

The Wheel Watch

a newsletter of the

Fishing Vessel Owners' Association
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Thank you for your support!

Dear Members:

Here is an update on the IPHC Annual Meeting, the North Pacific Fishery Management Council, the Pacific Council, Eat on the Wild Side, and Second Watch.

Commissioners were announced by the White House on March 26, 2019. Robert D. Alverson of Washington (Non-Alaskan resident), for the remainder of a three-year term, expiring December 12, 2020. I want to thank all of you who have supported this appointment. It was greatly appreciated.

Richard Yamada of Alaska (Alaskan) for the remainder of a two-year term, expiring December 12, 2019 and an additional two years expiring December 12, 2021.

The Annual meeting of the Commission was held in Victoria, B.C. There were three difficult issues before the Commissioners. (1) The U.S. Government was being threatened with Tribal Nation lawsuits in Area 2A over halibut. Currently, halibut is shared 35% to tribes and 65% to non-tribal interests. The tribes were threatening for 50%, which could have implications for whiting and salmon rights. The Commissioners agreed to provide 2A with a fishery limit of 1.5 million pounds for four (4) seasons to relieve the situation. (2) There was a struggle of how much the coastwide harvest should be. The Commissioners settled on a F_{47} harvest rate. This means a harvest that leaves or builds to 47% of virgin biomass. This harvest maybe acceptable provided the 2011 and 2012 year classes materialize. If they do not, this will likely result in reduced harvest in 2020. (3) The Canadians believe the coastwide survey under estimates how much fish is in 2B. They wanted approximately 21% of the total harvest, while the survey suggests 12 to 13%. They are also upset about our partial coverage observer program in the USA. They believe it underestimates halibut bycatch and they believe there is too much juvenile bycatch in the BSAI. Actually, many U.S. fishermen agree on the last two Canadian concerns. We got the Canadians to agree for four (4) years to take 17%. This was the best result we could get.

Opening Date, March 15, 2019 – closing date November 14, 2019. The fishermen had requested March 2nd, however due to the government shut-down, and the need for time to get halibut QS out to the fleet, March 15 was picked which was earlier than last year.

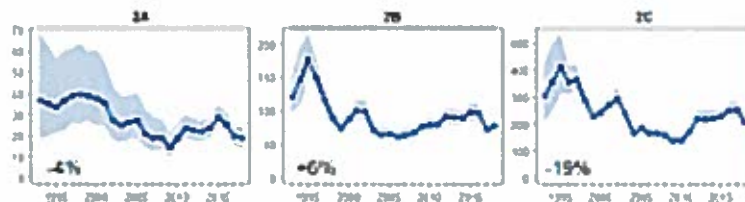
| Fishery limits | 2019 | 2018 |
|----------------------------------|----------------|------------|
| 2A | 1,500,000 ↑21% | 1,190,000 |
| 2B (includes recreational) | 5,950,000 ↓4% | 6,223,985 |
| 2C (includes commercial/charter) | 4,490,000 ↑1% | 4,450,000 |
| 3A (includes commercial/charter) | 10,260,000 ↑9% | 9,450,000 |
| 3B | 2,330,000 ↓11% | 2,620,000 |
| 4A | 1,650,000 ↑20% | 1,370,000 |
| 4B | 1,210,000 ↑15% | 1,050,000 |
| 4C | 910,000 ↑24% | 733,500 |
| 4D | 910,000 ↑24% | 733,500 |
| 4E | 220,000 ↑95% | 113,000 |
| Total | 29,430,000 ↑5% | 27,933,985 |

