

# The Wheel Watch

*a newsletter of the*

Fishing Vessel Owners= Association

Room 232, West Wall Bldg., 4005 - 20<sup>th</sup> Ave. West

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  
Manager

Carol M. Batteen  
Executive Assistant

Vol. XXII, No. 2

March 2008

## Sustaining Sponsors

Alaska Fresh Seafoods	Ballard Oil	Bank of America
Bellingham Cold Storage Co.	CityIce Cold Storage	Covich & Williams, Inc.
Cummins Northwest	Dana F. Besecker Co., Inc.	Danielson, Harrigan, Leyh & Tollefson
Dock Street Brokers	Northwest Farm Credit Services	Fishermen=s News
The Fish Factory	Fishing Vessel Owners /Marine Ways	Haven Boatworks, LLC
High Tide Seafoods, Inc.	Philip D. Hingston, Inc, P.C.	Icelander, Inc
Law Office of Paul L. Anderson, P.L.L.C.	Marine Resources Consultants	Marine Service & Supply
Marsh	Nautilus Seafoods, Inc.	Northern Lights Seafoods
Northport Fisheries, Inc.	Northwest Electric Corp	Ocean Beauty, In
Offshore Systems, Inc.	Pacific Fishermen, Inc.	The Permit Master
Resurrection Bay Seafoods LLC	Rickey & Associates	Satellite Technical Services
Seafood Producers Co-op	Seafreeze Cold Storage	Seafresh Marketing LLC
Seattle Marine & Fishing Supply	Sitka Sound Seafood& Alaska Pacific Seafoods	Trident Seafoods
Unisea, Inc.	Viking Community Bank	Westward Seafoods, Inc.

***Thank you for your support!***

Dear Longliner:

This newsletter will bring you up-to-date on what's new from the Halibut Commission, North Pacific and Pacific Fishery Management Councils, Washington, D.C. news, an outlook for markets, and Eat on the Wild Side!

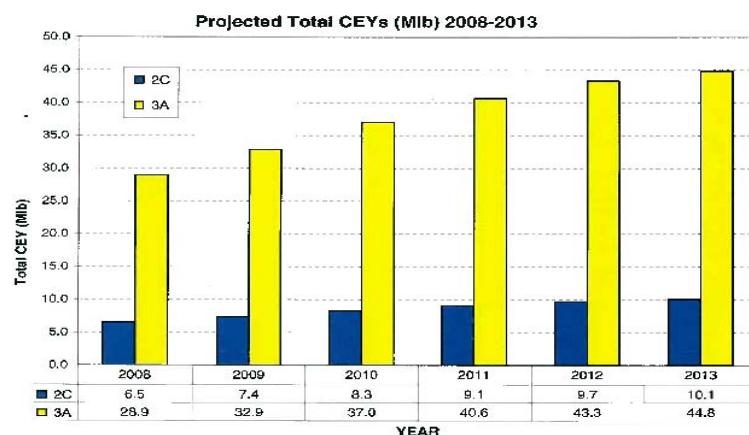
## \*\*IPHC \*\*

The Halibut Commission approved an overall harvest level of 60,400,000 lbs., a 7.3% decrease from the 2007 Catch Limit of 65,170,000 lbs. The Commission also implemented a coastwide estimation of biomass, compared with previous assessments which assessed stock biomass for each individual IPHC regulatory area. The new approach is similar to how Pacific Cod and Sablefish are apportioned in the Gulf of Alaska.

The Commission has gone to a 20% harvest rule in Areas 2A through 4A. Last year it was at .225%. Area 4A is a concern to IPHC and the harvest rate there maybe lowered to .15 next year. Areas 4B and 4CDE are all based on a 15% harvest rate. The overall decline in quotas is reflective of the 1987 and 1988 year classes passing out of the fishery. Recruitment from 1994 and 1995 are above average and the 1999 and 2000 are also above average but several years away from having a major input. Also the fish are smaller at age so fish are entering the fishery at an older age.

The season's opening date ended up being March 8<sup>th</sup>. Most of the U.S. harvesters wanted March 1<sup>st</sup>; the processors asked for March 15<sup>th</sup> and the Canadians wanted April but settled for March 15. The Commission, I think, divided by 2 and hence the season starts March 8. The closing date will be November 15.

