

The Wheel Watch

a newsletter of the

Fishing Vessel Owners' Association
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Thank you for your support!

Dear Longliner:

This newsletter will bring you up-to-speed on events at the North Pacific Fishery Management Council, PFMC, IPHC, markets and Washington, D.C. events.

****North Pacific Council****

The June meeting will be held in Anchorage the first week in June. It will be Jerry Merrigen's last meeting as a Council member. The members of FVOA would like to thank Jerry for the outstanding job he provided to all persons of industry. Thank you Jerry for your dedication and time you provided to the Council process.

Governor Sarah Palin has put forward Dan Hull's name to fill the vacancy to be left by Jerry and submitted Ed Dersham's name for re-appointment. Dan fishes Copper River and Prince William Sound for salmon and fishes halibut in PWS. Mr. Dersham is a charter/sports representative. Dan's efforts were key in getting the Council's final action on the charter halibut concerns. We worked with him on the final charter boat actions taken by the Council.

The Council's June meeting features a review of (1) Pacific cod sector splits, with final action in October, (2) Amendment 80 lost vessel replacement initial review, (3) fixed gear parallel fisheries final action, and BSAI crab reports, which will dominate the meeting. The Council is currently collecting proposals for changes to the Halibut/Sablefish IFQ program. Some of these proposals include (1) allowing widows to hold IFQs for a longer timeframe, (2) allow pots for sablefish, (3) allow pots for halibut in the Aleutians and Bering Sea areas, and (4) eliminate the hired skipper provision for new purchases of IFQs. The new proposals will be reviewed over the summer and potential amendments created for action in 2010, probably effective 2011.

Pacific cod longline recency action. Representative Austerman from Kodiak got a resolution through the Alaska House to ask the Council not to go forward on this agenda item but failed to get Senate support. In April, the Council voted overwhelmingly for the following action. A cod fish endorsement will be granted if you meet the following criteria.

From 2002 – December 8, 2008, 1 landing for jig gear; 10 mt for <60' MLOA pot and hook and line CV's, 50 mt for ≥60' MLOA pot and hook and line CV's, and 50 mt for pot and hook and line CP's. About 210 of 837 Central GOA CV licenses and 93 of 264 Western GOA CV licenses will qualify. 17 of 31 Western GOA CP's will qualify and 20 of 49 CP's in the Central Gulf will qualify. All licenses will be fully transferable.

The action exempts vessels <21 feet and certain jig operations. There are 21 possible Community Quota Entities (CQEs) in the Gulf that currently can purchase halibut and sablefish IFQS. In total, the CQEs could now ask for additional Pacific cod permits provided they are used by residents of the area, 50 additional permits for the Central Gulf, and 21 Western GOA. This will dilute the value of the harvester-earned permits. These permits are allegedly provided for community stability.

Halibut. On April 21, 2009, the Secretary of Commerce published a rule to limit the number of guided sports halibut charter vessels. Comments are due by June 5, 2009, after

which the Secretary could agree with the NPFMC and make LE program effective. This is the first step in rationalizing this fleet.

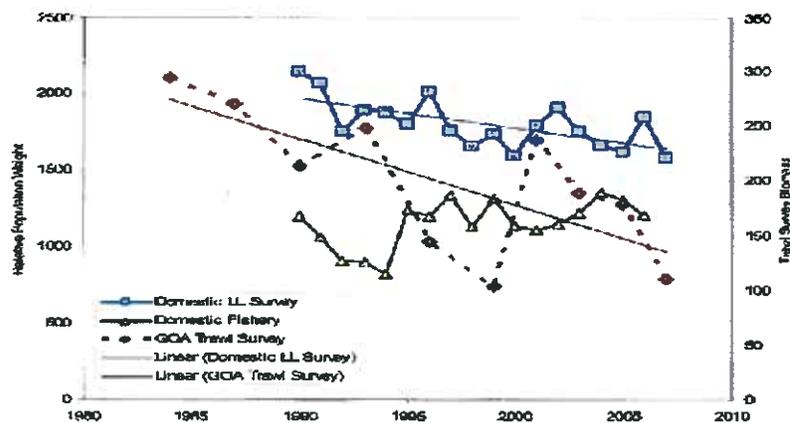
Hallbut Charter 1 fish bag limit, June 5, 2009. On May 5th, NMFS published the NPFMC's recommended 1-fish bag limit for area 2C for implementation on June 5, 2009. NMFS cited five-years of charter boat overages of their guideline harvest, the 53% reduction by the commercial fleet, and the IPHC concern of overages exceeding the charter allocation. It is unknown if the charter folks will sue. They cannot sue until after June 5. At the annual meeting in January, the IPHC did not take action on this item, wanting NMFS to impose the reg, but stated if the regulation did not pass or problems arose, they would take extraordinary inseason action to address the situation during the 2009 season.