Biological stock distribution

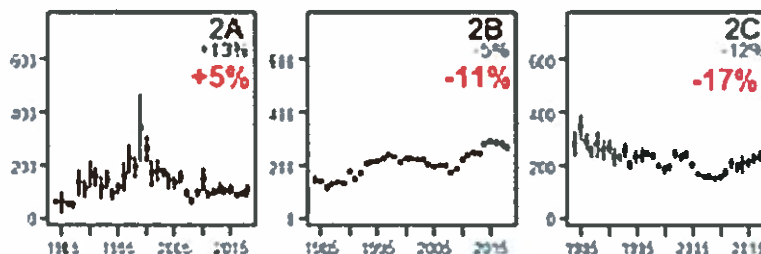
| Year | Region 2 (2A, 2B, 2C) | Region 3 (3A, 3B) | Region 4 (4A, 4CDE) | Region 4B |
|------|--------------------------|----------------------|------------------------|-----------|
| 2014 | 23.4% | 53.3% | 19.4% | 4.0% |
| 2015 | 24.6% | 52.1% | 19.3% | 4.0% |
| 2016 | 24.6% | 53.5% | 17.9% | 4.0% |
| 2017 | 24.6% | 50.8% | 20.2% | 4.4% |
| 2018 | 23.1% | 51.2% | 20.4% | 5.2% |



Modelled survey trend (O32 WPUE): Region 2



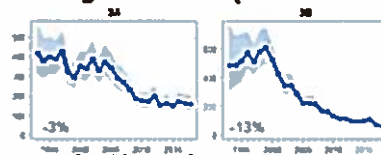
Fishery trend: Region 2



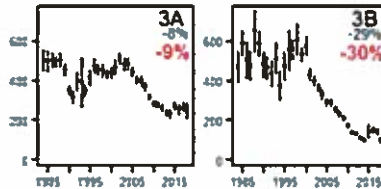
Bias corrected for incomplete data



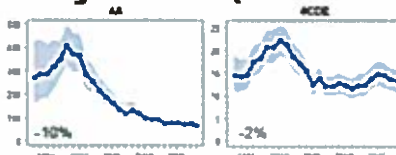
Modelled survey trend (O32 WPUE): Region 3



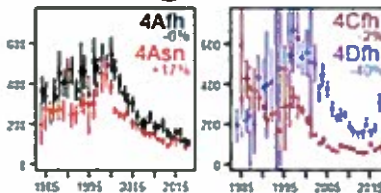
Fishery trend: Region 3



Modelled survey trend (O32 WPUE): Region 4



Fishery trend: Region 4



****NPFMC****

Council Seats. The Governor of Alaska has two seats to fill on the NPFMC by August. Governor Dunleavy has recommended Cora Campbell and Nicole Kimball as his preferred candidates. Cora Campbell used to represent Petersburg Vessel Owners, was a policy advisor for two Alaskan governors, and currently is the CEO of Silver Bay Seafoods. Her father and husband are halibut quota share holders. Nicole Kimball was an analyst for the NPFMC, fisheries coordinator for the Alaska Department of Fish and Game, and currently works for the Pacific Seafood Processors Association.

Trawl Cod – Unimak. There is a 16,000 Mt cod allocation caught near Unimak Island by catcher trawlers and trawl motherships. They have evolved into a derby (less than 13 days fishing) and in the process, chewed through 331 Mt of Pacific Halibut. Their halibut CAP is 361 Mt. The Council has embarked on a possible quota share program for this fishery; it will likely have a designation of shoreside and at-sea delivery restrictions. This is good news. A rationalized cod fishery will allow for lower bycatch and more efficient deliveries of Pacific Cod.

IFQ Eligibility. This proposed action would have required first and second generation QS holders to show 30, 60, or 90 days of fishing time at sea. The staff analysis showed that 54% of the QS holders would not have enough days at sea, as it takes less than 30 days to catch their QS. The Advisory Panel suggested looking at the hired skipper and using some level of at-sea criteria. This failed 11 to 10. The Council, after listening to public testimony, voted not to go further with the eligibility option on the motion of Buck Laukitis. No further action was taken under this agenda item.

IFQ Leasing. The Council adopted a new exemption for leasing when you are injured. It will allow you to lease 3 out of 7 years. This change, I believe, was targeted at the first generation quota holders. However, this will affect second generation QS holders as they age.

Releasing Small Sablefish. Buck Laukitis made a motion that the Council develop an expanded discussion paper to look at sizes of fish in the different regulatory areas; what mortality rate to use for discarded sablefish (the Pacific Council used 20%; the State of Alaska uses 16%) and enforcement options based on EM and logbooks.

