The Wheel Watch

a newsletter of the Fishing Vessel Owners' Association Room 232, West Wall Bldg., 4005 - 20th Ave. West Seattle, WA 98199-1290 Phone: (206) 284-4720/283-7735

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Happy New Year!

Dear Longliner

IPHC

The annual meeting will be in Juneau, January 20-23, 2004. The following are the scientific recommendations. They are not final.

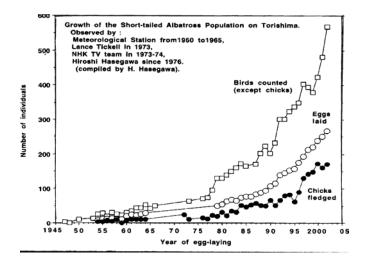
	2003	2004	Staff recommendations % of change
Area 2A	1.31	1.36	_
Area 2B	11.75	12.56	even
Area 2C	8.50	9.03	up 5%
Area 3A	22.63	25.56	up 13%
Area 3B	17.13	15.60	down 9%
Area 4A	4.97	3.47	down 30%
Area 4B	4.18	2.81	down 33%
Area 4CDE	4.45	3.39	down 28%
Total	74.92	73.75	

				Comn	nercial	CPUE	(Net It	os/skate	e)			
			2A	2B	2C	3A	3B	4A	4B	4C	4D	4E
	1997		226	241	246	458	562	483	275	335	671	_
	1998		194	232	236	451	611	525	287	287	627	_
	1999		_	213	199	437	538	500	310	270	535	_
	2000		263	229	186	443	577	547	318	223	556	_
	2001		169	226	196	469	431	474	270	203	511	_
	2002		181	222	244	507	399	402	245	148	503	
	2003		183	240	240	526	356	388	174	100	443	_
		С	ommei	rcial ca	tch (sp	orts in	2A and	d 2B no	ot inclu	ded)		
		2A	2B	2C	3A	3B	4A	4B	4C	4D	4E	Total
1997		0.41	12.42	9.92	24.63	9.07	2.91	3.32	1.12	1.15	0.25	65.20
1998		0.46	13.17	10.20	25.70	11.16	3.42	2.90	1.26	1.31	0.19	69.76
1999		0.45	12.70	10.14	25.32	13.84	4.37	3.57	1.76	1.89	0.26	74.31
2000		0.48	10.81	8.44	19.27	15.41	5.16	4.69	1.74	1.93	0.35	68.29
2001		0.68	10.29	8.40	21.54	16.34	5.01	4.47	1.65	1.84	0.48	70.70
2002		0.85	12.07	8.60	23.13	17.31	5.09	4.08	1.21	1.75	0.56	74.66
2003		0.82	11.75	8.45	22.68	17.41	4.97	3.87	0.93	1.91	0.41	73.19

The scientists have a new report showing that they believe there are a tremendous amount of male halibut on the grounds 12 to 14 years of age that are not recruiting to the fishery. As you have heard for five years, the weight at age is about half of what it was in the early 80's. The

belief is that this is density-dependent, meaning there are a lot of fish for the feed. Of course halibut must compete with arrowtooth flounders, which have very healthy populations at this time. The Commission believes a significant portion of the otherwise potential harvestable halibut just have not grown up yet. Rather like humans who have a 40-year old child still living at home.

<u>Birds.</u> The bird bycatch has been dropping in recent years; however, there was an increase this year. However, we are doing good on Short-Tailed Albatross. Wish my IRA looked this good!



North Pacific Council

I want to thank John Crowley and Jack Knutsen for attending the Council meeting and losing a weekend to represent the Association and giving testimony.

IFQ Amendments. The Council prioritized changes to the Halibut/Sablefish IFQ program into two categories. The Council will look at a group of four administrative changes that include: (1) emergency medical transfer for second generation QS holders; (2) tighten up the 20% ownership restrictions by disallowing ownership changes in a boat to once a year or up to once in 24 months; (3) address a product recovery rate issued for those bleeding their sablefish; and (4) require a VMS for those boats fishing sablefish quota in the Aleutians and Bering Sea..

Additionally, the Council will address four allocation issues including the following: (1) liberalize ownership in the block program; (2) look at allowing D class to become C class; (3) allow a fish down of B class to C class in SE Alaska; and (4) a very late proposal to allow 4C QS holders to fish in area 4D.