The Commission adopted its staff recommendations for all areas except 2B and 2A. The Canadians got one million pounds more than was recommended, though they did take a 2 million pound cut. Most notably, Area 2C took a 24 percent cut. Area 2C is down over 40% since 2006. On a positive side, we asked the Commission, based on the 1999 and 2000 year classes, how Areas 2C and 3A would fare if the IPHC calculations are accurate about the size of these two year classes. The claim is that they are the largest year classes ever recorded. The Commission supplied the following chart of predictions.



For those of you who fish the tiered sablefish permit off Washington, you will have the same halibut allotment as in 2007. You cannot retain halibut until May 1<sup>st</sup>. The first four derby openings off Oregon will be June 11, June 25, July 9, and July 23. They open at 8 a.m. and close at 6:00 p.m. local time.

## \*\*NPFMC\*\*

**Charter Issues.** The Council will meet in Anchorage beginning March 31 through the first week in April. The Council will consider additional options for a hard cap for the Charter operations for Areas 2C and 3A. Some sectors of the charter fleet have testified that they would like an allocation that does not go up and down with the quota. One group asked for 1.9 million pounds in 2C and 4.15 million pounds in 3A. Currently, the GHL in 2C is 931,000 lbs., and 3.65 million in area 3A. The Council may or may not add new options for analysis. The Council is scheduled to take final action on all the options in October of 2008.

The Council will take up halibut charter issues on Saturday and Sunday, April 5-6. The Advisory Panel will take it up on Tuesday, April 1, 2008. As of the writing of this newsletter, NMFS has not made a final decision on what charter boat restrictions they will approve in Area 2C, which may include a one-fish bag limit. Of particular note, Dr. Jim Balsiger, the U.S. government's representative to the Halibut Commission, is now the acting director of the NMFS in D.C. He voted to reduce 2C by over 40% the last two years. The question now is will he or will he not impose similar restrictions on the Charter fleet in 2C?

**Pacific Cod.** The Council has been working on a new management plan called the Aleutian Groundfish Plan. There is new information indicating genetic arguments for splitting the Bering Sea from the Aleutians as a management unit. "The Aleutian archipelago particularly, deep water passes, may present barriers to adult movement, restricting gene flow. Some conclusions include (a) significant between Kodiak Island and Aleutian Island, and (b) significant between Unimak Pass and central Aleutian Islands."...Council documents. This could result in a reallocation effort of those who thought they were allocated cod under Amendment 80. Now you have it, now you don't!

**Enforcement.** F/V Trident, according to NOAA Office of General Counsel, alleges that the operators of the F/V Trident falsely reported areas fished on five landings in 2006 and 2007. More than 185,000 lbs of sablefish and 7000 lbs. of halibut were allegedly falsely reported as taken in the Bering Sea and Aleutians when in fact, the fish were taken in the Central Gulf of Alaska. This may be the first VMS bust.

**Birds.** It is estimated the longline fishermen hauled 265,431,600 hooks in 2006 resulting in .017 birds per 1000 hooks. The Pacific Cod fleet accounted for 79.4% of the overall seabird bycatch and 15.72% of estimated albatross taken. The IFQ sablefish fishery only accounted for 14.2% of the overall bird bycatch, but accounted for 70.5% of the total albatross bycatch. The overall catch of seabird dropped from 7,633 to 4,531, a 29% reduction. Prior to paired tori lines, the seabird catch was 16,507 annually. Overall, good work!

Ten downy short-tailed albatross chicks have been translocated from Torishima Island, the main nesting area, to Mokojima. The chicks are being hand fed in the hopes of starting a new colony of short-tailed albatross. The main island for nesting is an active volcano. The new island is not.

**Walrus.** The Center for Biological Diversity has petitioned for walrus to be listed as a threatened or endangered species. Climate change and sea ice disappearing in the future are cited reasons along with sea ice thickness and length of sea ice season.

**Gulf Rationale.** The Council is preparing to take action on sector splits for Pacific Cod and trawl recency. Fixed-gear recency will also be addressed by the Council later this year. We suspect that after the sector splits, some form of permanent IFQ program may be debated.

**Sablefish.** Chatham Strait harvest limits will be set later this year. However, the Department of Licenses of ADF&G has announced that the number of licenses for 2008 will likely be 97, which is a 6 license reduction from 2007. The goal is to reduce the number of permits to 73, which could happen within the next four years.

