

# The Wheel Watch

*a newsletter of the*

## **Fishing Vessel Owners' Association**

4005 - 20<sup>th</sup> Ave. West Rm, 232 -- Seattle, WA 98199-1290

Phone: (206) 284-4720 / 283-7735

Fax: (206) 283-3341

Website: [www.fvoa.org](http://www.fvoa.org)

**Robert D. Alverson, Management**

**Katie Harris, Operations**

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Dear Members, Supporters and Friends,

This newsletter will bring you up to date on North Pacific and Pacific Council actions/upcoming actions, as well as market and IPHC updates.

## **NPFMC**

The North Pacific Council met October 2nd through the 11th in Anchorage.

### **IFQ Committee**

The IFQ committee met September 28th. The primary mission at this meeting was to provide an outside economic group focus and discussion points of interest to conduct the mandatory five-year review of the halibut-sablefish program. No amendments have been formally submitted at this time. I expect a call for ideas sometime in early 2024.

### **IFQ Report to the Fleet in April 2023: Hired Skipper Activity**

Table 2.30 Total Halibut Hired Skipper Activity (HS) 2018-2022

	<b>Landings</b>	<b>Landings by HS</b>	<b>% HS</b>	<b>HS Delivering</b>	<b>HS with QS</b>
2022	17,054,052	4,505,656	26.4%	151	100
2021	16,743,437	4,380,905	26.2%	149	102
2020	14,548,488	4,014,817	27.6%	162	117
2019	15,969,513	4,643,240	29.1%	178	109
2018	15,379,833	4,687,774	30.5%	186	107

Source: NMFS Restricted Access Management (RAM) division sourced through AKFIN

Table 2.31 Total Sablefish IFQ by Hired Skipper (HS) 2018-2022

	<b>Landings</b>	<b>Landings by HS</b>	<b>% HS</b>	<b>HS Delivering</b>	<b>HS with QS</b>
2022	33,334,712	11,350,330	34.0%	94	55
2021	26,349,396	9,146,559	34.7%	101	69
2020	18,296,041	6,866,576	37.5%	99	62
2019	17,592,651	6,414,921	36.5%	104	53
2018	16,999,047	6,300,483	37.1%	108	56

Source: NMFS Restricted Access Management (RAM) division sourced through AKFIN

### **Observer Committee**

The Council adopted recommendations for 2024. The hook & line and pot fleets will receive 18% coverage rates while trawl will get 30%. This increase in trawl coverage is possible for 2024 because NMFS Juneau got a sizable grant to bolster the partial coverage program.

The Council also encouraged FVOA to pursue a cooperative research grant with NOAA to test out competitive market rates for observers. The manager is in discussion with NOAA/NMFS

regarding this possibility. The current partial coverage program cost is \$1492 per day for a live observer through a federal contract. The cost for factory vessels who pay their own cost and do not go through a federal contract pay \$400 per day for freezer long line and pollock at-sea processors. FVOA vessels in the lower coast trawl sablefish gear switching program pay about \$600-\$634 per day. The manager has contacted NOAA regarding this grant idea.

### **Release of small sable fish**

The initial review of this action will come before the Council in December 4-12, 2023 in Anchorage. The preferred action coming out of the June Sitka Council meeting is to require keeping fish over 22 inches and voluntarily keeping fish under that length. This action, if approved in December, will be scheduled for June 2024 for final action with implementation for the 2025 fishing season.

### **More governmental**

The Council has initiated a regulation to require the annual reporting of crew data from federal fisheries. The action will require reporting the number of crew positions on vessels operating in federal fisheries in the North Pacific and compensation. This would include charter Halibut vessels as well.

### **Amendment 80 Halibut restrictions on small halibut in the Bering Sea**

The new restriction to lower the halibut bycatch level in the Bering Sea/Aleutians on the Amendment 80 factory trawl fleet should be filed late in October 2023 for implementation in 2024. It is expected that the Amendment 80 fleet will sue to reverse this action. This action would reduce their bycatch level by 25% from the current allowed by catch level. It is referred to as abundance-based management (ABM). The CAP level will fluctuate with halibut abundance.