In the Advisory Panel, the trawl representatives were very opposed to allowing the release of juvenile halibut. They referred to it as high grading and did not seem to understand that the analysis showed an actual weight gain for the resource overall if the immature fish were released. Buck's motion in the Council carried unanimously.

Other IFQ Discussions. The Council, at their June meeting, will look at IFQ access opportunities in a white paper which will look at community access and entry opportunity challenges. The paper will look at regulatory and non-regulatory changes that promote transfers of QS between persons using hired masters to crew members and hired skippers. Also in June, the Council will look at the CQE, Kodiak request to allow "D" class fish to be fished up on a "C" class vessel.

Observer Fee. The Council is reviewing the fee you pay for observers, which is currently 1.25% of ex-vessel value. The Council is looking to increase this. FVOA testified on this requesting the Council to not take final action in June, but rather in the fall. We also asked the Council to try and look forward as to what issues the Council might want to take action on, such as Gulf Rationalization. Gulf Rationalization would take almost 2000 paid observer days out of the current program. Should the Council choose GOA rationalization, the trawlers would have 100% observer coverage on the bottom trawlers and 100% EM on mid-water operations. The fixed gear fisheries would likely remain in the current partial coverage program, which would need some changes to accommodate a rationalized trawl fleet. We asked the Council to consider this over the summer.

The Council chose to defer final action until the fall on the observer fee.

Some of the issues with the current program are:

1. The partial coverage program uses a sole source contract that charges increasing costs based on using 5000 observed days to 3000. The cost per day by the government contract have been \$1100/day. It is expected the cost in 2019 will be \$1400/day and should observable days slip to 2500-3000, the cost would be \$1836/day. These costs have come under increasing scrutiny. The factory trawl fleet that uses 2 observers at all times pays

about \$600/day per observer. The State of Alaska pays \$341/day for crab observers, and FVOA boats participating in the Pacific Council trawl Blackcod fishery pay \$585/day.

I expect the Council to ultimately vote for an increase on the observer fee. The maximum that can be charged is 2 percent of gross earnings. FVOA has testified that the Council needs to allow the fleet to access the open market in order to get prices down.

- Below are some key tables from the fee analysis. The first one in the lower right shows coverage rates of 16 & 17% for pots and longline and 20% for trawl for 2018.

Table 3 Coverage resulting from the observer fee plus Federal funding, 2013-2018. EM values not included.

| Year | Total deployment of at-sea observer days in partial coverage | Observer fees received during calendar year (assessed from previous year's landings) in \$ millions | Industry/Federal breakout | | What coverage levels have we achieved in the partial coverage fleet with these observer days? | | |
|------------------|--|---|--|--|---|--|---------------------------------|
| | | | How many days could we have afforded with the previous year's industry fee | Days purchased with supplementary Federal funding during calendar year | Pot/longline vessels 40-57.5 ft LOA | All trawl vessels, and pot/longline >57.5 ft LOA | |
| 2013 | 3,533 | n/a | 0 | 6,450* | 11% | 15% | |
| 2014 | 4,573 | \$4.25 | 3,800 | 1,675 | 16%+ | 15% | |
| 2015 | 5,318 | \$3.46 | 3,200 | 2,500 | 12% | 24% | |
| | | | | | Pot | Longline | Trawl |
| 2016 | 4,677 | \$3.90 | 3,700 | 375 | 15% | 15% | 28% |
| 2017 | 3,059 | \$3.77 | 3,600 | | Pot: 4% Tender pot: 4% | Longline: 11% Tender longline: 25% | Trawl: 18% Tender trawl: 14% |
| 2018 (predicted) | 4,394 | | 3,375 | 1,900 | Pot: 16% Tender pot: 17% | 17% | Trawl: 20% Tender trawl: 17% |

Table 2 Example of trips and trip days, by strata. Source: 2016 Observer Program Annual Report.

| 2016 | Number of trips | Number of trip days | Days/trip |
|---------------|-----------------|---------------------|-----------|
| Trawl | 2,518 | 7,192 | 2.86 |
| Hook and Line | 2,274 | 13,493 | 5.93 |
| Pot | 1,158 | 4,622 | 3.99 |
| Total | 5,950 | 25,307 | 4.25 |