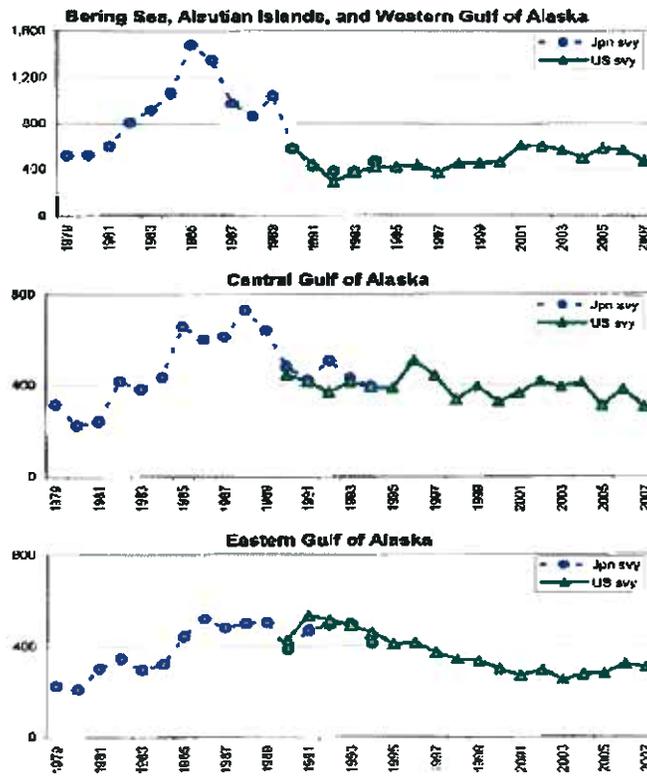
FVOA has donated to the Halibut Coalition and encourages others to do so as well. Donations help protect your fishing rights being eroded by inaction of government or legal attacks by the Charter industry. Send donations made out to the Halibut Coalition, P. O. Box 22073, Juneau, AK 99802-2073.

Canadian actions. The government of Canada had an ex BC Supreme court judge hired by DFO arbitrate the allocation of halibut between commercial and sport/charter. He ruled 9% sport and 91% commercial. The government enacted 12% and 88%. They have also gone to a 1 fish bag limit.

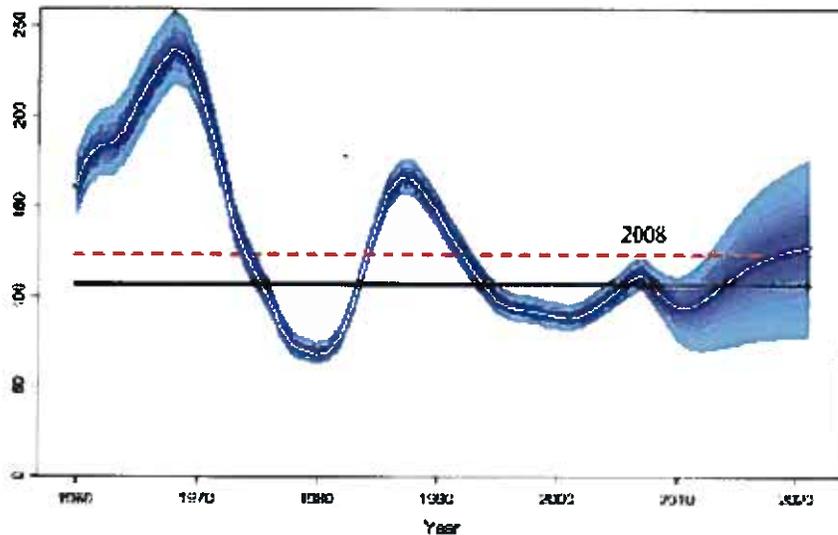
The Alaska Board of Fish set a sablefish bag limit of 4 fish/day on non-residents. The restriction does not apply to residents as there is no meaningful data. *—Outdoor Magazine*