**More on Sablefish.** Our office found an error in the published IFQ poundage for which 2008 West Yakutat and S.E. Alaska poundage were determined. It has been confirmed by NMFS that West Yakutat was shorted 170 Mt or about 10% of your quota for 2008 and S.E. got about 5% more than they were supposed to get. RAM division of NMFS has been very helpful on this issue and at the time of printing this newsletter is working on a solution. NMFS in Juneau has asked Washington, D.C., to re-issue WY and add the 170 Mt back. NMFS will likely mail new poundage forms to you in two weeks. Juneau must get D.C.'s approval on this. This should increase your WY fish by 10 percent.

## \*\*Pacific Council\*\*

**2008 Tier Limits.** The harvest limits for your tiers for the 2008 season are as follows:

Tier 1 – 48,500 rd. lbs	Tier 2 – 22,000 rd. lbs.	Tier 3 – 12,500 rd. lbs.
-------------------------	--------------------------	--------------------------

**Halibut Allocation.** The sablefish tiered limit permits received a 70,000 lb. allocation of halibut in 2008. The Halibut Commission approved a harvest limit in 2A that restored this allocation provided you fish north of Point Chehalis. The Council will finalize this bycatch at their April meeting, and you will be able to retain the bycatch in May.

**Log Books.** The Washington Department of Fish and Wildlife has been coordinating a voluntary log book program for the fixed-gear fleet. They will be sending you a letter asking you to please participate during the 2008 season. I request that you participate. The log book program for sablefish in Alaska and the Halibut Commission has greatly assisted in verifying different assumptions used in the stock assessment work. Hopefully, the Council will institute a coastwide fixed-gear log book program in the near future, but until then, it is to your best interest to participate in the voluntary program being managed by the WDFW.

## \*\*Washington, D.C.\*\*

**Senate bill 1892, Sec. 505.** An amendment to this bill is being presented by Steven Johnson, a local maritime attorney. Lawyers who represent injured crew have been attempting to NOT only attach the vessel but the limit access privileges being fished by vessels. These lawyers claim the limit access privileges are an attachment to the vessel. This proposed bill would prohibit maritime liens from being attached to limited access permits. This would benefit permit holders and lenders.

**NMFS** has proposed the requirement that a vessel provide a pilot ladder if a fishing vessel has freeboard of more than four (4) feet. This action has been stalled due to negative comments on the proposal. Apparently some observers or enforcement officers got wet while boarding both in Alaska and the New England area.

**Coast Guard Bill ABS.** The bill is currently before the House Subcommittee for the Coast Guard. This bill originally would require compliance to America Board of Shipbuilding standards. Senator Murkowski's office has been helpful in putting together an exemption. It is unknown if the exemption will be accepted in the House for commercial fishing operations.

## \*\*Markets\*\*

**Halibut.** Well, can it be as good as last year? We are forecasting the fresh fish market will be as good as last year. The reduction in harvest levels came principally out of Areas 2B and 2C, two areas that sell primarily into the fresh market. This will put some upward pressure on prices. I suspect those fish that may be destined for freezer products, will be priced with caution. The unemployment rate is still at or below 5 percent. This is good news. Halibut has a very high image in the restaurant trade and is a must for most seafood restaurants.

**Sablefish.** The Yen vs. the dollar is now at 103, which reflects a drop from last year, when the yen was at about 118. This means the Japanese have about 12 percent more purchasing power. This is a positive for exports of sablefish. The volume of sablefish is down overall for 2008. The coastal harvest level in Alaska for 2008 is 18,030 Mt., down 10%. In 2007, Chatham Strait was 1,450,000 round pounds, which was down 28%. The harvest limit will be set for 2008 later this year. British Columbia sablefish opens August 1<sup>st</sup> and is expected to have a 10% reduction from 3,300 Mt to 3,000 Mt. The lower U.S. coast will be 5,933 Mt, which is similar to last year. The lower overall production will have an upward pressure on price.

**Pacific Cod.** Well, Pacific cod prices are hot, hot, hot! Prices to vessels have been \$.62 to \$.65/pound. There have been some prices in Homer at 70 cents. H and G longline values have been pushing the \$1.20 plus levels. Retail prices in the Seattle area have been in the \$9.00 area for fillets. These price levels have also resulted in a high demand for LLP licenses with recent history of deliveries.

## \*\*Eat on the Wild Side”

**Organic or Not.** When U.S.D.A. allows the organic label to be put on a product, up to 5% of the food could be non-organic. You see its all in how the feds define organic. For instance, the Seattle Times reported that Anheuser-Busch got the label “even though Wild Hop Lager uses hops grown with chemical fertilizer and sprayed with pesticides.” Food and Drug is considering a proposal to allow 38 non-organic ingredients to be used in organic foods. Organic sales reached \$16.9 billion last year. Other items being scrutinized are casings for sausages and fish oil. Hmm?

