

MEMORANDUM

TO: Council, SSC and AP Members

FROM: Chris Oliver *Chris*
Acting Executive Director

DATE: November 29, 2000

SUBJECT: American Fisheries Act

ESTIMATED TIME
8 HOURS

ACTION REQUIRED

- (a) Review draft co-op performance reports and co-op agreements.
- (b) Report from industry on Pacific cod sideboard issues.

BACKGROUND

Co-op performance reports for 2000 and agreements for 2001

December 1 was the deadline for co-ops to submit their draft, end-of-year performance reports to the Council. We have copied and distributed those reports to you this week. Rather than eight or nine separate presentations from each of the co-ops, we decided that the Council would benefit from a consolidated report from some of the industry representatives, which describes generally what information is in these reports, what information is not in the reports, and what additional work they anticipate between now and February. I have had numerous contacts with various individuals regarding the contents of these reports and the Council's expectations. Based on initial discussions, I wrote a letter on October 12 (Item C-6(a)), which provided my best guidance to the drafters of these reports. I indicated that we did expect separate reports from each of the inshore and mothership co-ops, along with a companion report summarizing any inter-coop agreements. Regarding the specific contents of those reports, I attached the letter I sent last year to the offshore co-ops which summarized the requirements of the AFA, the requests which had previously been made to NMFS, and additional requests of the Council from October 1999. In summary, I said we wanted essentially the same level of information and detail from the inshore/mothership co-ops, recognizing that this is a draft version and that the Council would provide additional feedback at this meeting.

Since that initial letter I received additional inquiries from the drafters on a couple of specific issues. For example, I agreed that the draft reports need not provide vessel-by-vessel catch of all non-pollock species; rather, there would be vessel-by-vessel catch and bycatch data for each of the target fisheries, and co-op level information for the other species. This was simply to cut down on the number of tables in each document that, in our judgement, did not add much relevant information.

On a bigger issue, it was pointed out to me that the inshore/mothership co-ops themselves do not have access to processor level information, such as product forms and product recovery rates (PRRs), nor does it make sense to expect such information from the co-ops. It seems that the Council needs to express their expectations in this regard, and perhaps request that such information be provided directly by the processors, or otherwise coordinated within the co-op reports. This would also be the time for the Council to provide

any other feedback to the co-ops regarding the contents of their final performance reports due by February, as well as the format of those reports (thinking of consistency and comparability).

Regarding co-op agreements for the upcoming season, those are also due at this time (though for offshore co-ops I believe the deadline is still technically '30 days prior to the start of fishing'). In my discussions with industry members, their intent is to simply provide the Council with any changes from the previous agreements, rather than reiterate all of the provisions. That seemed reasonable to me and we should have copies of those available by the time we get to this agenda item. Although major changes are not expected, I know they have been working up to the last minute because of one major, new aspect to those agreements. That will be co-op and inter-co-op provisions relating to chum salmon, chinook salmon, and herring bycatch caps. The co-op representatives made a commitment last September to provide such a plan to the Council to address concerns over salmon bycatch in the trawl fisheries. We have this issue specifically under Staff Tasking, but could hear their report on this issue at this time.

Pacific cod sideboards

Over this past year the Council has heard from a group of three non-AFA, Pacific cod trawl fishermen who feel disadvantaged by additional early season effort in the cod fisheries by AFA vessels. Although overall sideboards are in place, the timing of this additional effort appears to be the problem. The Council has reserved any action to address this issue pending a possible industry solution between the AFA co-ops and those three vessels. In September we scheduled further discussion of this issue for November or December, anticipating that we would have taken final action on the proposed suite of Pacific cod measures related to Steller sea lion protection (which could very well have affected the nature of the industry discussions or resolved the issue).

Given how the SSL issue has evolved, with the comprehensive Biop now determining specific measures for the cod fisheries, I understand negotiations on this issue have been put on hold. Representatives from these groups, or the Council, may now be in a better position to determine the appropriate course of action.

North Pacific Fishery Management Council

David Benton, Chairman
Chris Oliver, Acting Executive Director



605 West 4th Avenue, Suite 306
Anchorage, AK 99501-2252

Telephone: (907) 271-2809

Fax (907) 271-2817

Visit our website: www.fakr.noaa.gov/npfmc

October 12, 2000

Mr. Brent Paine, Executive Director
United Catcher Boats
1711 W. Nickerson , Suite B
Seattle, WA 98119

Dear Brent:

I am writing to you as a central contact point for the co-ops. Having heard that there is some question among the pollock co-ops regarding the Council's expectations for co-op reports, I am writing to clarify what I believe is the appropriate course of action. While there are inter-co-op agreements, and many of the issues of interest could likely be summarized in a single report covering all of the inshore/mothership co-ops, it is also true that each of the co-ops operate independently, and that each of the co-ops have different approaches to managing their catch and bycatch allocations. I believe that to achieve the level of detail expected by the Council each co-op must compile and submit a separate report. In addition, there should be a companion report that summarizes the inter-co-op agreements and how those agreements affect the overall prosecution of the fisheries. This would be similar to the offshore co-op reports we received last year which described both the catcher/processor co-op and the offshore catcher vessel co-op, as well as the linkages.

I have attached the letter I sent last year to the offshore co-op representatives describing the level of detail expected in these reports, and I believe that same guidance still holds true. I recognize that December is only a short time away, and everyone's focus has been on other critical issues. My suggestion would be to get as much done as possible for these preliminary reports in December, with final reports due in late January for review at the February meeting. Recall also that we are expected to submit a rather comprehensive report to Congress on the impacts of the AFA, and we expect to rely on the co-op reports to assist us in providing much of the detailed information relevant to our report to Congress. Having reports on a co-op specific basis will undoubtedly help in that regard.

Based on the draft reports in December, the Council can provide additional clarification and guidance on expectations for the final reports. At that meeting we also are scheduled to review the co-op agreements, as relevant, for the upcoming fishing year. Please contact me if you have additional questions.

Sincerely,

A handwritten signature in cursive script that reads "Chris Oliver".

Chris Oliver
Acting Executive Director

cc: Kent Lind, NMFS AK Region

North Pacific Fishery Management Council

Richard B. Lauber, Chairman
Clarence G. Pautzke, Executive Director

Telephone: (907) 271-2809



605 West 4th Avenue, Suite 306
Anchorage, AK 99501-2252

Fax (907) 271-2817

Visit our website: <http://www.fakr.noaa.gov/npfrmc>

November 1, 1999

Trevor McCabe
At-Sea Processors Assn.
4039 21st Avenue West, Suite 400
Seattle, WA 98199

Dear Trevor:

This is to follow up on and clarify my letter of October 21 regarding Council expectations for reports from the co-ops. The four specific elements passed by the Council in October overlap considerably with the existing provisions of the AFA, and we noted that the Council motion was in addition to any existing requirements of the AFA. There is also overlap with the Council's specific request to NMFS (from the February 1999 meeting) regarding an agency performance report each year. I have summarized these various motions and AFA provisions in the attachment to this letter, including some of the primary comments we made to the Secretary of Commerce regarding the Council's review of the original co-op agreements.

