



# P.S.V.O.A.

## NEWSLETTER



SEPTEMBER 2004

### CALIFORNIA FINALLY APPROVES SQUID FISHERY PLAN

After years of delay and industry acrimony the California Fish & Game Commission has adopted a comprehensive squid management plan, including a limited entry program. Commission adoption of this plan at the August 27<sup>th</sup> meeting in Morro Bay also culminates eight years of PSVOA involvement to protect and promote membership interest in the fishery.

Starting in 1997, PSVOA played a major role in passage of legislation establishing a three-year moratorium on new vessels entering the fishery. The legislation also established a \$2,500 permit fee to fund a study of the fishery and a stakeholder committee to advise the Department of Fish & Game on recommendations for squid management and conservation.

In 2001, new legislation was approved providing for management of the fishery by the Commission in accordance with the Marine Life Management Act. The legislation also lowered the permit fee to \$400 and more importantly at the sole urging of PSVOA provided that any limited entry plan should not be for the purpose of advancing (or disadvantaging) the economic interests of any particular group. This policy statement recognized and reinforced the economic interests of permit holders currently active in the fishery; and ultimately formed the basis for reaching industry consensus. Major components of the squid management plan are:

#### Seasonal Catch Limitation

The fishery will have an annual statewide limit of 118,000 tons. *[There is general recognition that we still have very little understanding about squid*

*populations. The limit simply reflects a survey of historical catches. The Commission will revisit this issue in 2006.]*

#### Market Squid Vessel Permits

On or after April 1, 2005 a market squid vessel permit will only be issued to the owner of a vessel with a current permit who has made at least 50 squid landings from January 1, 2000 to March 31, 2003. *[This criteria reduces the number of vessels/permits in the fishery from 166 to 68, and qualifies 21 of the 24 PSVOA members who currently hold a permit.]*

#### Transfer of Permits

Permits issued under the above criteria are transferable. *[This was a primary PSVOA objective and will allow for new investment and entrants into the fishery.]*

#### Transfer of Permit to Replacement Vessel

Transfers would be limited to vessels only of comparable size defined as the GRT plus 10%. If the new vessel exceeds 110%, permits could only be transferred to the larger vessel on a 2 for 1 basis (an additional permit must be relinquished).

#### Light Boat Permits

On or after April 1, 2005 a light boat permit will only be issued to the owner of a vessel with a current light boat permit who submitted to the department at least one logbook form prior to December 31, 2000. These permits are also transferable. *[This criteria establishes 45 permits in the fishery.]*

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### Market Squid Brail Permits

On or after April 1, 2005 a brail permit will only be issued to the owner of a vessel with a current market squid vessel permit who has made a minimum of 10 brail landings from January 1, 2000 to March 31, 2003. The permit is also transferable. *[This criteria establishes 39 permits.]*

### Non-Transferable Permits

In October the Commission will consider issuing a small number of market squid vessel and brail permits to vessel owners who do not meet the above criteria. *[To qualify the department is recommending that the vessel owner have a current market squid permit, be a 20-year California commercial fisherman and made a yet to be determined number of landings in a single year between January 1, 1990 to March 31, 2003.]*

### Permit, Transfer and Upgrade Fees

The department will charge the following annual fees for each permit:

Market Squid Vessel Permit	\$2,000
Light Boat Permit	\$600
Market Squid Brail Permit	\$2,000
Permit Transfer	\$500
Vessel Upgrade	\$1,500

### Miscellaneous

The management plan continues weekend fishing closures, logbook requirements, and light boat wattage restrictions.

## **ALASKA SALMON CATCHES FALL SHORT OF PROJECTIONS**

Statewide catches now stand at a little more than 167 million while preseason estimates pegged the catch at 195 million.

The pink harvest in Southeast is almost 45 million, but short of the 50 million forecast and below the most recent 10 year average of 49 million. The reduced catch, however, is more likely related to reduced effort rather than abundance, as escapement to most streams are fair to excellent. Lower hatchery chum production was somewhat offset by improved natural production.

Prince William Sound had a pink harvest of 23 million, which was far short of the 38 million forecast while chum catches were less than half of pre-

season projections. In fact, PWSAC did not even achieve cost recovery numbers at certain enhanced chum and sockeye facilities.