Sablefish Report. The following graphics reflect the current status of the sablefish resource. There has been expressed concern from industry members that the CPUE of the commercial fleet and NMFS surveys do not suggest a 40% to 45% reduction in harvest levels over the last 15 years. In fact, since 1995, the first year of the IFQ program, both indexes for the GOA have been somewhat flat lined over 15 years. The weakness of the annual survey seems to be the inability to predict new year class strength. Neither the trawl survey nor the setline survey is designed for juvenile indexing. The only way to determine year classes are to read otoliths from adult fish. FVOA members are concerned over this and have hired Dr. Mark Maunder to do a review of the current NMFS assessment model prior to the fall harvest recommendations.





Relative abundance (weight) by region and survey. The regions Bering Sea, Aleutian Islands, and western Gulf of Alaska are combined in the first plot. The two surveys are the Japan-U.S. cooperative longline survey and the domestic (U.S.) longline survey. In this plot, the values for the U.S. survey were adjusted to account for the higher efficiency of the U.S. survey gear.



Estimates of female spawning biomass (thousands t) and their uncertainty. White line is the median and shaded fills are 5% increments of the posterior probability distribution of spawning biomass based on 5,000,000 MCMC simulations. Width of shaded area is the 95% credibility interval.

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

NOAA. The new head of NOAA is Dr. Jane Lubchenco from Oregon State. Out of the blocks of her appointment, she fired a shot at the New England Council to get their act together by June or certain fish management regulations will be imposed. I expect her to be proactive on ocean management. Most head of NOAA appointees are focused on weather satellites.

NMFS. The head of the NMFS is up for grabs. Dr. Rothchild is the favorite of Senator Kennedy and Congressman Barney Frank and our own Arne Fuglvog have been cited as the two lead contenders. We have sent an endorsement for Arne and ask you to call your local federal Senator and ask for support for Arne. Leave a message if you are put through to voice mail. Senator Begich's phone no. is (202) 224-3004, and Senator Murray's phone no. is (202) 224-2621.

EPA water discharge. We met with both Senator Murray and Congressman Larsen. I expect help from them on this issue. No action has been taken. There is currently a study looking at the difference of engine performance of commercial vessels vs. yachts. The study is due later this year. Paul Allen's 400-foot yacht is currently exempted.

**** Markets ****

Halibut prices in Seward seem to have settled out to be \$2.65 for 10-20's, \$2.80 for 20-40's, and \$3.10 for 40 ups. Prices to the west have been reported to be 30¢ to 50¢ less than this. Prices retail at Costco have been \$9-\$10 and Safeway \$10-\$13. However, I did see \$19 halibut in a trendy market in San Francisco. These lower prices are moving the halibut to the institutional markets as the upper end restaurants see less foot traffic.

**Individual Fishing Quota (IFQ) Allocations and Landings
For Fishing Year 2009**

Area	Species	Vessel Landings	Total Catch Pounds	Allocation Pounds	Remaining Pounds	% Landed
2C	Halibut	376	1,614,736	5,020,000	3,405,264	32
3A	Halibut	539	5,923,360	21,700,000	15,776,640	27
3B	Halibut	58	653,002	10,900,000	10,246,998	6
4A	Halibut	***	***	2,550,000	***	***
4B	Halibut	6	108,294	1,496,000	1,387,706	7
4C	Halibut	***	***	784,500	***	***
4D	Halibut	***	***	1,098,300	***	***
Totals		985	8,327,778	43,548,800	35,221,022	19

19% has been landed, similar to last year's landings. Halibut and all white fish are pulling each other's prices down in the North American market.

Washington state fish broker, Kevin Steele, was fined \$130,000 and 30 days in jail for intentionally mislabeling 136,000 lbs of turbot from China as U.S. Halibut. -NOAA Office of Law Enforcement

Sablefish. FVOA prices in Cordova at Trident's facility were hot in early May. Our vessels received \$5.45 for 7↑, \$5.25 for 5-7's, \$5.10 for 4-5's, \$ 4.75 for 3-4's, and \$4.35 for 3↓. Prices dropped back about 20¢ in mid-May per category. Average price was about \$5.00,

with large fish plentiful.