Based on these provisions, and taking into account the discussions by the AP and Council at the October meeting, I believe the list below (in no particular order) summarizes the Council's expectations regarding the reports from the co-ops. This list includes some of the things identified for the NMFS report on co-ops. I believe the Council can review the preliminary co-op reports this December, and at that time provide direction with regard to further expectations from the agency, or from the co-ops.

1. As presented in the original co-op agreements, the report should contain the parties to the contract, the vessels involved and the specific percentages of pollock and other species, including PSC, to be harvested by each party. In the case of bycatch in pollock, and directed fishing for sideboard species, I realize this may not be specifically allocated by vessel but managed as a pool. The report should specify how the co-op approached the season with regard to these species, and how it was allocated among parties, if at all.
2. The Council would expect to see the actual catch and bycatch in the directed pollock fisheries on a vessel-by-vessel basis, and in total, at year's end to see how that compares to the original co-op plan. For sideboard species, a vessel-by-vessel accounting is also expected, as well as the total. While sideboards may have been managed in aggregate by the co-op going into the fishing year, we assume you have to have vessel-by-vessel information in order to maintain the overall catch within the sideboard limit.
3. A descriptive discussion of the internal workings of the co-ops in terms of how catch of all species is allocated, how it is managed by the co-ops to stay within limits, and how transfers within the co-ops occur in-season. This would include methods to monitor catch and actions taken by co-ops to enforce vessel or aggregate limits.
4. At least a qualitative description (quantitative to the extent possible) of the co-ops' effectiveness at reducing bycatch of non-target species, including PSC. This should include a discussion of how transferability within the co-ops affects these bycatch issues, and how transferability in general affects the co-ops' ability to stay within individual and overall catch limits.

5. A description of utilization and recovery rates, by species and product categories, relative to those experienced prior to co-ops.

I realize that some of this information is only officially verifiable through State of Alaska fish tickets, or through NMFS data sets. However, I assume that the individual vessels, and the co-op as a whole, must have this type of information for all co-op members in order to stay within the pollock allocations and the aggregate sideboard limits. Having this information will allow the Council to more fully understand the workings of the co-ops, including the effects of transfers of catch among co-op participants. As I noted in my previous letter, a final report is not due until February, but any information you can provide in the preliminary report in December will be much appreciated by the Council. This will also enable the Council to determine what additional information should appropriately be provided by NMFS. Please contact me if you have any questions.

Sincerely,



Chris Oliver
Deputy Director

cc: Sue Salveson, NMFS
Joe Sullivan

COOP DATA REQUIREMENTS

AFA Section 210(a)(1):

(A) make available to the public such information about the contract, contract modifications, or fishery cooperative the Council and Secretary deem appropriate, which at a minimum shall include a list of parties to the contract, a list of the vessels involved, and the amount of pollock and other fish to be harvested by each party to the contract; and,

(B) make available to the public in such manner as the Council and Secretary deem appropriate information about the harvest by vessels under a fishery cooperative of all species (including bycatch) in the directed pollock fishery on a vessel-by-vessel basis.

December 29, 1998 letter from Council to Secretary Daley:

1. Vessel by vessel data are missing from contract
2. Contract language is vague regarding sideboard species and PSC, and would not allow the Council to publish harvest levels of non-pollock groundfish or PSC on a member by member or vessel by vessel basis.
3. Does not specify how transfers within co-ops may affect harvest on vessel-by-vessel basis.

February 1999

Request NMFS prepare COOP performance report:

1. Effectiveness of pollock coops in reducing bycatch (all species).
2. Effectiveness of management measures to protect other fisheries from adverse impacts caused by the AFA or pollock coops.
3. Discussion of how transfers within co-ops may affect issues 1 and 2 above.
4. Utilization and recovery rates by species and product categories.
5. Method of monitoring and enforcement.
6. Report should include the most specific catch and bycatch information available on an individual vessel level to help the coop and the Council realize the public disclosure requirements for such information envisioned in section 210(a)(1)(A).

October 1999 Summary in Newsletter

1. Allowed catch and bycatch in pollock and all sideboards by whatever method is used to determine those allocations.
2. Actual catch and bycatch in pollock by vessel and sideboarded fisheries by whatever method is used to determine those sideboards.
3. Method used to monitor fisheries in which cooperative vessels participated.
4. Actions taken by cooperatives to enforce vessel or aggregate catches that exceed allowed catch and bycatch in pollock and all sideboarded fisheries.

C-6 AMERICAN FISHERIES ACT

SUBMISSION OF:

OMAR ALLINSON (F/V MISS LEONA),
STEVE AARVIK (F/V WINDJAMMER), AND
CHARLES BURRECE (F/V LONE STAR)

There has been no agreement between ourselves and the AFA industry members, as to ways to resolve the adverse impacts of the AFA. As we testified at the last Council meeting in Sitka, even if agreement could be reached (which is doubtful at this stage) that agreement would only govern AFA vessels which are in coops, and not other AFA vessels.

Because no agreement has been reached, and because we believe that even if agreement could be reached it would not ensure that the adverse effects of the AFA would be eliminated, we request that the Council take the management measures set forth below.

If proposed legislation discussed by Senator Stevens before this Council on Saturday becomes law, the fishery will be returned to year 2000 rules, and the adverse effects of the AFA will once again be a life-threatening problem for these three boats.

BACKGROUND

All three of these vessels are small vessels for the Bering Sea fishery, ranging in length overall from 75 to 88 feet. All have beams under 24 feet. They have only 400 to 600 horsepower engines. We have fished for cod in the Bering Sea since the 1970's (Charles Burrece), 1980's (Steve Aarvik), and 1991 (Omar Allinson), respectively.

In prior Council meetings we have testified as to the extremely adverse effects caused by an unprecedented increase in the number of vessels fishing in January and February in the year 2000 BSAI Pacific cod fishery. Because of the AFA, the number of vessels fishing in our traditional fishing grounds in Area 517 (and especially Statistical Area 655430) increased from no more than 13 vessels (including our three vessels and the 10 AFA cod-exempt vessels) to up to 35 vessels on those grounds in January and February of 2000. Attached are a chart and list of AFA BSAI cod fishing days (1/20 - 2/29/00), as prepared by United Catcher Boats.

Because of the resulting race for fish, we had to fish in extremely dangerous weather conditions for our small vessels, including hurricane force winds. We were constantly passed by the much larger AFA vessels with horsepower in the 1,200 to 2,500 range. Because we were constantly fishing behind the larger and more powerful vessels, our CPUE fell off and we had to fish longer to make a season. Our catch was naturally reduced from what we could have caught if there was not such an early concentration of vessels on the grounds.

Section 211(a) of the AFA provides as follows:

Sec. 211. Protections for other Fisheries; conservation measures.

(a) General.— The North Pacific Council shall recommend for approval by the Secretary such conservation and management measures as it determines necessary to protect other fisheries under its jurisdiction and the participants in those fisheries, including processors, from adverse impacts caused by this Act or fishery cooperatives in the directed pollock fishery.

By Section 211, Congress articulated certain duties borne by the Council for the purpose of determining, and remedying, such adverse impacts. In the presentation of the AFA to the Senate for its consideration, key sponsoring Senators including Senator Ted Stevens and Senator Patty Murray, explained what Section 211 requires of the Council. Their comments are set forth in the Conference Report (Senate - October 20, 1998).