The Council will also draft a working paper on the arguments, Pro and Con, on reintroducing pots in the Gulf of Alaska. This has a lower priority than the eight (8) issues mentioned above, but I expect it to slowly move forward. With regard to tightening up the owner on board, NMFS is investigating two boat owners who were changing ownership so fast they ended up with 120% owners. OOPS! There was a proposal to let B and C shares become one group, but this option was pulled. The Council did add an option to the 4C/4D issue to allow 4D QS to be harvested in 4C.

Observers. The Council has been working on changes to the observer program for six (6) years. Below are options that would significantly affect your cost for observers. Almost all options contemplate up to a 1% landing fee being paid by the fishermen and a matching amount paid by the processor/buyer. There could be observers on halibut trips and under 60' vessels. The following are options that will likely be acted on by the Council in June 2004 and implemented in January 2006 (my guess). The new program would work like the Pacific Council's observer program where vessels are selected during the off season. Some years you may not have an observer and other years you may have one for numerous trips.

- Alternative 1. No action alternative. Under this alternative, the current interim "pay-as-you-go" program would continue to be the only system under which groundfish observers would be provided in the groundfish fisheries of the BSAI and GOA.
- Alternative 2. GOA groundfish vessels only. (Groundfish does not include halibut). Under this alternative, a new fee-based program would apply only to GOA groundfish vessels, including GOA groundfish vessels under 60% length overall. The current 0%, 30% and 100% coverage categories would be terminated and NMFS would determine when and where to deploy observers based on data collection and monitoring needs. The fee would be based on a percentage of the ex-vessel value of each vessel's GOA groundfish landings and would be collected through annual billing by NMFS.
- Alternative 3. GOA groundfish and halibut vessels only. This alternative is the same as Alternative 2 except that halibut vessels from all areas off Alaska would be included in the program. Fees would be collected from halibut landings as well as groundfish landings, and NMFS would have the authority to place observers on halibut vessels as well as groundfish vessels.
- Alternative 4. GOA groundfish and halibut vessels and GOA-based groundfish processors.

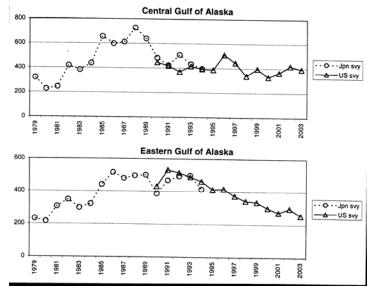
 This alternative is the same as Alternative 3 except that GOA groundfish processors would be included in the program. However, in contrast to Alternatives 2 and 3, fees would be collected by processors and fee proceeds would be submitted to NMFS on a quarterly basis.
- Alternative 5. GOA groundfish vessels, halibut vessels, GOA-based groundfish processors, and BSAI groundfish vessels with less than 100% coverage requirements. This alternative is the same as Alternative 4 except that BSAI groundfish (and halibut) vessels that currently have less than 100% coverage requirements would be included. This includes all groundfish trawl and fixed gear vessels under 125' LOA, all pot vessels of any length, and all halibut vessels. BSAI-based groundfish processors that take deliveries from vessels participating in the program would have the option to participate in the program.

<u>Gulf Rationalization.</u> This is moving quicker to a final decision perhaps as soon as June or September 2004. The options contemplate an IFQ format with delivery requirements to your previous buyer. These options would address Pacific Cod, Pollock, Flounders, etc., in the Gulf. We need to stay on the top of this to make sure the proper rockfish and bycatch allotments are made for the sablefish and halibut fisheries.

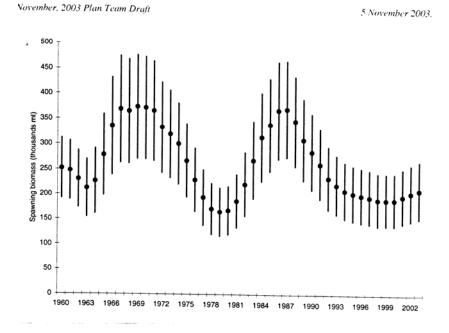
IR/IU (Improved Retention/Improved Utilization). This applies to the Bering Sea principally for setting up group co-ops for fisheries for Pacific Cod, Yellowfin Sole and Rock Sole. There are halibut and crab reductions in bycatch proposed for these fisheries should they get the ability to have an IFQ-formatted co-op. This is a ways out.

	2003	2004	% of Change
Bering	2900	2900	_
Aleutians	3100	3100	_
Western	2570	2927	up14%
Central	6440	7300	up13%
W/Yak	2320	2550	up10%
EY/SE	3560	3770	up 6%

There is expressed concern that the Plan Teams habitat expansion model may be overstating the abundance of sablefish in the Aleutians & Bering Sea.. There are also concerns that there is an imbalance of female sablefish in the EY/SE district that may affect assumed spawning success. These concerns could affect 2005 harvest levels negatively if additional new recruits are not seen in the surveys.