The Amendment 80 fleet progressively instituted deck sorting of Halibut a few years back. This has resulted in increased survival of halibut. The previous rules required the Halibut to go through the processing plant before discharge. Tagging work has verified deck sorting works. Deck sorting takes place in the first 15 minutes a trawl comes up.

However, the Amendment 80 fleet, when targeting deepwater flounder, such as arrowtooth and turbot, they also get into some sablefish and halibut as well. Killer whales have been swimming into the nets to feed and this year nine killer whales have drowned during this interaction. This action by killer whales has not been occurring when the Amendment 80 fleet targets yellowfin sole or rock sole. There were recorded 104 instances of marine mammals feeding on discarded halibut in 2022, which was a 50% decrease from 2021. There is a protocol not to deck sort when killer whales are present. Maybe the reason for the decrease is the 9 most aggressive killer whales are dead.

### Final Rule for Halibut CAPS in 4A, 4B, 4C, and 4D

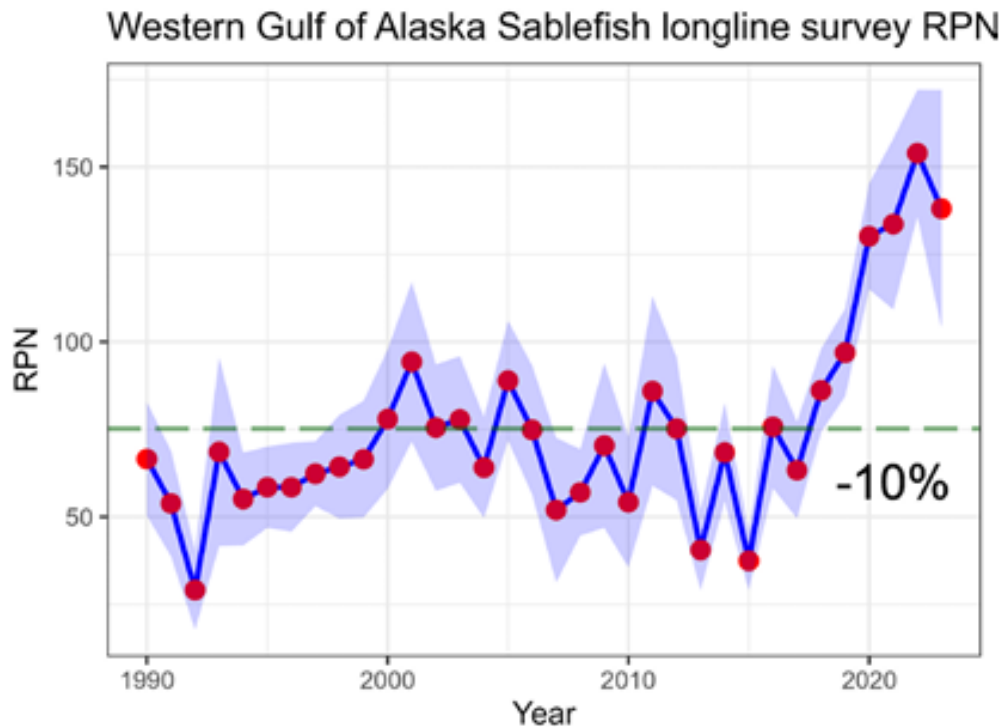
NMFS issued a rule relaxing halibut CAPS in the Region 4 halibut areas. This rule is good from the 2023 season through the 2027 season. The Council is considering a permanent rule to relax the vessel CAPS in IPHC Region 4. Initial consideration took place at the October meeting. Final action on this is likely in June or October 2024. There is no rush as they have a temporary fix through 2027.

