

The Wheel Watch

a newsletter of the

Fishing Vessel Owners= Association
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Dear Longliner:

This newsletter will review the recent North Pacific and Pacific Fishery Management Council meetings, markets, and events in Washington, D.C.

****North Pacific Council****

Changes to the halibut/sablefish program were discussed by the Council's IFQ committee. They reviewed 14 proposed changes and recommended the following for further evaluation:

1. Allow retention of IFQ halibut coincidentally harvested during the Bering Sea sablefish pot fishery;
2. Allow the use of pots in the Gulf of Alaska S.E. area sablefish fishery. This was expanded by the committee for potentially the entire Gulf. The committee recommended discussion of a 200 fathom depth limit, pot limits and a possible time slot of 2 months, and no storage of pots on the grounds.
3. Allow category D quota to be fished on category C vessels in 4B;
4. Amend grandfather/hired skipper privileges to sunset those rights on any future quota which is bought, traded or gifted.
5. & 6. CQE – two minor community proposals.

The Council and its industry Advisory Panel will review these proposals in February. The Council could still add new proposals. There was some talk to end the hired skipper privilege altogether.

Still in the works...

The following are still being pushed through the system for final action.

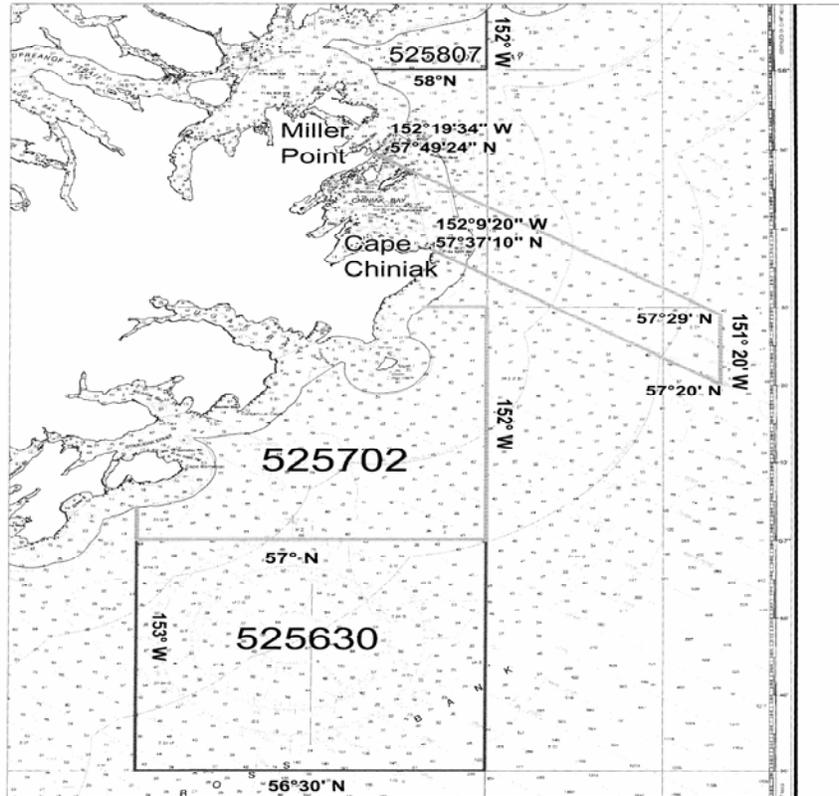
1. Moratorium on new charter vessels. Target effective date of 2/1/2010.
2. Commercial/Charter Catch Share Plan adopted by the Council in October 2008, implementation plan is done, proposed rule February 2010. Final rule November 2010.
3. Use of hired skipper restricted unless you are 20% owner 12 months prior to having ownership in the vessel. (Need to be on boat papers 12 months before you can have a skipper.) Final rule June 2010.

Pacific Cod Sector Splits. The following reflects all the allocation options to the council going into the October meeting.

