60's - \$7.10. Over half of the fish from 3A and 2C is caught. We are approaching the downside half of the quota. Current prices should hold through the summer.

Area	Species	Vessel Landings	Total Catch Pounds	Allocation Pounds	Remaining Pounds	Percent Landed
2C	Halibut	568	1,311,322	2,330,000	1,018,678	56
3A	Halibut	888	7,777,807	14,360,000	6,582,193	54
3B	Halibut	260	2,517,507	7,510,000	4,992,493	34
4A	Halibut	57	601,961	2,410,000	1,808,039	25
4B	Halibut	36	579,741	1,744,000	1,164,259	33
4C	Halibut	***	***	845,000	***	***
4D	Halibut	11	474,751	1,183,000	708,249	40
Total		1820	13,263,089	30,382,000	16,273,911	43

Sablefish. The market has expanded into Europe and North America. About 1/4 of all sablefish production is going to markets outside Japan. The Commerce Department's 2010 exports show sales to 24 nations valued at \$78,260,502 for 9,108,152 kilos (about 20,039,344 million pounds). Exports have gone to Australia, Hong Kong, Taipei, France, Germany, Israel, Italy, Malaysia, Mexico, Netherlands, Philippines, Russian Federation, Singapore, S. Korea, Switzerland, Ukraine, United Arab Emirates, United Kingdom, Viet Nam, and, or course, Japan. Japan accounted for 7,162,962 Kilos valued at \$63,191,459. The Yen vs. the dollar has been at 80 yen/\$1 dollar. The dollar has weakened

internationally and will continue to do so. This gives more buying power for foreign currencies and drives the price up.

Area	Species	Vessel Landings	Total Catch Pounds	Allocation Pounds	Remaining Pounds	Percent Landed
AI	Sablefish	43	588,827	2,738,113	2,149,286	22
BS	Sablefish	61	296,574	2,513,244	2,216,670	12
CG	Sablefish	331	5,473,529	8,359,843	2,886,314	65
SE	Sablefish	353	4,460,947	6,481,524	2,020,577	69
WG	Sablefish	61	1,339,477	2,857,162	1,517,685	47
WY	Sablefish	147	2,851,136	3,844,822	993,686	74
Total		996	15,010,490	26,794,708	11,784,218	56

Recent sablefish prices in Seward were: 3↓ - \$6.75; 3-4's - \$7.35; 4-5's - \$7.80; 5-7's - \$8.60; 7↑ - \$8.85, eastern dressed and iced.

Pacific Cod. Prices are firming in Japan for B season deliveries. Prices are \$4200/ton to Japan versus \$3600 to \$3800 during A season. The trawl cod is pretty much delivered so longline Pacific cod should be good throughout the rest of the season.

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

Congressman Don Young proposed an amendment banning the FDA from considering genetically modified salmon as an animal drug. Young said, "Should it receive approval as an animal drug, it clears the path to introduce it into the food supply." ...*Don Young*

Obama administration nominates John Bryson to replace Secretary Gary Locke. Bryson is aggressive on climate change issues and is credited as a founder of NRDC, Natural Resources Defense Council, a very aggressive green group. Additionally, Terry Garcia has been nominated as a Deputy Secretary of the Department of Commerce. His qualifications are from running mission programs for the National Geographic Society. ...*Washington Times*

S.B.183 - The Senate Commerce Committee chaired by Senator Cantwell, took up the Deep Water Horizon Survivors Fairness Act. The northwest fishing industry requested the bill clearly spell out the remedies available to the survivors, that the bill not create a definition of non-pecuniary damages, a definition that currently drafted could set precedent and could open up the fishing industry and all maritime activities to punitive damage claims under the Jones Act. The amendment was not accepted. On a vote, the unamended bill was passed strictly on party voice vote. R's opposed it, D's voted for it. It now goes to the Senate floor. The House will also need to address the bill. The trial lawyers are trying to use the sympathy generated by the survivors of the BP Horizon blow-out to broaden their ability to sue on all maritime activities not just help the survivors of the BP Horizon accident. Senator Rockefeller and Senator Cantwell have accepted hundreds of thousands of dollars from the trial lawyers. It is unknown if Senator Begich, D-AK, was present. If he was, he apparently voted for this action.