### Sablefish Survey Results for 2023

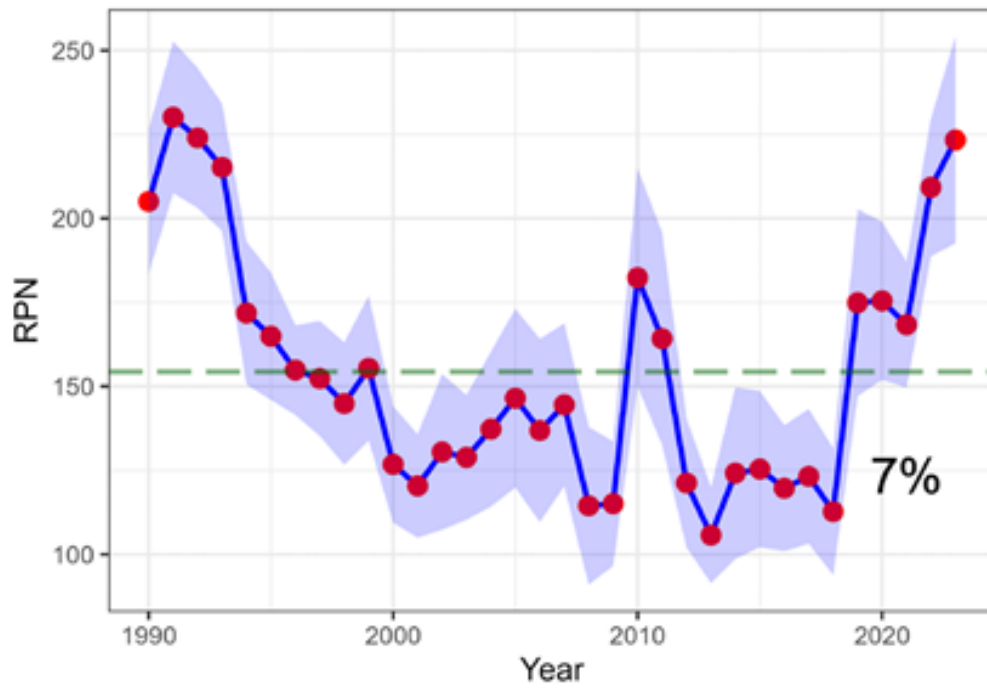
3568 sablefish otoliths collected

5985 sablefish tagged

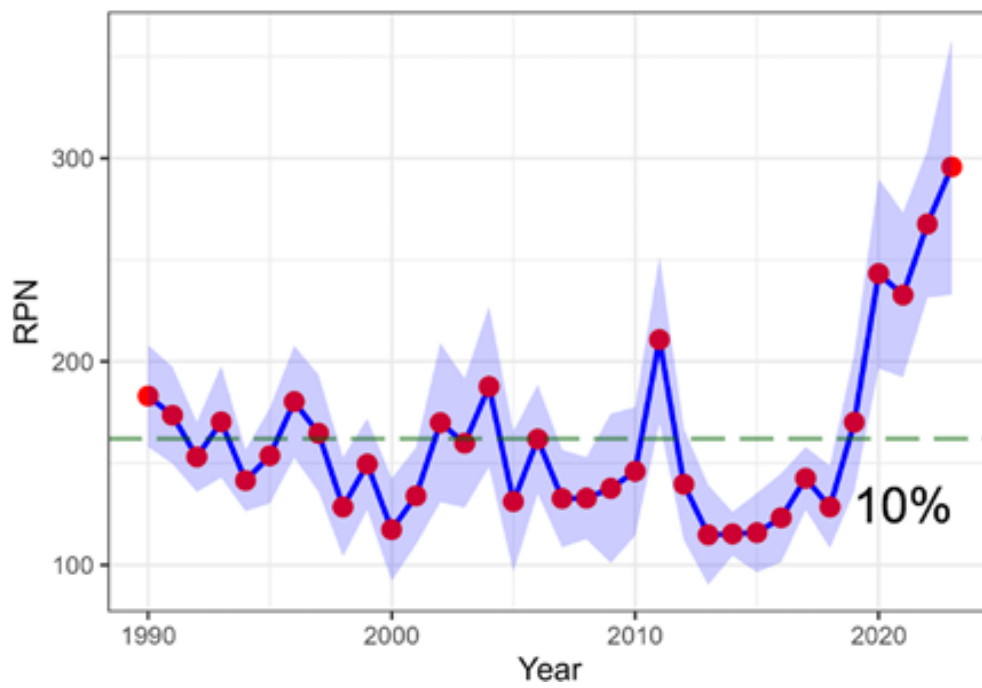
Recaptured 47 tagged sablefish (36 NMFS, 10 Canadian and 1 ADFG)