Senator Murray explained the nearly absolute protections intended in the AFA for non-pollock fisheries as follows:

The bill attempts to ensure adequate protections for other fisheries in the North Pacific from any potential adverse impacts resulting from the formation of the fishery cooperatives in the pollock fishery. The formation of fishery cooperatives will undoubtedly free up harvesting and processing capacity that can be used in new or expanded ways in other fisheries. Although many of these vessels and processors have legitimate, historic participation in these other fisheries, they should not be empowered by this legislation to gain a competitive advantage in these other fisheries to the detriment of participants who have not benefitted from the resolution of the pollock fishery problems. .

While we have attempted to include at least a minimum level of protections for these other fisheries, it is clear to many of us that unintended consequences are likely. It is therefore imperative that the fishery management councils not perceive the protections provided in this bill as the only protections needed. In fact, the opposite is true. Although the protections provided for the head and gut groundfish offshore sector are more highly developed and articulated in the bill, the protections for other fisheries are largely left for the Councils to recommend. Those of us involved in the development of this legislation strongly urge the Councils to monitor the formation of fishery cooperatives closely and ensure that other fisheries are held harmless to the maximum extent possible. [Conference Report, at page 12707].

The comments of Senator Stevens were wholly consistent:

Subsection (a) of Section 211 directs the North Pacific Council to submit measures for the consideration and approval of the Secretary of Commerce to protect other fisheries under its authority and the participants in those fisheries from adverse impacts caused by subtitle II of the American Fisheries Act or by fishery cooperatives in the BSAI directed pollock fishery. The Congress intends for the North Pacific Council to consider particularly any potential adverse effects on fishermen in other fisheries resulting from increased competition in those fisheries from vessels eligible to fish in the BSAI directed pollock fishery or in fisheries resulting from any decreased competition among processors. [At page 12781].

Paragraph (3) of subsection (c) directs the Pacific Council to submit any measures that may be necessary to protect fisheries under its authority by July 1, 2000 and allows the Secretary of Commerce to implement measures if the Council does not submit measures or if the measures submitted are determined by the Secretary to be inadequate. [At page 12781].

Thus, Congress' intent was that the Council would determine the adverse impacts and take measures under Section 211(a), which are in addition to sideboards. It was also Congress' intent that protections be put in place for any adverse impacts on non-AFA fishermen, and that the Council will ensure that other fisheries are held harmless to the maximum extent possible.

We believe that the protections sought today are mandated by the AFA, as well as by National Standard 10.

Under National Standard 10 (50 CFR §600.355), conservation and management measures must, to the extent practicable, promote safety of human life at sea. The regulations implementing National Standard 10 provide, in part, as follows:

“Typically, larger vessels can fish farther offshore and in more adverse weather conditions than smaller vessels. An FMP should try to avoid creating situations that result in vessels going out farther, fishing longer, or fishing in weather worse than they generally would have in the absence of management measures. Where these conditions are unavoidable, management measures should mitigate these effects, consistent with the overall management goals of the fishery.”
§600.355(c)(1).

The safety concerns articulated under National Standard 10 precisely reflect the dangerous conditions which are faced by these 3 small vessels. All 3 vessels are non-AFA, so they do not have the ability of AFA vessels to shift their cod catch to a larger coop vessel. Nor do they enjoy the pollock allocations held by AFA vessels, which give those vessels alternate

Bering Sea fisheries, or alternate sources of income through leasing pollock quota. All three fishermen have long-term dependency on the directed cod fisheries (and not the pollock fishery) in the Bering Sea. Because of their vessels' small size, none of these three vessels can safely fish in winter outside of Critical Habitat.

Thus, without the protection mandated by the AFA and by National Standard 10, the MISS LEONA, the LONE STAR, and the WINDJAMMER will be forced once again to engage in an "A" season winter fishing derby. They will be unavoidably compelled to fish in a situation which will subject them to the dangers which National Standard 10 is intended to prevent.

The regulations under National Standard 10 note that "derby" fisheries can create serious safety consequences, including fishing in bad weather and overloading a vessel with catch. Section 600.355(c)(3) therefore requires as follows:

"Where these conditions exist, FMPs should attempt to mitigate these effects and avoid them in new management regimes, as discussed in paragraph (e) of this section."

Among the measures set forth in paragraph (e) of the regulation are:

- Limiting the number of participants in the fishery. §600.355(e)(6).
- Implementing management measures that reduce the race for fish and the resulting incentives to take additional risks with respect to vessel safety. §600.355(e)(8).

REQUEST FOR ACTION:

We respectfully request that the Council, in order (1) to comply with the Section 211(a) requirements to determine and submit measures to protect non-AFA fishermen from any adverse impacts of the AFA or of the pollock cooperative system, and (2) to fulfill the policies set forth in National Standard 10, take the following actions:

1. That the Council recommend to the Secretary of Commerce that the Secretarial Emergency Rule presently under consideration include a provision designed to hold these three long-time cod vessels harmless from the adverse effects of the AFA and the coop system by:

A. Limiting access to the directed trawl fishery for Pacific cod in Area 517, Statistical Area 655430¹ to the cod-exempt AFA vessels and to open access vessels which have a history of economic dependency upon the winter Bering Sea Pacific cod fisheries, as demonstrated by average January and February deliveries of at least 500,000 pounds for 4 out of the 5 pre-AFA years of 1995-1999, and

B. Allocating a minimum number of pounds (with no cap) of Pacific cod to non-AFA vessels which meet the criteria set forth in paragraph A above. The minimum should be not less than 4,900,000 pounds, which is less than the average annual total deliveries of these 3 vessels during the 4 out of 5 years from 1995 through 1999 when all 3 vessels participated in the fishery.

These actions would be under the AFA and the Magnuson-Stevens Act, and therefore would not embrace the Bio or the proposed R.A.'s.

2. That the Council task Council staff to determine the nature and extent of any adverse impacts on other fisheries or participants in those other fisheries caused by the AFA or the fishery cooperatives in the directed pollock fishery, including:


- A. Increased safety problems,
- B. Decreased catch per unit of effort,
- C. Increased fishing time required,
- D. Loss of earnings, and
- E. The measures which are necessary to ensure that participants in other fisheries

¹ Because this Statistical Area would be closed under the proposed RPA's, this rule would only be effective if it is reopened as a result of pending legislation.


are held harmless to the maximum extent possible.

Thank you for your consideration of these requests.