Senators Murkowski, Wyden, Cantwell, Murray, and Begich have introduced a bill to allow you to take your money out of your CCF and put it in your IRA without being fined instead of having to build a boat. Congressmen Young and McDermott are pushing similar legislation in the House.

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

Pacific halibut received yet another green certification. Global Trust reviewed Pacific Halibut management and it was blessed with their thumbs up along with an FAO, United Nations acknowledgement and approval. With the MSC certification, Pacific Halibut is currently the only Alaskan species with all three international endorsements.

Victoria, Nova Scotia. Early success in supplying up-scale restaurants with farmed halibut has prompted a P.E.I. company to look at the feasibility of growing its fish bigger. PEI has been raising halibut at the former Morning Star lobster pond in Victoria, Nova Scotia since the fall of 2008. They take thumb sized fish from a hatchery in Nova Scotia and grow them to two kilograms. This is subsidized by the Canadian government.

Kroger. America's largest grocery retailer plans to source its 20 top-selling wild species from Marine Stewardship Council (MSC) fisheries by 2015.

Sodexo is expanding its working relationship with the Marine Stewardship Council (MSC) to all 80 countries in which the mammoth company operates.

MacDonalds will start labeling its Filet of Fish Sandwich with the MSC logo in Europe starting in October.

****Second Watch****

The Alaska salmon fishery is now the most dangerous fishery in Alaska according to the latest safety information with 39 deaths since 2000. ...[Seafood.com](#)

Carlson Case is before the State of Alaska Supreme Court once again. This is the fourth time before the State Supreme Court to determine if the 12% interest rate is appropriate. This case started in 1984 and if either side do not like the State Supreme Court decision, it could go to the U.S. Supreme Court. The lawsuit that will never die. ...[Pacific Fishing](#)

MAFAC – Paul Clampitt is a member of this advisory body to the Commerce Department and reports the following from his last meeting.

They brought in a NOAA representative to brief us on climate change. The NOAA representative claimed sea levels were rising at unprecedented rates and I showed a peer review study by the U.S. Corps of Engineers that showed that sea level rise had slowed to 1.5 MM per year, that's .05 inches or 5 inches in 100 years. Not much to get excited about. She pointed out that global warming was unequivocal and caused by humans. I pointed out a half dozen extremely respected scientists who disagreed, i.e. Richard Linzen from MIT, William Happer from Princeton, Richard Muller from Berkeley. My fellow MAFACers didn't argue either and many applauded my efforts. The thing about this is that this administration is controlled by enviro NGOs and they're moving forward on this regardless of facts. They hang their hat on the precautionary principle, in other words, we have to always side on the do no harm. So no action can go forward until you can prove no harm. The precautionary principle can be applied to every conceivable case because all actions are uncertain. The real danger in all this is that this undue precaution will be added to the models and they will ratchet down our quotas. You have to wonder where the impetus for these comes from. I suspect it is from the NGOs who don't feel they are getting what they want from the Council process so they have figured out an end around. This whole thing is a reaction to the supposed damage by climate change to the coasts and the marine and Great Lakes environment.

Please Welcome the following new Associate Members: **Larry Ward, F/V Neptune, Trinidad, CA; Oystein Lone, F/V Pacific Sounder, Seattle, WA; and, Kristofer Knutsen, Aleutian Spray LLC, Seattle, WA.** Thank you for your support!

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****Calendar of Events****

September 14-19, 2011 Advisory Bodies may begin Tue., Sept. 13; Council Session begins Wed., Sept. 14	PFMC Meeting	San Mateo Marriott San Mateo, CA 94402
September 17, 2011 11 am to dusk	Fishermen's Fall Festival	Fishermen's Terminal Seattle, WA
September 27 - October 5, 2011	NPFMC Meeting	Dutch Harbor, AK
November 2-7, 2011 Advisory Bodies may begin Tue., Nov. 1 Council Session begins Wed., Nov. 2	PFMC Meeting	Hilton Orange County/Costa Mesa Costa Mesa, CA 92626
Week of December 6, 2011	NPFMC	Anchorage Hilton Anchorage, AK