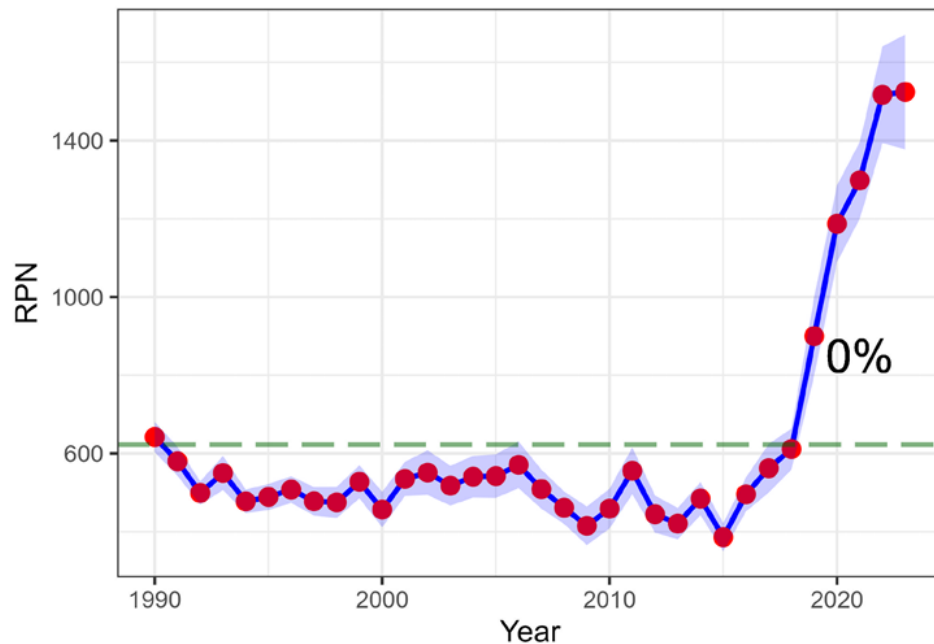
Eastern Gulf of Alaska Sablefish longline survey RPN:



Central Gulf of Alaska Sablefish longline survey RPNs



## All Alaska Areas Alaska Sablefish longline survey RPNs



For market purposes, the overall coastwide harvest should be similar to 2023, with a slight down in Western Gulf and a slight up in Central and S.E. Alaska. Last year, the stock assessment folks anticipated an ABC of \$41,000 tons for 2024, only up about 1000 MT from 2023. We will have new ABC numbers mid-November.

### **Unobserved Fish Mortality**

In an uncharacteristic move by the NPFMC, a council recognized for national leadership on complex bycatch issues, a letter was sent to NMFS in Washington, D.C. regarding National Standard 9 to the Magnuson Act. This National Standard requires bycatch to be reduced to the extent practical. However, there is also “unobserved fish mortality” which might occur when there are no observers such as in the partial coverage fleet or crabs that go under a bottom trawl. The NPFMC stated:

*Although unobserved fish mortality is referenced in the current guidelines for NS9, it is not considered anywhere in the MSA or in the remaining National Standards guidelines. Further, because unobserved fishing mortality cannot be currently measured or even accurately estimated for any fishery in the US, it becomes a ripe target for litigation. Simply adding “unobserved, fish, mortality” to the NS guidelines was a regulatory overreach by the agency, and this term should be deleted from any future guidelines for NS9.*

The current administration sees unobserved bycatch as something important to consider.