Table 20 Count of vessels that were (or would have been) fishing under partial coverage, by landing of target species by gear type (2009 through 2017)

| Gear | Species | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | Average | Median |
|---------------|-------------|-------|-------|-------|-------|-------|------|------|------|------|---------|--------|
| Hook-and Line | Halibut | 1,181 | 1,159 | 1,146 | 1,109 | 1,031 | 963 | 887 | 876 | 854 | 1,023 | 1,031 |
| | Sablefish | 344 | 346 | 346 | 344 | 317 | 303 | 299 | 295 | 276 | 319 | 317 |
| | Pacific cod | 376 | 389 | 397 | 389 | 341 | 350 | 344 | 302 | 272 | 351 | 350 |
| Pot | Pacific cod | 119 | 122 | 143 | 137 | 126 | 116 | 124 | 133 | 130 | 128 | 128 |
| | Sablefish | 10 | 7 | 9 | 5 | 4 | 4 | 3 | 4 | 26 | 8 | 5 |

| | Halibut* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14 | 2 | 0 |
|--------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Trawl | Pollock | 86 | 84 | 80 | 86 | 87 | 87 | 87 | 87 | 85 | 85 | 86 |
| | Pacific cod | 91 | 84 | 81 | 86 | 87 | 88 | 87 | 88 | 85 | 86 | 87 |
| | Other species | 85 | 79 | 79 | 84 | 85 | 82 | 85 | 85 | 79 | 83 | 84 |
| | Sablefish | 29 | 30 | 34 | 34 | 23 | 22 | 49 | 51 | 43 | 35 | 34 |
| Jig | Pacific cod | 25 | 54 | 84 | 85 | 71 | 72 | 51 | 70 | 18 | 59 | 70 |
| Total | ALL | 1,584 | 1,569 | 1,612 | 1,580 | 1,473 | 1,312 | 1,238 | 1,248 | 1,166 | 1,420 | 1,473 |

* Halibut retention in pot gear was first authorized in 2017 for vessels that possessed the necessary IFQ. Source: ADFG/CFEC Fish Tickets, data compiled by AKFIN in Comprehensive_FT

****Pacific Council****

Halibut. The Pacific Council sets the bycatch allowance of halibut for the Blackcod fishery north of Pt. Chehalis. The Council set that number at 200 lbs. of dressed halibut to 1000 lbs. dressed sablefish plus 2 fish. This begins April 1, 2019.

Halibut allocations – below are the 2A halibut allocations from 2017 to 2019.

AREA 2A PACIFIC HALIBUT ALLOCATIONS
2017-2019

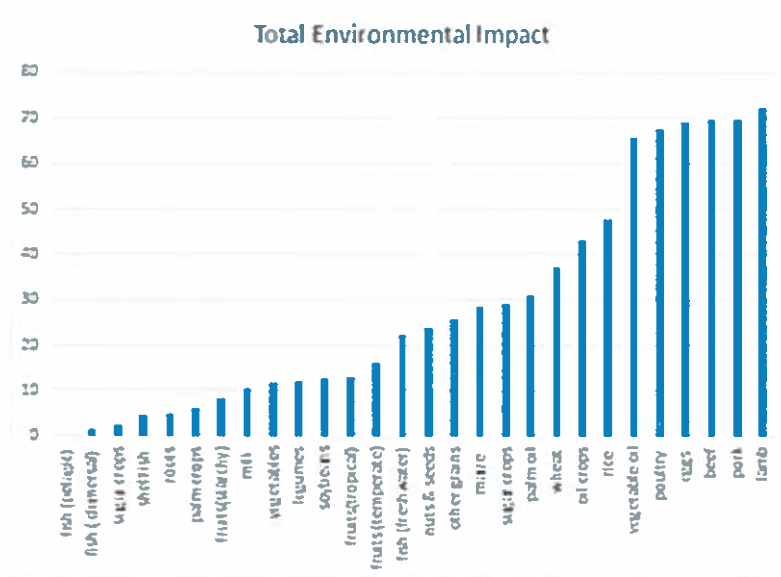
| Area 2A Pacific Halibut Catch Sharing | 2017 | 2018 | 2019 |
|--|------------------|------------------|------------------|
| Fishery | Pounds | Pounds | Pounds |
| Tribal Ceremonial and Subsistence | 29,600 | 27,000 | 28,000 |
| Tribal Commercial | 435,900 | 389,500 | 497,000 |
| Non-Tribal Commercial Directed | 225,591 | 201,845 | 254,426 |
| Non-Tribal Incidental Salmon Troll | 39,810 | 35,620 | 44,899 |
| Non-Tribal Incidental Sablefish Longline | 70,000 | 50,000 | 70,000 |
| Sport Puget Sound | 64,962 | 60,995 | 77,550 |
| Sport Washington North Coast | 115,599 | 111,632 | 128,187 |
| Sport Washington South Coast | 50,307 | 46,341 | 62,896 |
| Sport Columbia River | 12,799 | 11,682 | 15,127 |
| Sport Oregon Central Coast | 240,812 | 215,463 | 271,592 |
| Sport Oregon Southern Area | 10,039 | 8,982 | 11,322 |
| Sport California | 34,580 | 30,940 | 39,000 |
| Total | 1,330,000 | 1,190,000 | 1,500,000 |