**The California Supreme Court** breathed new life into a consumer campaign to get grocery stores to label farmed salmon that are artificially colored. The justices decided unanimously to overturn two lower court rulings tossing out the legal challenge. The lower courts had sided with grocers, who said such labeling disputes should be resolved by the

U.S. Food and Drug Administration and not through lawsuits.

But the Supreme Court ordered the deceptive marketing lawsuit reinstated, ruling that private citizens can file such challenges because of an identical state law requiring labeling.

Aker Seafoods has bought 30 percent of wild Coho rancher, MARE AS. ...IntraFish

Norway is working on reducing production costs of farmed cod. The average production cost in 2007 for Norway farmed cod was \$3.78/kilo, this is down from \$5.40/kilo. Cod smolt cost \$2.17 per piece, far higher than salmon. “Being in the cod farming business is very risky right now. You have disease issues. You have limited capital for expanding or growing. And the industry suffers from a lack of enthusiasm from an investment standpoint.”...IntraFish

Major Retail Store. One of our members, while shopping at major retail outlet, claims they bought frozen halibut packaged in China, for \$5.00/lb., and it turned out to be Pacific cod. If you see anything like this, please buy some and check it out. The FDA seafood hotline is 1-888-SAFEFOOD. It is available 24/7 to report fraud, mislabeling, etc., We reported on the issue above, but there was no confirmation.

### \*\*Second Watch\*\*

Please welcome as a new Associate Members, Ben Clampitt, of Edmonds, Washington; Bill Shipp, F/V Norcoaster, Seattle, WA; and Jeff Steele, F/V Bering Hunter/Obsession, Kodiak AK. Thank you for your support!

**RICKY AND ASSOCIATES**

JUNEAU ALASKA

P.O. BOX 20330 • JUNEAU, ALASKA 99802

Phone: (907) 586-2442      Fax: (907) 364-2282

**FISHERY CONSULTING**

We assist fishermen and fish processors in satisfying the State and Federal government requirements for fishing operations in Alaska.

**WE CAN EXPEDITE:**

- Entry permits and vessel licenses
- All federal permits and licenses
- Permit transfers
- QS/IFQ transfers
- USCG vessel registration

**PROCESSOR LICENSING:** Edie Bundy for assistance, State of Alaska Departments of: Commerce, Revenue, D.E.C., Fish & Game  
Phone 541-772-3286 • Fax 541-773-4590

**PERMIT, IFQ, AND LLP BROKERAGE:** Buyers and Sellers please call for Permit, IFQ, and LLP listings.

*Visa and MasterCard Accepted*

**Financing  
Commercial Fishermen**



- Quota & Permits      - Gear & Equipment  
- Operating Expenses      - Residential Loans  
- Vessel Construction      - Marketing  
- Vessel Modification      - Processing  
- Vessel Purchase      - Business Consulting

**Northwest**  
FARM CREDIT SERVICES

Fisheries Team – 800.372.0112  
[fisheries@farm-credit.com](mailto:fisheries@farm-credit.com)

[fisheries@farm-credit.com](mailto:fisheries@farm-credit.com)

**\*\*Calendar of Events\*\***

<b>Week of March 9, 2008</b>	PFMC Meeting	Sacramento, CA
<b>Week of March 31, 2008</b>	NPFMC Meeting	Anchorage, AK
<b>Week of April 6, 2008</b>	PFMC Meeting	Seattle, WA
<b>Week of June 2, 2008</b>	NPFMC Meeting	Kodiak AK
<b>Week of June 8, 2008</b>	PFMC Meeting	Foster City, CA
<b>Week of Sept. 7, 2008</b>	PFMC Meeting	Boise, ID
<b>Week of Sept. 29, 2008</b>	NPFMC Meeting	Anchorage, AK
<b>Week of Nov. 2, 2008</b>	PFMC Meeting	San Diego, CA 92108
<b>Week of Dec. 8, 2008</b>	NPFMC Meeting	Anchorage, AK

**Fishing Vessel Owners' Association  
4005 – 20<sup>th</sup> Ave. West, Room 232  
Seattle, WA 98199**

*Have a safe & prosperous  
season!*