## PFMC

The Council met in Spokane, Washington in early September. The next meeting will be in Garden Grove, California November 1– 8, 2023. The following issues were taken up at the September meeting.

### **Fixed Gear Marking**

Due to a lawsuit filed by the Center for Biological Diversity concerning the “taking” of humpback whales, the Council will likely require certain unique markings on your Polyform buoys and buoy lines that can easily be identified as pot gear and possibly also hook & line gear. There were two humpback whales entangled in sablefish pot gear over the last 20 years, which has forced the Council to take this action.

The buoys will need to be marked distinguishable from other markings, likely a mark for pot gear and one for hook & line. Also, the Council will likely require some form of marking of the buoy line, and they are looking at 5, 10, 20 and 50 fathoms. There is no regulation on this at this time but it will be a requirement in 2024.

NMFS is also setting up a humpback “Take Reduction Team.” FVOA has sent in a letter recommending Paul Clampitt and Bernie Burkholder for this committee. This is a requirement by the court. Bernie and Paul, thank you for volunteering.

### **Amendments to the Tiered Black Cod Permits:**

This program is under a mandatory five-year review. These are some of the amendments being considered. They include three alternatives: 1.) allow all tiered permits to use slinky pots, 2.) allow tiered permits to use either pots or hook & line, and 3.) allow any non-trawl legal gear to harvest tiered sable fish (this would include vertical hook & line used primarily off the coast of California). For almost 20 years, these tiered fisheries has avoided paying a 3% cost recovery fee. NMFS now says they have no choice but to charge this fee. So, part of the change to this program will likely include a 3% cost recovery fee, also starting in 2024.

The Council will take final action on the marking of gear at the June 2024 meeting and final action on the tiered amendments in September 2024. Both these actions will be implemented by April 2025, when the tiered season opens.

### **Sablefish Harvest Limits**

The Pacific Council sets harvest limits two years at a time. The tiered harvest limits for sablefish in 2024 will be slightly less than 2023 by 8.3% as will be the overall harvest limit for 2024.

**2024 Tiered Limits:** Tier 1- 66,805 lbs.  
Tier 2 - 30,366 lbs.  
Tier 3 - 17,352 lbs.

Due to unprecedented new year classes for 2022 and 2021, the harvest limit for 2025 could double or be even higher. The Council will make a final decision at the November 2023 meeting to set a new ABC level at potentially 36,545 MT, almost 3 times the current harvest level. See potential harvest levels beginning 2025 below.

**Table vii:** The adopted OFL (mt), ACL (mt), and assumed removals (mt) in 2023-24 and the projected OFL (mt), ABC (mt), spawning biomass, and fraction unfished for 2025-2034. The projected ABCs are calculated using a P\* of 0.45 and category 1 time-varying sigma.

Year	Adopted OFL	Adopted ACL	Assumed Removals	OFL	ABC	Spawning Biomass	Fraction Unfished
2023	11,577	10,824	9,118	-	-	117,519	0.630
2024	10,670	9,923	8,359	-	-	141,875	0.761
2025	-	-	-	39,085	36,545	183,592	0.984
2026	-	-	-	37,310	34,699	207,142	1.110
2027	-	-	-	34,160	31,632	214,059	1.148
2028	-	-	-	29,701	27,385	210,719	1.130
2029	-	-	-	25,318	23,217	203,091	1.089
2030	-	-	-	21,812	19,914	194,403	1.042
2031	-	-	-	19,380	17,616	185,924	0.997
2032	-	-	-	17,843	16,130	177,993	0.954