Respectfully submitted,

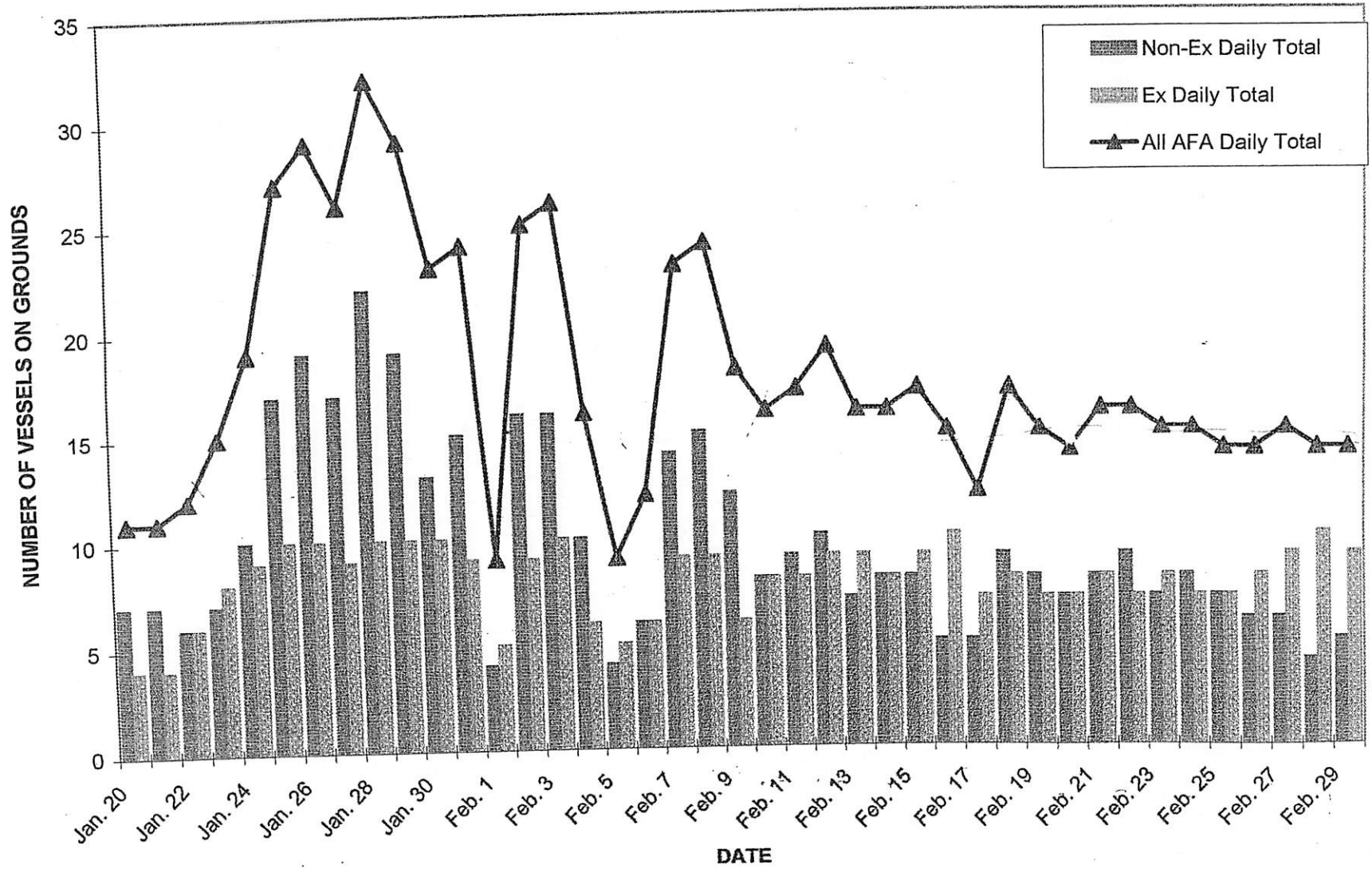

Charles Burrece


Omar Allinson


Steve Aarvik

#111/AFA-2

2000 BSAI COD FISHERY EFFORT BY AFA VESSELS



AFA BSAI COD FISHING DAYS, JAN. 20 THROUGH FEB. 29, 2000

The number of AFA exempt and non-exempt cod boats actively fishing each day in the Unimak Pass area.

DATE	Non-Ex Daily Total	Ex Daily Total	All AFA Daily Total	5 Day Runnin g Avg.	9 Day Runnin g Avg.	15 Day Runnin g Avg.
Jan. 20	7	4	11	12.33	13.60	18.75
Jan. 21	7	4	11	12.25	15.83	20.22
Jan. 22	6	6	12	13.60	17.71	21.10
Jan. 23	7	8	15	16.80	18.75	21.27
Jan. 24	10	9	19	20.40	20.22	21.50
Jan. 25	17	10	27	23.20	22.22	20.54
Jan. 26	19	10	29	26.60	23.56	20.86
Jan. 27	17	9	26	28.60	24.89	21.20
Jan. 28	22	10	32	27.80	24.22	21.53
Jan. 29	19	10	29	26.80	24.89	21.40
Jan. 30	13	10	23	23.40	24.78	21.40
Jan. 31	15	9	24	22.00	23.33	21.93
Feb. 1	4	5	9	21.40	21.44	22.27
Feb. 2	16	9	25	20.00	19.22	21.67
Feb. 3	16	10	26	17.00	18.56	20.80
Feb. 4	10	6	16	17.60	18.67	20.20
Feb. 5	4	5	9	17.20	18.00	19.33
Feb. 6	6	6	12	16.80	18.78	18.47
Feb. 7	14	9	23	17.20	17.89	18.00
Feb. 8	15	9	24	18.60	17.11	17.53
Feb. 9	12	6	18	19.60	17.11	17.93
Feb. 10	8	8	16	18.80	17.89	17.07
Feb. 11	9	8	17	17.20	18.44	16.47
Feb. 12	10	9	19	16.80	17.56	16.40
Feb. 13	7	9	16	17.00	16.22	16.73
Feb. 14	8	8	16	16.60	16.11	17.00
Feb. 15	8	9	17	15.20	16.00	16.53
Feb. 16	5	10	15	15.40	15.67	15.93
Feb. 17	5	7	12	15.20	15.33	15.73
Feb. 18	9	8	17	14.60	15.33	15.60
Feb. 19	8	7	15	14.80	15.22	15.40
Feb. 20	7	7	14	15.60	15.00	15.13
Feb. 21	8	8	16	15.20	14.89	15.00
Feb. 22	9	7	16	15.20	15.11	14.87
Feb. 23	7	8	15	15.20	14.89	14.71
Feb. 24	8	7	15	14.80	14.78	14.69
Feb. 25	7	7	14	14.60	14.78	14.92
Feb. 26	6	8	14	14.40	14.63	14.73
Feb. 27	6	9	15	14.20	14.43	14.70
Feb. 28	4	10	14	14.25	14.33	14.78
Feb. 29	5	9	14	14.33	14.20	14.63

D-2 (a)
Steff Tasking - Salmon
Bycatch

2001 INTERCOOPERATIVE AGREEMENT

DRAFT - 12/07/00 - DRAFT

This 2001 INTERCOOPERATIVE AGREEMENT is entered into by and among POLLOCK CONSERVATION COOPERATIVE ("PCC"), HIGH SEAS CATCHERS COOPERATIVE ("High Seas"), MOTHERSHIP FLEET COOPERATIVE ("MFC") and the "Inshore Coops", i.e., AKUTAN CATCHER VESSEL ASSOCIATION, ARCTIC ENTERPRISE ASSOCIATION, NORTHERN VICTOR FLEET COOPERATIVE, PETER PAN FLEET COOPERATIVE, UNALASKA FLEET COOPERATIVE, UNISEA FLEET COOPERATIVE and WESTWARD FLEET COOPERATIVE, all of which are Washington Fish Marketing Act corporations, as of _____, 2000, with respect to the following facts:

A. High Seas, MFC and the Inshore Coops (together, the "Coops") are composed of certain catcher vessels (the "Vessels") eligible to harvest Bering Sea ("BS") and Aleutian Islands ("AI") pollock under the American Fisheries Act (the "AFA"). PCC is composed of all of the catcher/processor vessels eligible to participate in the BS/AI directed pollock fishery. High Seas and the MFC are composed of all of the catcher vessels eligible to harvest BS and AI pollock in the "catcher/processor" and "mothership" sectors of such fisheries, respectively. The Inshore Coops have each received an allocation of BS pollock in accordance with Section 210 of the AFA. The members of each of the Coops have allocated among themselves the pollock available to their respective Coop, and have agreed that an overharvest of its allocation by any member shall subject such member to a penalty.