Western GOA	Hal CP <125	HAL CP >=125	HAL CV <50	HAL CV >=50	HAL CV <60	HAL CV >=60	POT CV <60	POT CV >=60	TRW CV <60	TRW CV >=60
1995-2005: Best 7 years	16.8%	2.9%	0.2%	0.2%	0.4%	0.1%	13.5%	14.4%	32.9%	13.8%
1995-2005: Best 5 years	15.4%	3.2%	0.3%	0.2%	0.4%	0.1%	14.3%	16.1%	30.9%	14.1%
2000-2006: Best 5 years	18.1%	3.6%	0.3%	0.3%	0.6%	0.0%	18.9%	21.6%	24.7%	7.1%
2000-2006: Best 3 years	17.7%	3.7%	0.5%	0.3%	0.8%	0.0%	19.8%	21.5%	23.7%	6.6%
2002-2007: Best 5 years	17.5%	5.1%	0.6%	0.6%	1.1%	0.0%	20.8%	24.9%	21.4%	4.5%
2002-2007: Best 3 years	17.6%	4.6%	0.8%	0.7%	1.5%	0.0%	21.6%	23.3%	23.0%	3.5%
2002-2008: Best 5 years	17.1%	4.6%	0.7%	1.0%	1.4%	0.3%	21.5%	22.7%	23.9%	4.1%
2002-2008: Best 3 years	17.4%	4.6%	0.9%	1.3%	1.8%	0.4%	21.4%	23.2%	22.8%	3.4%
Central GOA										
1995-2005: Best 7 years	0.8%	2.1%	12.5%	4.8%	16.0%	1.3%	11.4%	13.3%	8.0%	40.1%
1995-2005: Best 5 years	0.8%	2.7%	12.8%	4.9%	16.3%	1.4%	11.3%	13.9%	8.5%	37.4%
2000-2006: Best 5 years	0.6%	3.6%	14.6%	6.2%	19.0%	1.8%	10.9%	14.4%	1.7%	42.4%
2000-2006: Best 3 years	0.5%	4.1%	13.9%	5.5%	18.0%	1.4%	11.4%	16.4%	1.7%	40.1%
2002-2007: Best 5 years	0.8%	4.4%	15.4%	7.1%	20.5%	2.0%	12.1%	13.7%	1.1%	41.1%
2002-2007: Best 3 years	0.5%	4.4%	14.7%	6.9%	19.8%	1.7%	13.0%	15.2%	1.5%	39.8%
2002-2008 Best 5 years	1.1%	4.3%	14.5%	7.8%	20.2%	2.1%	12.3%	13.5%	1.1%	41.4%
2002-2008: Best 3 years	0.9%	4.3%	14.6%	6.8%	19.7%	1.7%	12.9%	15.1%	1.1%	40.2%

The Council eliminated the 1995 to 2005 best of 5 years option and all options for 3 years relative to the Western Gulf. They eliminated the first two options for the Central Gulf. The Council added an option that would allow the Council to reallocate 3% of a single sectors quota. I believe this option is targeted at the freezer longliners with a justifying argument for social programs. "Your fish are better caught by me" type of argument. For the full set of proposals, you can call the office and we can mail it or you can get it off the Council website.

Closed Area Proposed.



The Council is studying a proposal to close the areas designated above in order to protect Bairdi tanner crab. The closure could affect longline, pot, and/or various trawl gear. Based on initial bycatch information from IPHC, the biggest problem crab have as a bycatch to halibut gear is a pot of boiling water, and that would be a NMFS violation.

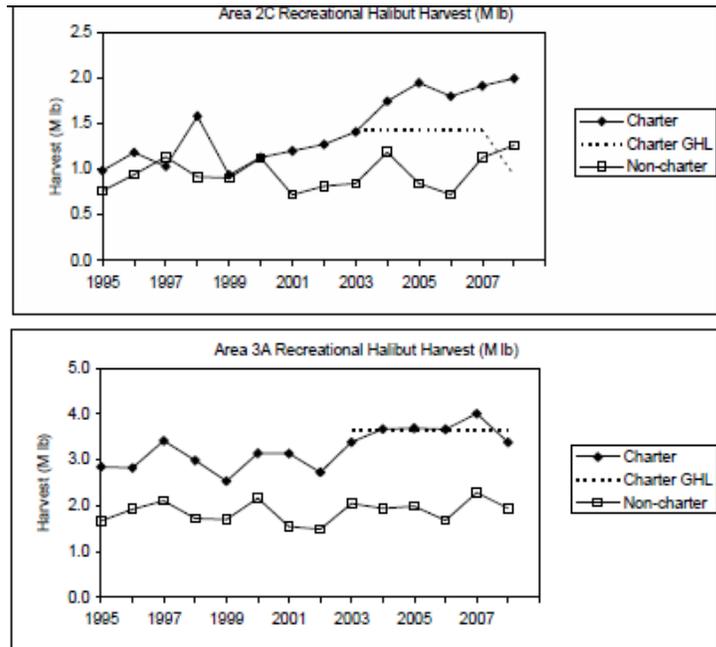
Observers. The council pushed the proposed changes to the observer program to the next decision point which will be in February. The likely changes will have those vessels currently with less than 100% coverage, all paying the equivalent of a 2% exvessel fee in order to fund an observer program, 1% from you matched by 1% from the processor. A catcher-processor would pay 2%. The program would focus on new coverage for the under 60 foot vessels including longline, pot, and trawl. All freezer vessels would have 100% coverage funded from the program that are currently <100% coverage or <60' in length. Potentially, all vessels could have an observer on them but I doubt the program will focus on mandated coverage for smaller vessels, such as Class D vessels, but all fishermen will help pay for the program. Halibut longliners will have some coverage. There could be final action in the fall of 2010 with possible implementation 2011-2012.