Kodiak pink and sockeye catches exceeded preseason forecasts with very strong pink salmon returns to the Karluk River and other westside systems. Fishermen also enjoyed good sockeye catches at Alitak.

The Chignik sockeye catch did not reach 700,000, which was less than half of preseason projections. Participation in the cooperative fishery stood at 87%. Permit holders are still waiting for the Alaska Supreme Court to rule on the constitutionality of the cooperative and how Trident Seafoods purchase of Norquest will affect future operations.

Bristol Bay sockeye catches exceeded 25 million and while a healthy harvest, it did not reach the 35 million forecast. Processor capacity remains an ongoing concern evidenced by the apparent demise of Woodbine Alaska Fish Company.

## **COMMERCIAL SALMON CATCHES**

*(in millions of fish)*

<u>Area</u>	<u>Pink</u>	<u>Chum</u>	<u>Sockeye</u>	<u>Coho</u>	<u>Chinook</u>
Southeast	44.8	10.6	1.8	2.2	.4
PWS	23.3	2.1	1.9	.4	.04
Kodiak	21.2	1.1	4.2	.4	.03
Chignik	—	—	.7	.3	.02
Peninsula	6.7	—	4.6	.3	.01
Cook Inlet	2.8	.3	5.0	.3	.03
Bristol Bay	—	.6	25.5	.7	.02

## **SOUTHEAST FLEET STABILIZATION**

Southeast Alaska Seiners (SEAS) and PSVOA continue to devote major time and resources to establish and implement a consolidation/buyback plan for the Southeast salmon seine fleet. Funding remains the major obstacle with efforts again concentrated on securing a combination federal grant and low-interest loan. Like last year, we are working against ballooning federal deficits and competition from other fish related issues. This changing environment forces an ongoing evaluation of how the plan will be structured to meet stated objectives. We expect to provide a definitive report at the annual membership meeting.

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## ALASKA LEGISLATION

Recommendations from the two year Salmon Industry Task Force resulted in passage of a variety of laws designed to aid an ailing salmon industry. Few will have an immediate substantive impact but the following are notable:

ASMI Restructure: The Alaska Seafood Marketing Board is reduced from 25 to seven members with a processor majority. In return processors will increase their all-seafood products assessment from 0.3% to 0.5% while the 1.0% tax now paid by salmon fishermen is abolished. Processors must first vote to increase their assessment by October 1<sup>st</sup>. If not, ASMI reverts to the larger Board and salmon fishermen continue to pay the 1.0% marketing tax. *[We fully expect processors to approve the higher assessment. This change should be welcomed by the vast majority of membership, which has long questioned the value of the ASMI tax.]*

Seine Vessel Length: Eliminates the statutory limit on seine vessel length and allows the Board of Fish to authorize the use of a vessel longer than 58 feet in a salmon seine fishery. *[Even opponents to the change conceded that the Board of Fish and not the Legislature is the proper forum to debate the issue.]*

Loans for IFQs: Creates a state loan program for small Gulf of Alaska village entities to purchase halibut/black cod quota. *[This program creates demand for quota share, but also further illustrates long-term state and federal policy regarding use of Alaska's fisheries resource.]*

## SITKA SOUND HERRING

PSVOA in consultation with a membership committee has filed an agenda change request (ACR) with the Board of Fish to consider restructuring of the Sitka sac roe herring fishery. The basis for this action is two-fold: 1) Last year a large majority of the 50 permit holders asked the Board to establish a management system to equal share the available harvest. The Board rejected the request. 2) The derby style nature of the fishery is growing increasingly aggressive with a resulting increase in hull damage, claims for loss of profits and P&I exposure for the large number of permit holders insured through Seine Vessels' Reserve (SVR).

The ACR and supporting documentation can be found at [www.psvoa.com](http://www.psvoa.com).

## FRASER AND PUGET SOUND SALMON

Once again the Fraser sockeye run did not meet pre-season forecasts. The actual run size was slightly over 4 million. Even more disconcerting, sockeye spawning escapement throughout the vast Fraser system is estimated at only 100,000. The commercial non-tribal catch was a meager 81,000 sockeye with a purse seine catch of 35,000 taken by a fleet of 15 to 20 vessels.