B. The North Pacific Fishery Management Council (the "Council") has adopted "trigger amounts" of chinook, other salmon and herring (the "Trigger Amounts"). Attainment of a Trigger Amount causes certain "savings areas" to be closed to trawling for pollock for certain periods of time. The Coops are also subject to limits on their incidental catch of halibut and crab (the "PSC Limits"). Each Coop's members have agreed to exercise their best efforts to conduct their fishing efforts such that their Coop operates within the Trigger Amounts and PSC Limits, and to comply with the related management measures.

C. Pursuant to Section 211(c) of the AFA, the Council has adopted certain measures to prevent the Vessels from exceeding in the aggregate their traditional harvest levels in certain fisheries other than BS and AI pollock (the "Sideboards"). The members of each of the Coops have allocated the Sideboards limits among themselves, and have agreed that an overharvest of a Sideboard limit by any member shall subject that member to a penalty.

D. The Coops are subject to certain time and area limits on their harvest of BS and AI pollock in connection with Steller sea lion protection measures (the "RPAs").

E. PCC and the Coops wish to allocate the Trigger Amounts among the Coops and implement related management measures at the harvesting cooperative level. The Coops also wish to allocate the PSC Limits and Sideboards among themselves.

Now, therefore, the parties agree as follows:

1. Trigger Amount Management. The Coops and PCC agree to exercise all reasonable efforts to reduce their salmon and herring bycatch to the lowest commercially practical levels, and specifically agree to coordinate their members' fishing activities with the goal of achieving the lowest practicable bycatch rates. To that end, PCC and the Coops agree to the allocations and procedures set forth in this Section 1. For purposes of this Section, PCC and Coop catch data produced by the Monitoring Agent (as identified in Section 6.a, below) in conformance with NMFS catch accounting and bycatch estimation procedures shall be presumed accurate.

a. Trigger Amount Allocations and Reserves. The Trigger Amounts shall be allocated among the Coops and PCC in accordance with the procedure set forth in this subsection.

(i) First, the Monitoring Agent will deduct [5%, 10% or 15%] from the chinook salmon Trigger Amount, [5%, 10% or 15%] from the "other" salmon trigger amount, and [5%, 10% or 15%] from the herring trigger amount, and with each amount deducted establish a reserve fund of such species (the "Reserve").

(ii) The Monitoring Agent will then allocate each Trigger Amount, net of the related initial Reserve deduction, among PCC and the Coops pro rata, in proportion to their pollock allocation amounts. Upon initial allocation and throughout the duration of the fishing year, PCC and each Coop shall, in consultation with the Monitoring Agent, release to the relevant Reserve fund the amount by which its related Trigger Amount allocation exceeds the amount it reasonably determines to be necessary for its members to harvest their pollock allocations. In making such determinations, PCC and each Coop shall take into account whether and to what extent its members are otherwise excluded from fishing in each savings area, and whether and to what extent it is feasible for its members to harvest their pollock allocations outside of each savings area.

(iii) If PCC or any Coop determines that it needs an additional Trigger Amount allocation, it shall submit its request to the Monitoring

Agent, who will determine whether the relevant Reserve is adequate to satisfy some or all of such request, and if so, will prepare a report concerning the bycatch incidents and bycatch rates of the requesting party's members with respect to the Trigger Amount species of which it seeks an additional allocation. The Monitoring Agent will then transmit the request, an evaluation of the feasibility of granting it and a report concerning the requesting party's bycatch to the designated bycatch managers of PCC and of each Coop (together, the "Bycatch Panel"). The Bycatch Panel shall evaluate the request. The Bycatch Panel shall make an additional allocation to the requesting party only if (i) the related Reserve is adequate to do so, and (ii) the requesting party has demonstrated to the Bycatch Panel's reasonable satisfaction that the additional allocation is necessary, and that the requesting party's need for such allocation is not the result of willful misconduct or negligent fishing practices by its members. The Bycatch Panel shall have the authority to set the amount released as it determines reasonable, taking into account the remaining Reserve amount and the projected needs of the other cooperatives.

b. Bycatch Reporting. PCC and each Coop shall arrange to have each of their members' Vessels' bycatch data (to the fullest extent available, with tow-by-tow data being considered optimal) released directly from then NMFS Observer Program to the Monitoring Agent and the Intercoop Manager (as identified in Section 8, below). The Monitoring Agent and the Intercoop Manager are hereby authorized to release all such data in forms and to parties as they reasonably deem appropriate to promote bycatch reduction.

c. Bycatch Management. PCC and the Coops agree that salmon and herring savings area closures (as established under BS/AI Plan Amendments 21b, 35, 58 and [the herring savings area amendment] and NMFS implementing regulations) shall apply to their respective members' vessels on a discrete, cooperative by cooperative basis, with respect to each cooperative's allocation of the related Trigger Amount. Upon the members of PCC or any Coop having harvested such entity's allocation of a relevant species (as adjusted by Reserve contributions and releases), such entity's vessels shall be subject to the related savings area closure as though the aggregate Trigger Amount for such species had been reached.

d. PSC Accounting. The Coops acknowledge that salmon bycatch accounting periods were established before the Steller sea lion RPAs were adopted, and therefore the "other" salmon bycatch accounting period established under Amendment 35 lags the start of the summer pollock fishery. As a result, "other" salmon taken as bycatch during the early portion of the pollock "C" season may not be counted toward the chum salmon savings area Trigger Amount. To correct this anomaly, the Coops agree to voluntarily count all "other salmon" bycatch taken by their members in the Catcher Vessel Operational Area during the BS/AI pollock "C" and "D" season fisheries against their respective allocations of the "other" salmon Trigger Amount.

2. Sideboard Limits. Subject to applicable Sideboard exemptions (including the "1700 metric ton" BS/AI cod and Gulf of Alaska ("Gulf") groundfish Sideboard exemptions and the mothership sector BS/AI cod sideboard exemption), the Coops agree to limit their collective members' Vessels' aggregate annual harvest of each Sideboard species to the amount that the Coop members' Vessels' collective catch histories contribute to the annual Sideboard for such species, as calculated by the National Marine Fisheries Service ("NMFS") in accordance with 50 C.F.R. § 679.63(b). To give effect to this provision, each Coop shall (i) limit its non-exempt members' Vessels' aggregate annual harvest of each Sideboard species to the amount that such Vessels contribute to the aggregate annual Sideboard for such species; or (ii) in the case of two or more Coops entering into an intercooperative agreement under which the parties have agreed to limit their collective non-exempt members' Vessels' aggregate annual harvest of one or more Sideboard species to the amount that such Coops' members' Vessels' collective catch histories contribute to the annual Sideboard for such species, limit its members catch in compliance with such intercooperative agreement.