all pounds are in net weight (dressed head-off)

Sablefish. The Pacific Council will have a complete stock assessment of Sablefish completed this summer that will affect harvest limits for 2020 and 2021. The previous assessment barely acknowledged the 2014 or 2016 year classes. It will be interesting to see the results of the summer analysis. It should be made available in August, just before the September Council meeting.

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

Dr. Ray Hilborn completed an Environmental Impact Study on being green, comparing fish to other food products. He produced the next table.



Seafood.com. The FDA determined GM salmon was safe to eat and had no discernable differences in nutrient value than traditional Atlantic salmon.

At the time, much of the opposition to the FDA finding was not based on food safety, which is the FDA mandate, but on the bigger question of whether Aquabounty salmon could pose a threat to wild salmon stocks either through interbreeding, or through outcompeting unmodified salmon due to their larger size.

The approval for Aquabounty salmon requires that it be raised on land only, and not be introduced into net pens. AquaBounty also claims that its' salmon are sterile when grown and cannot reproduce. Seems that claim was made in Jurassic Park #1.

SCS Global Services certified that Pacific Halibut and Sablefish meet Marine Stewardship Council's environmental standards for a well-managed and sustainable fishery. We have additionally certified halibut taken in sablefish pots and caught incidental to troll salmon.

Seafoods.com. Warm-winter blob emerges in the Gulf of Alaska (December 12, 2018). The Gulf is 4 degree Fahrenheit warmer than normal, but not as deep as the 2014 blob. Note, terrific sablefish year classes have been occurring during the reign of the blob. Kodiak and Dutch fisheries persons have seen very small sable in the bays this winter (2019). Maybe another sable year class.

Seafood.com. B.C. Government will phase out 17 open-pen fish farms in B.C's Broughton Archipelagos by 2023.

Seafood.com. Cooke destroys 800,000 juvenile Atlantic salmon as they were found to have an exotic strain of bacteria. WDFW considers this an unacceptable risk to native stocks of salmon.

WDFW. Dungeness Crab fisheries continue to have whale entanglements, 37 in 2018, 31 in 2017, 48 in 2016. This is believed to occur when the buoy line becomes slack and the whales get their flukes in the line. Shallow gear may be a bigger problem. There was one whale in sablefish pot gear. Try and use sinking line as buoy line. Some think this helps in deeper waters in avoiding whale flukes.

****Second Watch****

Fishermen’s Terminal. The fisheries supply deal fell through. The Port is going to move forward with demolishing net sheds 7 & 8 and the old bank building. They plan to build a 60,000 s.f. light industrial building. They claim to have maritime and fishing related prospects interested.