### **Gear Switching**

This ugly, unnecessary action is in its 7<sup>th</sup> year of development. The trawl IFQ program in the PFMC was designed to allow any legal gear to harvest trawl quota. So, when markets of sablefish were better, about 30% of the trawl sablefish allocation was leased by trawlers to fixed gear fishermen because the trawlers could get a good lease fee. Certain processors and trawl harvesters have claimed this is shorting them on sablefish in order to deliver dover sole and other underused trawl species. What they did not like was their own lease fees for sablefish went higher. Each year, over the last 10 years, the trawlers have left sablefish in the water, and 2023 will be no different. Perhaps half of the trawl sablefish will not be landed in 2023. With the monstrous increase in harvest limits beginning in 2025, there is no rationale for going forward with phasing out gear switching or limiting it. It is time to put a fork in this one, and send it to Davy Jones locker! FVOA will be supporting no action!



## Wind Farms on the Sea

There are three areas being considered for high seas wind turbine farms. One is Crescent City, CA, one is off the Bandon area of Oregon, and Westport, WA. One concern about these giant mills is the speed of the blade and the killing of sea birds. The turbines deployed in Europe, the East Coast and in Walla Walla, WA are smaller than the ones contemplated for the West Coast. The speed of the existing blades that you might see in eastern Washington down by Walla Walla are turning at 128.5 mph but can go up to 180 miles per hour. The recommended survival speed is 134 mph (survival for the turbine, not birds). What impact these might have on black-footed and short-tailed albatross do not seem to be a concern to the current federal administration. But if longliners kill two short-tailed albatross, that could threaten your fishery.



## Markets

According to *Al Jazeera Business*, "the U.S. ban on Russian seafood imports may not be stopping billions of dollars from going to Russia and it's war in Ukraine. Russia is one of the world's largest exporters of fish to the U.S. last year with \$1.2 billion in sales." Their pollock fillets and Pacific cod imports are credited with significant drops in U.S. pollock prices and Alaska Pacific cod prices this year. The entire white fish market in the U.S. has been affected by this. The loophole seems to be once Russian seafood is unfrozen and re-processed, such as in China, the product of origin changes to the country last conducting the processing. The U.S. government doesn't seem to be able to account for that distinction when the products enter the country and it is accounted as originating in China or India.

### Halibut

The whole white fish market is down in North America, significantly due to Russian imports. The halibut season ends December 7. By that time Areas 3B, 3A and 2C will likely have over 90% of the allowed harvest caught. In Region 4 catch rates are really off, and 30 to 40% of 4A and 4B will likely not be caught. Prices have dropped at the dock all season while retail prices have remained at \$19-\$24 a pound in Seattle and over \$30 in Phoenix, AZ. FVOA prices in Bellingham in early October were \$6.00 to \$6.75, and in Seward dropped below \$5 per pound.

### Individual Fishing Quota (IFQ) Allocations and Landings

Area	Species	Vessel Landings	Total Catch Pounds	Allocation Pounds	TAC		Percent Landed
					Remaining Pounds		
2C	halibut	1,054	2,816,151	3,410,000	593,849		83
3A	halibut	1,537	6,226,784	7,840,000	1,613,216		79
3B	halibut	275	2,495,957	3,090,000	594,043		81
4A	halibut	134	791,654	1,410,000	618,346		56
4B	halibut	22	365,951	976,000	610,049		37
4C/4D	halibut	34	715,222	1,080,000	364,778		66
<b>Total</b>		<b>3,056</b>	<b>13,411,719</b>	<b>17,806,000</b>	<b>4,394,281</b>		<b>75</b>

### Sablefish

Sablefish markets have been hit by a perfect storm of oversupply, manipulation of foreign currency, and lack of foresight to develop North American consumption. FVOA vessel prices from May 2023 and September 2023 in Kodiak, AK are as follows:

Size	Prices May 2023	Prices September 2023
1–2 pounds	\$0.50	\$0.00
2–3 pounds	\$1.40	\$0.85
3–4 pounds	\$1.80	\$1.35
4–5 pounds	\$2.50	\$1.85
5–7 pounds	\$6.25	\$5.10
7 lbs and up	\$7.25	\$6.25

Sablefish catches in the GOA will reach close to 70% of potential harvest while Bering Sea and Aleutian production will fall far short of harvest limits. Total production will be about 60% of harvest limits.