3. Sideboard Management. The Coops acknowledge and agree that coordinated Sideboard management is essential to insure compliance with the aggregate Sideboard limits established under the AFA. Therefore, the Coops agree to the procedures set forth in this Section 3. For purposes of this Section, Coop catch data produced by the Monitoring Agent in conformance with NMFS catch accounting and bycatch estimation procedures shall be presumed accurate.

a. Sideboard and Sideboard-Related PSC Cap Allocation. The Monitoring Agent will annually allocate the BS/AI Pacific cod Sideboard (the "Cod Sideboard") in accordance with the terms and conditions of that certain Cod Allocation Agreement among the Coops dated as of June 1, 2000 (the "Cod Agreement"). The Monitoring Agent, in consultation with NMFS, will allocate all Sideboard species other than BS/AI Pacific cod and will allocate all PSC Caps (including those applicable to BS/AI Pacific cod) in accordance with this Section 3.a.

The Monitoring Agent will first reserve an amount of each such Sideboard species necessary to fund the bycatch needs of pollock and other directed groundfish fisheries in which the AFA catcher vessels participate. Then, the Monitoring Agent will initially allocate the BS, AI and Gulf non-exempt vessel Sideboard directed fishery allowances, exempt vessel Sideboard reserves and PSC Limits among the Coops as set forth herein. The allocations will be based on NMFS data and formulas to the extent feasible, and on the best available data otherwise. Each Coop agrees to exercise its best efforts to provide the Monitoring Agent with all catch data that the Monitoring Agent reasonably requests for purposes of calculating such allocations. Upon the Monitoring Agent having allocated the non-exempt and exempt vessel Sideboard allowances among the Coops, the Monitoring agent shall allocate the PSC Limits such that:

(i) each Coop shall receive PSC Limit allocations for each of the Sideboard fisheries in which its vessels operate without exemptions proportionate such Coop's related Sideboard species allocations, provided that each Coop's initial PSC Limit allocations related to non-exempt vessel BS/AI cod harvest shall be reduced by five percent (5%) to fund the "traditional time and area" buffer (the "Buffer") provided to the exempt vessels pursuant to (ii), below; and

(ii) each Coop shall receive separate PSC Limit allocations for each of the fisheries in which one or more of its vessels operate on an exempt basis, proportionate to such vessels' contribution to the related NMFS reserve, provided that each Coop's initial "1700 mt" exempt vessel BS/AI cod PSC allocation shall be adjusted upward by a pro rata amount of the Buffer. In cases where an exempt vessel contributes less than 500 metric tons ("mt") to the BS/AI cod exempt vessel reserve, the initial allocation of PSC relative to that vessel shall be based on a presumed contribution of 500 mt.

For purposes of this Section 3, the mothership sector catcher vessels shall be considered "non-exempt" prior to March 1, and their initial coop Sideboard and PSC Limit allocations shall be made accordingly. The mothership catcher vessels shall become "exempt" as of March 1, and thereupon shall become eligible for a reallocation of PSC pursuant to Subsection b., below, if as a coop group they have harvested their initial BS/AI cod Sideboard allocation without exceeding their initial allocation of PSC.

b. BS/AI and Gulf Cod PSC Reallocation. The Monitoring Agent will track the aggregate BS/AI and Gulf cod catch and halibut and crab bycatch of each Coop's exempt vessels. Upon the Monitoring Agent determining that a Coop's exempt vessels (as a group) have harvested their initial or subsequent allocation(s) of cod in the BS/AI or Gulf cod fishery without exceeding the Coop's related allocation of exempt vessel PSC (as adjusted by intra or inter Coop transfers) (such Coop being a "Complying Coop"), the Monitoring Agent will reduce each Coop's (including the Complying Coop's) remaining allocation of cod-related PSC for such cod fishery (if any) pro rata, according to the proportion of its initial non-exempt allocation of such PSC vis-a-vis the other Coops, such that the sum of the reductions is the lesser of (i) the amount of PSC necessary for each exempt vessel in the Complying Coop to harvest an additional 300 mt of cod at the pre-Buffer non-exempt cod/PSC ratio, or (ii) the proportionate amounts of such PSC that the Monitoring Agent deems necessary for the Complying Coop's exempt vessels to operate at such ratio until such fishery is closed to catcher vessel trawling; provided that the sum of such reductions under (i) or (ii) above shall in no case exceed that amount of PSC calculated to harvest 1500 mt at the pre-Buffer non-exempt cod/PSC ratio. The Monitoring Agent will then increase the relevant Coop's exempt vessel cod-related PSC allocations for such fishery by the sum of such reductions. On the other hand, if a Coop's exempt vessels harvest their initial

or subsequent cod-related PSC allocation for the BS/AI or Gulf cod fishery (as adjusted by inter or intra Coop transfers) before having harvested the Coop's cod allocations made available therewith, the Monitoring Agent will not increase such Coop's exempt vessel allocations, and such Coop shall require such vessels to cease their directed fishing in that cod fishery, notwithstanding their exemption. If the Monitoring Agent determines that a PSC reallocation under this Section has provided a Coop with PSC in excess of the amount necessary to fish until fishery closure, the Monitoring Agent will have the authority to release an amount of the surplus that the Monitoring Agent deems reasonable back to the contributing Coops.

c. BS/AI Cod Harvest Timing. To facilitate harvest of the full amount of the BS/AI cod Sideboard, each Coop agrees to manage its non-exempt vessels' BS/AI cod directed fishing harvest such that no more than sixty percent (60%) of the related initial PSC allocation is harvested prior to March 1.

d. Optimal PSC Utilization. Each Coop agrees to exercise its best efforts to manage its vessels such that their aggregate PSC catch (as determined by the Monitoring Agent in accordance with NMFS procedures) does not exceed the Coop's PSC Limit allocations, as adjusted by transfers with other Coops and pursuant to Subsection 3.b., above. Each Coop agrees to release to the Monitoring Agent on a timely basis for redistribution at no cost the PSC it determines is not necessary to harvest its Sideboard allocations.

e. Gulf of Alaska Groundfish Sideboard Exemption. The Coops acknowledge that the Council has stipulated that no Vessel shall be exempt from the Gulf of Alaska groundfish Sideboards in any year during which other vessels are permitted to lease any portion of such Vessel's BS or AI pollock allocations. The Coops acknowledge that the Council's stipulation was intended to prevent a Vessel from using its ability to transfer or license its Coop BS or AI pollock allocation to increase its opportunity to harvest Gulf groundfish in excess of applicable Sideboards. The Coops agree to require that an exempt Vessel that actually exceeds an otherwise applicable Gulf groundfish Sideboard in 2001 shall not have transferred any amount of such Vessel's BS/AI pollock allocation for 2001 to another vessel such that the aggregate amount of such exempt Vessel's annual BS/AI pollock allocation is reduced by such transfer(s). The Coops agree that an exempt Vessel which actually exceeds a Gulf groundfish Sideboard and fails to comply with the BS/AI pollock transfer limitations of this Section shall be deemed to have overharvested its Sideboard allocation, notwithstanding its exempt status, and shall be subject to the related overharvest penalties per the enforcement provisions of its Coop's Membership Agreement and this Agreement. For purposes of this provision, a Vessel's pollock allocations shall be calculated net of the amount normally reserved for harvest by a Coop "sweep-up" Vessel for purposes of season and/or area harvest limit compliance.