Recent years have produced unexpectedly large Puget Sound chum catches. Pre-season forecasts do not compare with recent year catches, but are similar to pre-season forecasts for those years. The scheduled purse seine start dates and projected catches are:

<u>Area</u>	<u>Date</u>	<u>Catch</u>
South Sound	October 11	234,000
Hood Canal	October 18	204,000
Everett	October 18	80,000
San Juan	October 13	90,000

## SARDINES

This spring WDFW established an interim limited entry system for the coastal sardine fishery. Beginning in 2005 a maximum of 25 permits will be issued to persons now holding an experimental permit and who landed at least 40 tons of sardines in 2003 and 2004. PSVOA is actively working within the Pacific Fishery Management Council process to ensure that Washington and Oregon fishermen have optimal opportunity to harvest a now abundant sardine resource.

## WASHINGTON UNEMPLOYMENT

A 1998 PSVOA newsletter reported that Washington based fishing vessels operating in Alaska without a land-based office in Washington are not subject to Washington State unemployment insurance requirements. We recommended that membership no longer report wages earned in Alaska. Over the years many members heeded this advice. Others continued to pay to accommodate crew concerns or succumbed to the pressure of district employment offices, which contin-

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ued to maintain that vessels based in Washington are subject to the tax.

Last June PSVOA represented a member at an employment administrative appeal involving this same issue. Consistent with prior rulings, the judge found our member did not maintain a land based office in Washington and, therefore, is not responsible for wages earned in Alaskan waters. The employment Security Department did not appeal the ruling.

### ANNUAL MEETING NOTICE

PSVOA will hold its 69<sup>th</sup> annual membership meeting at the Embassy Suites Hotel at Lynnwood on Saturday, November 13<sup>th</sup> starting at 10 a.m. The meeting will be followed by lunch and the SVR annual meeting. Please mark your calendars.

### NEWS BRIEFS

⇒ Nearly 85% of this year's halibut and black cod quotas have been taken. Roughly 9 million pounds of halibut remain out of the 59 million pound quota while 7 million pounds remain of the 38 million pound black cod quota. Halibut prices in Homer are holding steady at \$3 per pound while statewide black cod prices range from \$2 to \$3.50 per pound. Tempering generally good news, Canadian fishermen lost a lawsuit to halt the sale of hatchery raised black cod to B.C. fish farms.

⇒ Fishermen have until September 30<sup>th</sup> to complete applications for USDA trade adjustment assistance (TAA) based on the 2002 salmon sea-

son. This program is ideally suited for the high volume seine fleet. USDA has announced that salmon fishermen will also qualify for benefits based on the 2003 season.

⇒ North Pacific Fishing Management Council will meet in Sitka on October 6<sup>th</sup> and 7<sup>th</sup> to review progress and refine alternatives for "rationalization" of the Gulf of Alaska cod and Pollock fisheries.

⇒ Bristol Bay Reserve will hold a membership meeting on Friday, November 12th starting at 10 a.m. at the Nordby Center, Fishermen's Terminal.

⇒ The 2003 SVR financial statement will be in the mail next week. A preliminary 2004 report will be available at the annual membership meeting. For the second consecutive year SVR is enjoying lower claims and reinsurance costs.



### ASSOCIATE MEMBERS

*\*Also members of the Pacific Salmon Treaty*

Alaska General Seafoods\*  
Ballard Hardware & Supply  
Bank of America  
Cloud Trading  
Covich-Williams Co., Inc.  
Delta Marine  
Hammer & Wilkan, Inc.  
Icicle Seafoods\*  
LFS, Inc.  
Monterey Fish Company  
Norcoast Marine Services  
Norquest Seafoods\*

Northwest Farm Credit  
Ocean Beauty Seafoods\*  
Peter Pan Seafoods, Inc.\*  
Petersburg Shipwright, Inc.  
Phil Hingston, CPA  
Puget Sound Hydraulics  
Radtke Marine, Inc.  
Redden Marine Supply, Inc.  
Seattle Marine Supply  
Stew Ellison, Merrill Lynch  
Trident Seafoods\*

*Purse Seine Vessel Owners' Association  
Fishermen's Center Building  
1900 W Nickerson Street Suite 320  
Seattle, Washington 98119*



***Mark your calendar for the  
Nov 13, 2004 Annual Meeting***

**ADDRESS CORRECTION REQUESTED**