### Individual Fishing Quota (IFQ) Allocations and Landings

Area	Species	Vessel Landings	Total Catch Pounds	Allocation Pounds	TAC		Percent Landed
					Remaining Pounds		
AI	sablefish	28	1,135,759	11,164,094	10,028,335		10
BS	sablefish	122	3,122,702	7,050,311	3,927,609		44
CG	sablefish	508	10,612,564	17,495,706	6,883,142		61
SE	sablefish	668	8,498,137	12,350,169	3,852,032		69
WG	sablefish	120	4,927,831	7,888,059	2,960,228		62
WY	sablefish	302	4,830,261	6,095,719	1,265,458		79
<b>Total</b>		<b>1,748</b>	<b>33,127,254</b>	<b>62,044,058</b>	<b>28,916,804</b>		<b>53</b>

**Canadian total sablefish quota:** 5,983,363 pounds, **Total catch:** 4,068,823 pounds, 60% caught  
**Pacific Council total sablefish quota:** 20,096,000 pounds, **Total Catch:** 10,430,000 pounds, 50% caught

Japan is still a big player, representing 60 to 65% of all consumption of sablefish. Three years ago, China was about 12% of consumption until the U.S. tariffs took place. The Chinese market has not recovered. The Japanese government has devalued the yen by almost 50% since 2020, going from 107 to 148 yen/dollar. This has reduced purchasing power of U.S. imports in Japan by consumers so things appear twice as expensive in Japan. This has resulted in a big push back on the price of sablefish.



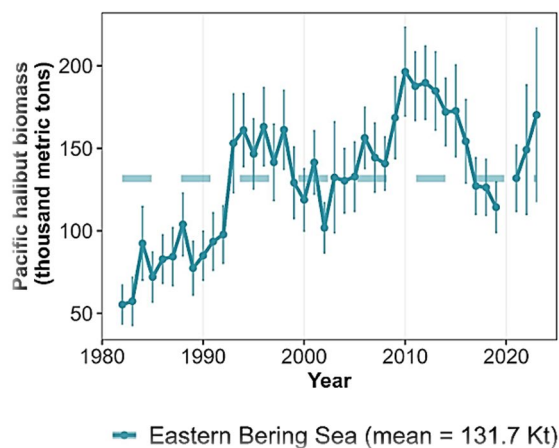
However, this should make Hondas and Toyotas look more inexpensive in the US, which is the goal of this currency manipulation. There is some good news; the current inventory is moving, at low margins but it is moving.

### IPHC

This graphic is the only positive news I have for halibut. The last two years of the NMFS trawl survey in the Bering Sea has shown an increase in biomass. Let's hope it is a new year class!

You have likely heard that only three of the IPHC survey areas this year met expectation for catches. Catch rates were off coast wide about 20%. Area 2C showed about the same as last year. Region three and four were off. The IPHC will have final results by mid-November.

## Pacific Halibut Biomass



### EBS Biomass

2022: 149 Kt

2023: 170 Kt

(14.20%)



## Second Watch

A tagged sablefish was caught in S.E. Alaska. It was tagged near Adak and traveled east 1,461 miles in 2,884 days.

## New Markets

FVOA's Executive Assistant and Operations Coordinator, Katie Harris, has secured a marketing grant for over \$200,000 through NOAA's Saltonstall-Kennedy program. Katie and fellow FVOA members will be working over the next year with local restaurants and a seafood-industry media specialists to educate the public on North Pacific sablefish, laying the groundwork for future brand development of this underutilized and abundant resource in hopes of improving domestic markets. A spark of hope emerges. More to come in the next newsletter, as the project is getting underway this month.