Passing. Longtime member and pioneering sablefish fisherman from California to the Bering Sea, Arnold Jardstrom passed away on December 27, 2018 due to complications of Alzheimer’s. Arne owned and fished the F/V Keltie which is currently operated by his son, Nick Jardstrom. Arnold was an avid hunter, even bagging big game in Afghanistan during the Afghanistan War. He also shot at a Russian trawler when the foreign fleets were off our coast, in order to save his gear.

Icicle Seafoods. If you want to talk fish prices and deliveries, talk to two new personnel, Monique A. Moore, Regions QS Manager, (206) 282-0988 or Jessie Keplinger, Fresh Sales Manager (206) 282-0988. Congratulations to both for their promotions.

AIS. The U.S. Coast Guard announced they will not be making citations on the usage of AIS-buoy markers. However, it would behoove the fleet to use AIS buoy markers that show as a “buoy” as opposed to a vessel.

RAM Vessel CAPs for 2019.

| | |
|---------------------------------------|----------------------|
| Halibut .5% of all halibut IFQ TAC | 88,550 net pounds. |
| Sablefish 1% of all sablefish IFQ TAC | 259,680 round pounds |

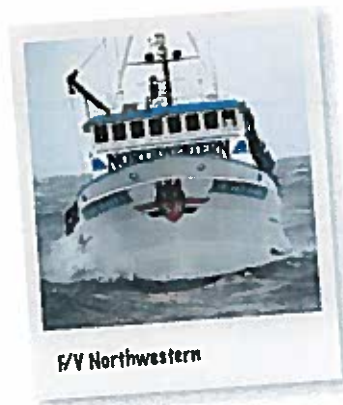
****Calendar of Events****

| | | |
|-----------------------|----------------|--|
| May 6-9, 2019 | IPHC MSAB Mtg. | Sitka??? |
| June 3-11, 2019 | NPFMC Meeting | Centennial Hall Sitka, AK |
| June 18-25, 2019 | PFMC Meeting | San Diego Mission Valley |
| Sept. 11-18, 2019 | PFMC Meeting | The Riverside Boise, ID |
| Sept. 30- Oct.8, 2019 | NPFMC Meeting | Homer, AK |
| Nov. 13-20, 2019 | PFMC Meeting | Hilton Orange County Costa Mesa, CA |
| Dec. 2-10, 2019 | NPFMC Meeting | Hilton Hotel Anchorage, AK |

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



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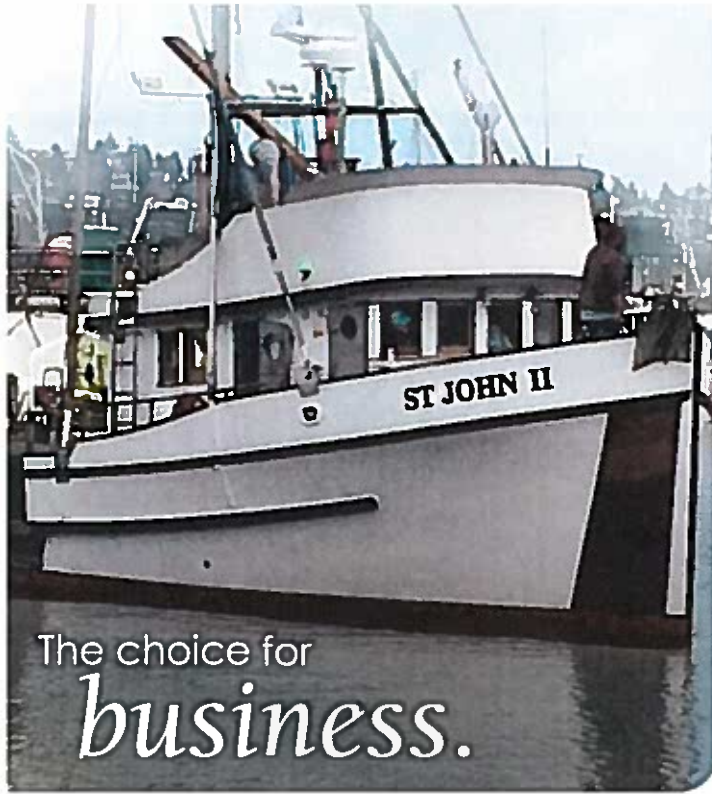
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