4. Overharvest Prevention Measures.

a. Harvest Limits. The Coops agree to exercise their best efforts to prevent any of their members from exceeding their pollock allocation and Sideboard limits. In cases where a member has done so, the Coops agree to exercise their best efforts to prevent such overharvest from affecting non-members and/or resulting in a violation of fishery regulations. To that end, the Coops agree to facilitate pollock allocation and Sideboard limit transfers among members when practicable, agree to transfer PSC Limit apportionments among Coops when practicable, and to issue "stop fishing" orders as appropriate when such transfers are not practicable. The Coops also agree to encourage their members to mitigate the effects of inadvertent overharvests by making directed fishing and PSC Limit allocations available to other Coop members on reasonable terms and conditions. However, other than as provided in Section 4.f.(ii), below, nothing in this Section 4 shall constitute an affirmative obligation on the part of any Coop or its members to transfer an allocation at the request of another Coop or other members.

b. Pollock Allocation and Sideboard Penalties. The Coops acknowledge that notwithstanding the provisions of Section 4.a, above, adopting and enforcing appropriate penalties is necessary to create overharvest disincentives. The Inshore Coops therefore each agree to adopt the uniform penalty for an Inshore Coop member exceeding its BS, AI or Gulf pollock directed fishing allocation amount or area or season proportion of one hundred fifty percent (150%) of the total ex-vessel value of such overharvest. For purposes of this Subsection 4.b and Subsection 4.c, below, provision, ex-vessel value shall be deemed to be the ex-vessel price paid by the processor(s) to which the overharvesting member delivered for the overharvested species during the season(s) in which the overharvest takes place, and shall include all consideration paid for the overharvested allocation, including but not limited to all bonuses and post season adjustments. The Coops each agree to adopt the uniform penalty amount of One Thousand Dollars (\$1,000.00) per metric ton for overharvests in the directed BS, AI and Gulf Pacific cod fisheries, and the amount of Three Hundred Dollars (\$300.00) per metric ton for overharvests in all other BS, AI and Gulf directed groundfish fisheries. Overharvests shall be determined on the basis of the best available data. Harvest reports developed by the Monitoring Agent shall be presumed accurate in the absence of demonstrable error.

c. PSC Limit Enforcement. Upon a Coop receiving written notice from the Monitoring Agent that it does not have an adequate PSC Limit allocation to support further fishing activity by its members' vessels, such Coop shall immediately cause its members' vessels to cease fishing in the relevant directed fisheries. The Coops hereby adopt as a uniform penalty for each landing following such notice that includes a PSC species harvested in excess of a Coop's PSC Limit allocation an amount equal to twice the ex-vessel value of all commercially harvestable species delivered in such

landing. For purposes of this Subsection, Coop catch data produced by the Monitoring Agent in conformance with NMFS catch accounting and bycatch estimation procedures will be presumed accurate. The Coops agree to take all actions and execute all documents reasonably necessary to give effect to this provision.

d. Liquidated Damages. The Coops acknowledge that the financial impact associated with overharvesting an allocation or exceeding a Sideboard limit or PSC Limit are difficult to estimate, and that penalty amounts are therefore intended to be a substitute in all cases for direct, indirect and consequential damages. Therefore, the Coops agree that the penalty amounts established under 4.b. and 4.c., above are liquidated damages, the payment of which (together with reasonable costs of collection) shall satisfy a member's obligation with respect to any harvest in excess of an allocation, Sideboard or applicable PSC Cap. The Coops hereby waive any and all claims to direct, indirect or consequential damages related to such overharvest.

e. Rights of Action. Each Coop agrees that the members of all other Coops shall have rights to initiate penalty actions and to be paid overharvest forfeitures and related costs of collection equivalent to such Coop's own members' rights. Each Coop agrees to take all corporate action necessary to give effect to this provision.

f. Indemnification.

(i) Each Coop (an "Indemnifying Coop") hereby agrees to indemnify, defend and hold harmless all other Coops and their members (the "Indemnitees") against all third party claims, legal actions and proceedings of any type whatsoever (the "Actions"), and against all third party damages, including but not limited to all liabilities, obligations, judgments, penalties, fines, forfeitures, costs of defense and reasonable attorneys' fees (including fees incurred enforcing this indemnification) (together, the "Damages") that the Indemnitees incur as a result of an overharvest of a pollock allocation, Sideboard species or PSC Limit by a member of the Indemnifying Coop.

(ii) For purposes of this provision, in cases where an overharvest by a member is (a) not willful or repeated; (b) is capable of being corrected by other members (of the same or other Coops) restraining their harvest(s), and timely written notice is provided to such members' Coop(s); and (c) for which the appropriate amount of liquidated damages is tendered by the originally overharvesting member to a qualified third party escrow agent in readily available funds, the obligation of indemnification for third party claims related to the original overharvest shall shift to the Coop(s) receiving notice and the tender of liquidated damages.

5. Steller Sea Lion-Related Management Measures.

a. Non-Exempt Vessels. Other than as necessary to give effect to exemptions for which its members qualify, each Inshore Coop agrees to limit the aggregate annual pollock harvest of its members per season and per area (as determined in accordance with NMFS accounting procedures related to such harvests, including NMFS presumptions concerning unmonitored vessels) to the percentage of the annual inshore pollock directed fishing allowance generally permitted to be harvested during such season and/or in such area.

b. Unmonitored Vessels. The Coops acknowledge that NMFS presumes pollock catch by unobserved vessels that are not carrying an operating Vessel Monitoring System ("VMS") is harvested in the Sea Lion Conservation Area ("SCA") until such area is closed, notwithstanding where the vessel actually fished. The Coops agree to work collectively to establish, adopt and enforce measures that promote accurate inside/outside SCA catch accounting.

c. SCA Exemption for Vessels Equal to or Less than 99' in Overall Length. The Coops acknowledge that under the current Steller sea lion-related management measures, vessels equal to or less than 99 feet in length are eligible to harvest all of their BS pollock A and D season allocations inside the SCA. So long as this exemption remains in effect, the Coops agree that the Monitoring Agent in consultation with NMFS will calculate and reserve from the Coops' aggregate pollock allocations an amount of quota inside the SCA adequate to fund the total seasonal directed harvest of all members' Vessels equal to or less than 99 feet (the "99' Reserve"). The Monitoring Agent will then allocate the 99' Reserve among the Coops pro rata, according to the relative catch histories of their vessels under 99'. Each Coop shall in turn allocate its share of the 99' Reserve among its members operating vessels under 99' in length, prior to establishing the inside SCA allocations for its members' Vessels over 99' in length. The Coops agree to require that any license or transfer of pollock quota from a vessel equal to or less than 99' to a vessel over 99' shall be subject to generally applicable regulations concerning spatial and temporal distribution of catch, including but not limited to proportions which may be harvested inside the SCA, notwithstanding the exemption extended to vessels less than or equal to 99'.