Sablefish. Nothing to report yet. The Plan Team will revisit their proposals at the November Plan Team meeting in Seattle. The proposed changes to the model will likely be made for the 2011 season, not 2010. The survey vessel for 2009 had the same catch rates as last

year. I expect a 2010 harvest level similar to this year. We hired Dr. Mark Maunder to bird dog the science on the proposed changes for 2011. He will meet with the Plan Team in November.

Lawsuit – Charter 1 fish bag limit.

No word from the judge. All briefs have been filed. We expect a ruling by mid-November but there is no time limit for the judge to rule by. She has said there will be no oral arguments.



****PFMC****

The Council has been wrapping up their Trawl ITQ program. A mock allocation of QS was performed based on 2010 prior to the October meeting so folks could see what they may get. Some trawlers discovered they did not get as much as they had thought. They asked for the program to be rescinded. This is not going to happen. Petrale sole was listed as overfished which is troubling for this new program.

Your harvest limit in round pounds for Limited Entry Sablefish in 2010 will be:

Tier 1	56,081 lbs.
Tier 2	25,492 lbs
Tier 3	14,567 lbs.

****Markets****

	Currency per \$	Major Stock Index	Balanced Budget	Industrial Production	Consumer Prices	Unemployment Rate
United States	-	+10.8%	-13.5%	-10.7%	-.04%	9.8%
Japan	89.1	+3.1%	-7.7%	-18.7%	-1.2%	5.5%
China	6.83	+52.6%	-3.4%	+12.3%	+0.8%	9.2%
Britain	.63	+15.2%	-14.4%	-11.2%	+2.0%	7.9%
Canada	1.03	+26.3%	-2.4%	-15.2%	+4%	8.7%
Euro Area	.68	+18.4%	-6.5%	-15.9%	+4%	9.6%

Halibut prices dipped in mid-summer but have rebounded in mid-October. Prices in Bellingham the second week of October were \$4.10 for 10-20's; \$4.40 for 20-40's; and \$4.50 for 40 ups. Prices out west in Sand Point or King Cove have lagged behind Seward by 80¢ to \$1.20 reflecting a conservative frozen fish price. The season has 25 days left with about 90% of the halibut quota caught. The price differences for western frozen halibut should eliminate any cold storage problems experienced last spring.

**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	1599	4,677,881	5,020,000	342,119	93
3A	Halibut	2127	20,232,374	21,700,000	1,467,626	93
3B	Halibut	724	9,847,940	10,900,000	1,052,060	90
4A	Halibut	248	2,365,683	2,550,000	184,317	93
4B	Halibut	58	1,139,662	1,496,000	356,338	76
4C	Halibut	12	47,256	784,500	737,244	6
4D	Halibut	53	1,571,218	1,098,300	-472,918	143
	Total	4,821	39,882,014	43,548,800	3,666,796	92

Sablefish continues to surprise many. Recent Association vessels selling in Sitka got \$5.50 for 7 ↑; \$5.40 for 4-7's; \$4.95 for 4-5's; \$4.60 for 3-4's; \$4.40 ↓3's. Frozen sales to Japan suggest prices of \$6.90 to \$7.25 for 7 ups which could result in \$6 sablefish iced and headed. The yen has gained purchasing power against the dollar ending up at 89.1 yen/dollar in October. This represents a 25% increase in Japanese purchasing power over last year which has driven your sablefish prices higher. However, Japan remains in an economic funk with unemployment at 5.5% which is high for Japan. If the U.S. continues its' current lack of economic restraint, the yen will rise even further. Catch rates were considered very good through the year in Alaskan waters. The north coast of Washington was poor while Newport, Oregon was good.