**Individual Fishing Quota (IFQ) Allocations and Landings
For Fishing Year 2009**

Area	Species	Vessel Landings	Total Catch Pounds	Allocation Pounds	Remaining Pounds	%
AI	Sablefish	11	417,879	2,910,072	2,492,193	14
BS	Sablefish	22	223,601	2,398,605	2,175,004	9
CG	Sablefish	199	4,067,225	8,800,763	4,733,538	46
SE	Sablefish	203	2,984,146	6,053,832	3,069,686	49
WG	Sablefish	13	322,100	2,892,435	2,570,335	11
WY	Sablefish	104	2,122,841	3,432,562	1,309,721	62
Total		552	10,137,792	26,488,269	16,350,477	38

Unemployment in Japan is a concern; however, their monetary policy has been superior to the U.S. and Europe and the Yen is 98/dollar, still 15% stronger than last year. I expect these good prices to continue into July. Several FVOA boats fished the Washington Coast in May and received prices similar to Alaska. The lower coast fishing off Washington has greatly improved from last year.

Pacific cod. Prices to the H&G vessels dropped in March by over 40%, \$2100-\$2200/mt. It is believed much of the cod price drop was not due to lack of demand but due to many international distributors losing financing. In early May, H&G price had rebounded to about \$1.30. Round delivered prices were still very low. FVOA vessels delivering into the Western Gulf in King Cove saw prices of 28¢ and 21¢ with a 5 lb. split, down from 60¢ last year. Many vessels did not operate this spring.

Cod has apparently rebounded in the Barents Sea and is showing improvement off Canada, Newfoundland, and Labrador areas. Quotas in Canada were not raised but they were increased in the Barents Sea to 200,000 Mt. A recent article in the *Economist* says the EU management of fish is a sham and the EU fisheries are mostly overfished. The Barents Sea is not EU.

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

Commerce Secretary Gary Locke told congress the Obama Administration will develop aquaculture rules that will allow offshore aquaculture. Both the Secretary and the new head of NOAA, Dr. Jane Lubchenco, said offshore aquaculture must meet various environmental standards. -*Seafood.com*

Marine Stewardship Certification - Alaska Salmon will likely leave the MSC process. Some Alaska processors have been very negative on the MSC process arguing that it puts an artificial barrier between industry and the market. "Ocean Beauty execs say there is no need for Alaska salmon to be certified". -*Seafood Intl.* However, already European markets are saying the Alaska name without MSC will be demoted in Europe without it. Local fishermen in Alaska may seek their own regional MSC distinction to get a preferred marketing status. Some processors, who have salmon from various sources, such as farmed salmon and wild salmon, may not want to be encumbered with the MSC accounting process. A fisherman, however, who makes his/her income from the Copper River, or the Bristol Bay system, could and has been advantaged by the MSC process.

Without a third-party review, it will be interesting to see how markets respond. If markets fail to differentiate, this will hurt third-party reviews, such as MSC. On the other hand, in a tighter market brought on by the recession and a very green European market and a green political party in D.C. pushing a green agenda domestically, this could be a marketing risk to wild Alaskan salmon.

Mercury. The U.S. Department of Interior completed a study showing that mercury contamination of the North Pacific is being caused by Asian industrial pollution and could increase by 50% by the year 2050. The Kyoto negotiations, much touted by greens, fail to do anything to protect the Pacific Ocean, only the Atlantic.

Canada. The Government gave a \$131,000 grant on halibut aquaculture to see if a land based grow out operation could be profitable. –*FIS World News*

****Second Watch****

Question. If you transit the inside waters through Canada, do you or your crew need their passports or enhanced licenses? The answer is no, as long as you do not call at a foreign port.

TWIC (transportation Workers Identification Credentials). Yes, there is now barbed wire at Ballard Oil and other commercial fueling docks. You will likely need your crew members to obtain a TWIC card which allows them to enter a fueling dock or walk across a fueling dock to get up to town. The card costs \$132, you will be fingerprinted, and it takes 30 to 60 days to process. Call the office if you need further directions.

Please welcome as a new Associate Member, **Mr. Michael S. Clausen, F/V Carol M**, from Tukwila, WA. Yes, it is the old Carol M you all know! Thank you for your support.



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Port of Seattle Lockers. The Port will likely require all lofts to be taken out by this fall in the lockers. Dave Franklin, F/V Hotspur, is trying to get 20 guys to donate \$500 each to get some legal help on this issue. Dave's number is (206) 399-1699.