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.



Model estimates of male and female spawning biomass (thousands mt) +/-2 standard errors by year. Standard error estimates based on covariance matrix from age-structured model output.

<u>AIS.</u> The \$10,000 unit planned for vessels over 65 feet for homeland security will not be required for 2004. However, the Coast Guard may require vessels over 30 tons to carry an AIS unit–fishing boats included–sometime in the next four years. We will track this.

<u>Fish Tax.</u> ASMI, the Alaska Seafood Marketing Institute, wants to have all landed fish taxed somewhere between .5 and 1.0 percent for advertisement. The board at ASMI, currently at 25, might be reduced to 15. The majority of the money has gone to salmon advertisement. If the proposal goes through, there will be a demand that other species that pay in get proportional funding. Currently, this is before the Alaska Congress.

Extended Halibut Season. This will not happen this year. There is some opposition from some processors and Canadian fishermen. Additionally, NMFS has some regulations they would have to get rewritten in order to allow for a 12-month season. NMFS has indicated they would like some time to recalibrate the seasons and get cards out. This is a work in progress. They suggest a 10.5 month season.

<u>Tagging.</u> A new tagging study was begun recently as part of a collaborative research effort between commercial sablefish fishermen and scientists at the University of California at Santa Cruz. Pot caught sablefish have been tagged with orange tags in an effort to determine if release mortality is affected by water temperature and depth of capture. Please return all sablefish tags with data on date captured, latitude/longitude, approximate depth and fish length to port samplers, NMFS Seattle Lab or directly to Steve Berkeley, UC Santa Cruz, Long Marine Lab, 100 Shaffer Road, Santa Cruz, CA 95066.

Pacific Council

I want to thank John Crowley for helping at the Pacific Council. He was given a three-year reappointment to the Groundfish Advisory Panel. Congratulations.

The next meeting will be in March 2004 at the Tacoma Sheraton. I do not see any changes in the amount of halibut that can be retained with your sablefish tiers. Remember you must apply for an IPHC permit to retain halibut. It is free, but some of you forgot last year. The tiers will be about as follows for 2004. These are unofficial but very close.

Tier 1 62,000 lbs. Tier 2 28,000 lbs. Tier 3 16,000 lbs.

The Council is going to a multiple-year setting of quotas. This could mean the sablefish harvest level could be static for three consecutive seasons before a new assessment of biomass would change harvest levels. The reason for this is due to an ENVIRO lawsuit. I am sure the enviros did not intend for this result and neither did industry. The fixed gear fleet may have gotten into too much Canary Rock fish and the 100 fathom line could be moved to 125. Decision in March.

<u>VMS.</u> You will need your VMS in order to fish next year and you will need to fish outside of 100 fathoms. There are no sleeping and drifting provisions. Stay outside of 100 fathoms when fishing! The fathom issue could change in March.

The Council will be looking further at trawl IFQs. The trawl buy-out took out 92 trawl permits amounting to 45% + of the harvested traditional rockfish and flounder fisheries. Actually, a very successful result. However, there are permits that were idle and did not sell out. These are potentially going to be activated. This will negate some of the positive gains. Average buy-out was about \$485,000. Ho, ho, ho, Merry Christmas.

Markets

<u>Halibut.</u>	Summary of	f 2003	
	Vessel Landings	Total Catch	% Landed
U.S.	6939	57,412,044	97%
Canada	1072	11,722.468	98%
U.S. CDQ	<u>1856</u>	2,178,755	<u>76%</u>
Total	9867	71,313,269	96%

The Christmas Halibut visited you before December 25th this year with prices regularly over \$3.00/lb. in the Seward area and prices pushing \$3.85 in Bellingham at times. Unfortunately, the NMFS no longer does a cold storage summary. Rumors suggest the cold storage holdings are such that they should not hurt 2004 prices. Let's hope that the Christmas Halibut comes early next year also.