Area	Species	Vessel Landings	Total Catch Pounds	Allocation Pounds	Remaining Pounds	Percent Landed
AI	Sablefish	88	1,499,584	2,910,072	1,410,399	52
BS	Sablefish	169	1,408,648	2,398,605	989,957	59
CG	Sablefish	540	8,639,953	8,800,763	160,810	98
SE	Sablefish	524	5,976,897	6,053,832	76,935	99
WG	Sablefish	135	2,717,894	2,892,535	174,541	94
WY	Sablefish	200	3,381,825	3,432,462	50,737	99
	Total	1,656	23,624,801	26,488,269	2,863,468	89

Pacific Cod has some good news. Harvest limits will be steady for the next three to four years in the 190,000 Mt. range in the Bering Sea. New-year classes have been identified. Catch sizes are small this year due to the large number of young cod. Cod has rebuilt in the Barents Sea. Russia and Norway set harvest limits at 607,000 tons, up 16% and North Sea stocks are similarly up. Canada reported cod rebounding off Labrador but have not allowed a season as yet. H&G prices remain \$1.30 to \$1.50 for Alaskan production with shoreside round fish deliveries at 18¢ to 25¢/lb. A good supply of cod and last years economic loss

of pack financing has undercut prices in 2009.

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

Consumers will pay more for eco-labeled seafood, even during a recession, says Nordsee restaurant chain chief, Jurgen Glaser. High prices for salmon and pollock are marginal as customers are increasingly interested in certified fish. --*Seafood International*

The 49,600 tons of farmed salmon produced in B.C. in 2000 contributed as much nitrogen as the untreated sewage from 687,000 people. --*David Suzuki Foundation*

MSC – The 100th fishery entered full assessment. By the year-end, 150 fisheries will be engaged in some stage in the assessment process, either certified or under assessment. – *Seafood International*

Farmed Pangasius – The Vietnamese catfish has been bootlegged as cod in the United Kingdom. Called “Cod Fraud” the wholesale price of Pangasius is \$8.19/kilo versus \$19.29/kilo for cod. England has 11,000 fish and chip outlets and the Brits are not happy over this. —*Seafood International*

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

Head of NMFS. It would appear Dr. Jim Balsiger may have survived and may continue as the head of NMFS. There haven't been any new candidates emerge. Jim was given a 6-month extension through January 2010.

Health Care. Senator Murkowski has supported efforts to address seasonal workers and a small business exemption of 50 persons.

****Second Watch****

Congratulations to Mr. Phil Anderson, who was recently appointed as the new fisheries director for the Washington Department of Fish & Wildlife. He has been the states longtime “go to” person on the Pacific Council.

Chatham Strait Sablefish quotas dropped 29% from 2008 levels. There are now 88 permits for the fishery, eight less than last year. A permit limit is 12,170 round pounds. The season runs from August 15 to noon, November 15, 2009. Lack of recruitment was cited as the rationale for a decrease.

Outsiders could get \$68 million in fish fee refunds. *Fishermen's News* reports that the 1984 “Carlson Class Action” lawsuit against the Alaska Commercial Fisheries Entry Commission ended after being heard four times in front of the Alaska Supreme Court. To see what you may be entitled to, you can go to www.cfec.state.ak.us. The overcharges amounted to \$14 million but interest has accrued another \$55.8 million. The State of Alaska legislature will look at the judgment in early 2010 and payments could go out in July of 2010.

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Calendar of Events

Week of Nov. 1, 2009	PFMC	Costa Mesa Hilton Costa Mesa, CA
Nov. 26-27, 2009	Thanksgiving Holiday	Office closed
Week of Dec. 6, 2009	NPFMC	Anchorage Hilton Anchorage, AK
Dec. 24-25, 2009	Christmas holiday	Office closed
Dec. 31-Jan. 1, 2010	New Year's holiday	Office closed
Jan. 26-29, 2010	IPHC Annual Meeting	Seattle Marriott Waterfront 2100 Alaskan Way Seattle, WA
Week of Feb. 8, 2010	NPFMC meeting	Benson Hotel Portland, OR
Week of March 6-12, 2010 Advisory bodies may begin Thurs., March 4 Council session begins Sat., March 6	PFMC meeting	Doubletree Hotel 2001 Point West Way Sacramento, CA
Week of April 6, 2010 AP and SSC start Tuesday, because of Easter, Council starts Thursday	NPFMC meeting	Anchorage Hilton Anchorage, AK
Week of April 10-15, 2010 Advisory Bodies may begin Thurs., April 8 Council session begins Sat., April 10	PFMC meeting	Sheraton Portland Airport Hotel 8235 N.E. Airport Way Portland, OR