Sablefish.		Summary of	Summary of 2003		
		<u>Vessel Landings</u>	Total Catch	% Landed	
ΑI	Sablefish	153	1,966,385	48	
BS	Sablefish	170	1,207,792	47	
CG	Sablefish	646	11,251,502	99	
SE	Sablefish	684	7,763,699	99	
WG	Sablefish	208	4,233,462	93	
WY	Sablefish	<u>216</u>	4,416,060	99	
Total		$\frac{1}{2,077}$	30,838,900	88	

Quota levels will be up on the lower west coast by 18%, approximately 10% in the Gulf of Alaska, and _____ on Canadian harvest limits for 2004. The economy in Japan is beginning to turn for the better. Their stock market is up 50% this year. For U.S. exporters, the yen vs. the dollar has dropped by 15%, from 125 to 109. This is good for those who send fish to Japan. Expect similar prices as last year even with harvest increases. If harvest levels are attained in 2004, there could be a late fall weakness in the market.

NMFS some market exports through October 2003. For more information, check out www.fvoa.org.

China	43,709 lbs.	\$36,048
Denmark	7,000 lbs.	\$15,990
Hong Kong	629,000 lbs.	\$1,823,495
Japan	20,268,600 lbs.	\$56,169,529
Singapore	163,064 lbs.	\$408,350
Spain	1,260,600 lbs.	\$1,761,867
United Kingdom	127,098 lbs.	\$239,350

Total of all countries to date 23,498,400 lbs. \$62,780,400

<u>Pacific Cod.</u> Markets have greatly benefitted by a weakening dollar against the yen and the euro. Collar-on market to Europe is up from 95¢/lb. To 1.20/lb. Large J-cut to Japan is about 1.35/lb and small J-cut up from 70¢ to 1.00 with some reprocessing in China. Adding to the strength of the market is a call for reduction in cod harvest in the Northern Sea. ICES scientist are calling for a complete ban on fishing. North Pacific cod harvesters however may find late 05 and 06 markets filled in Europe with farmed Atlantic Cod.

Shetland's first home-grown cod juveniles from a commercial hatchery have been released into cases in Vidlin Voe. Locally-based marine hatchery Nufish delivered about 40,000 codlings to Johnson Seafarms, with a further 30,000 due to follow in the next couple of weeks plus 150,000 from Machrihanish Marine Farms later this year. Nufish aims to produce up to 90,000 cod juveniles this year and will start looking into other species, such as haddock and hake once the main obstacles in producing large amounts of cod juveniles have been overcome.

Second Watch

Mercury. The enviros see mercury in fish as a means to an end. There has been more good

news than bad, however, in the last three months. Stanford University, "mercury builds up in flesh may be less dangerous than feared..." "The structure of mercury molecules may make them less toxic to people." Reuters.

The Alaska Department of Environmental Conservation did a study on halibut and sablefish, which looked good, but it had a small sampled size. The result was as follows:

	Sample	Min	Max	Mean
Halibut	60	0.04	.883	.217
Sablefish	40	.013	.213	.080

The federal EPA wants a level of .200 for health caution, which would be disastrous for many harvesters. FDA currently has a 1.00 level for human safety. Both agencies have been told to work together and come up with a recommendation. I expect it to be lowered from the current 1.00 level. Halibut averaged .254 in the 1970 report.

Farmed Fish. Good news! Marine Harvest Scotland announced they are to stop production of halibut. In 2007, once existing stock is grown, they will close three farms. They would need subsidies to compete with Norway. They spent 15 years trying, but technical problems resulted in production limited to 230 tons in 2003.

<u>Cod Fish.</u> Cod fish farms are the big excitement in Europe. Please refer to market information on expansion of Atlantic Cod farms. There is a sablefish farm under development in Canada. The Makah Indian National has requested \$10 million from Congressman Norm Dicks to start a fish farm in the Neah Bay area. They also want \$500,000 in operational funds in addition to the start-up funds. FVOA sent a letter in opposition.

Long-time member, **Norris Lee**, passed away at 95 years of age. He was owner of the F/V Evening Star, currently owned and operated by Arne Lee. Norris was a member for over 50 years. He immigrated to the U.S. at the age of 21 from Norway. He was an experienced herring and anchovies seiner during the 30's and 40's. He built a boat in 1937, the Western Traveler, that Uncle Sam took for the war effort in 1941. He built the Evening Star in 1945. Norris attended FVOA meetings well into his 90's. He always had a smile. He will be missed.

Calendar of Events

Jan. 20-23, 2004	IPHC Annual Meeting	Centennial Hall Convention Ctr. Juneau, AK
Week of Feb. 2, 2004	NPFMC Meeting	Anchorage, AK
March 7-12, 2004	PFMC Meeting	Tacoma Sherton Tacoma, WA
Week of March 29, 2004	NPFMC Meeting	Anchorage, AK
April 5-9, 2004	PFMC Meeting	Red Lion Hotel Sacramento, CA