6. Data Reporting.

a. Appointment of Monitoring Agent. The Coops acknowledge that it will not be possible to obtain the benefits associated with cooperative harvesting activity unless catch data is reported on a timely basis to a centralized monitoring and reporting agent (the "Monitoring Agent"). The Coops agree to independently contract with Sea State, Inc. as their agent for that purpose.

b. Data Gathering. Each Coop agrees to take all commercially reasonable actions to obtain catch data and other information that may be necessary for effective fishery management from its members as soon as reasonably possible, and to provide such data to the Monitoring Agent as soon as reasonably possible after receiving such data. Data produced for the Coops by the Monitoring Agent shall be presumed accurate, which presumption shall only be rebuttable upon clearly demonstrating inaccuracy.

7. Vessel Preregistration . The Coops acknowledge that it may be necessary for their members to provide advance notice of their intent to employ Vessels in certain fisheries, to provide NMFS and the Coops with the ability to project catch rates and amounts. Each Coop agrees to obtain such elections from its members and report them to the Monitoring Agent on a timely basis.

8. Intercooperative Management. The Coops acknowledge that resolving issues related to cooperative harvesting operations will be a continuing process. Each Coop agrees to appoint a person to represent it in intercooperative matters. The Coops further agree to retain United Catcher Boats ("UCB") to provide ongoing intercooperative coordination services and an intercooperative manager (the "Intercoop Manager") through December 31, 2001. The Coops agree such services shall not include representing the Coops or any of them in political or general policy matters, other than as authorized by all Coops in advance.

9. Term. This Agreement shall take effect upon execution by all of the Coops. This Agreement shall expire on November 30, 2001. The Coops agree to meet in good faith negotiations concerning modification of this Agreement and extension of its term not later than October 1, 2001, with the express intent of replacing or extending this Agreement prior to November 30, 2001.

10. Miscellaneous.

a. No amendment to this Agreement shall be effective against a party hereto unless in writing and duly executed by such party. The parties agree to amend this Agreement as reasonably necessary to comply with changes in law, and policies and regulations implementing the American Fisheries Act.

b. This Agreement shall be governed by and construed in accordance with applicable federal law and the laws of the State of Washington.

c. This Agreement may be executed in counterparts which, when taken together, shall have the same effect as a fully executed original. Delivery of

a signed copy of this Agreement by telefacsimile shall have the same effect as delivering a signed original.

d. The parties agree to execute any documents necessary or convenient to give effect to intents and purposes of this Agreement.

e. All notices required to be given under this Agreement shall be deemed given five (5) days following deposit in certified first class U.S. mail, postage prepaid, with the correct address, or upon the first business day following confirmed telefacsimile transmission to the recipient. Each Coop agrees to provide the name, postal address, telefacsimile number and e-mail address (if any) of its representative for purposes of receiving notices under this Agreement within three (3) days of executing this Agreement.

f. In the event that any provision of this Agreement is held to be invalid or unenforceable, such provision shall be deemed to be severed from this Agreement, and such holding shall not affect in any respect whatsoever the validity of the remainder of this Agreement.

g. Each Coop agrees to use its best efforts to resolve any disputes arising under this Agreement through direct negotiations. Other than disputes related to overharvest of pollock, Sideboard limits or PSC Limits in connection with which one or more Coops or their members seek an injunction, a restraining order or some other form of equitable relief, all disputes not resolved through direct negotiation and/or dispute resolution will be submitted to arbitration in Seattle, Washington upon the request of any party to this Agreement. The party's written request will include the name of the arbitrator selected by the party requesting arbitration. The other party will have ten (10) days to provide written notice of the name of the arbitrator it has selected, if any. If the other party timely selects a second arbitrator, the two arbitrators will select a third arbitrator within ten (10) days. If the other party does not timely select the second arbitrator, there shall be only the one arbitrator. The single arbitrator or the three (3) arbitrators so selected will schedule the arbitration hearing as soon as possible thereafter. Every arbitrator, however chosen, must have no material ties to any Coop or Coop member. The decision of the arbitrator (or in the case of a three (3) arbitrator panel, the decision of the majority) will be final and binding. The arbitration will be conducted under the rules of (but not by) the American Arbitration Association. The parties will be entitled to limited discovery as determined by the arbitrator(s) in its or their sole discretion. The arbitrator(s) will also determine the "prevailing party" and that party will be entitled to its reasonable costs, fees and expenses, including attorneys' and arbitrator fees, incurred in the action by said party. In no event will arbitration be available pursuant to this paragraph after the date when commencement of such legal or equitable proceedings based on such claim, dispute, or other matter in question would be barred by the applicable statute of limitations.

HIGH SEAS CATCHERS COOPERATIVE

By _____
Its _____

MOTHERSHIP FLEET COOPERATIVE

By _____
Its _____

AKUTAN CATCHER VESSEL
ASSOCIATION

By _____
Its _____

ARCTIC ENTERPRISE ASSOCIATION

By _____
Its _____

NORTHERN VICTOR FLEET
COOPERATIVE

By _____
Its _____

PETER PAN FLEET COOPERATIVE

By _____
Its _____

UNALASKA FLEET COOPERATIVE

By _____
Its _____

UNISEA FLEET COOPERATIVE

By _____
Its _____

WESTWARD FLEET COOPERATIVE

By _____
Its _____

POLLOCK CONSERVATION
COOPERATIVE

By _____
Its _____

2000 CATCHER VESSEL INTERCOOPERATIVE
PRELIMINARY REPORT TO THE
NORTH PACIFIC FISHERY MANAGEMENT
COUNCIL

PREPARED BY:
UNITED CATCHER BOATS ASSOCIATION
SEATTLE, WASHINGTON
Brent Paine and John Gruver, Authors

Tuesday, December 05, 2000

GENERAL OVERVIEW

This report is a companion report presented to the North Pacific Fishery Management Council (Council) submitted along with the individual cooperative's required annual reports. It serves two purposes. One reason for this report is to provide for the Council a concise summary of the Intercooperative's first year of operation. The other purpose of this report is to provide a summary of the aggregate activities of all nine catcher vessel cooperatives and thus serve as an overview of the nine individual cooperative annual reports. Further details of individual coops and individual vessel-members can be found by reading the individual coop reports.

Having a fleet of over 100 vessels and ten processors switch from an open access, race-for-fish fishery to a cooperative-based fishery with individual allocations of both directed pollock quota and sideboard species limits in one year has proved to be both a challenge and a success. Daily catch rates declined, the fishery was spread out over time and space, and the fleet had an effective tool to address the constraints placed on it by the Stellar Sea Lion RFRPAs and a federal court injunction. Vessel owners and at-sea and shoreside processing plant personnel were able to work jointly to harvest and process the Bering Sea CV pollock resource in a rational manner.

SECTION 1. FORMATION AND PURPOSE OF INTERCOOPERATIVE AGREEMENT

Following new federal fishing regulations established upon the enactment of the American Fisheries Act (AFA), owners of AFA-endorsed catcher vessels established for the first time in 2000 seven Inshore Sector cooperatives and one Mothership Sector cooperative. The vessel owners of the High Seas Catchers' Cooperative (HSCC) entered their second season as a cooperative. Thus, in January 2000, owners of 101 vessels entered into nine individual cooperative agreements and also into one "umbrella" Intercooperative Agreement (ICA). This agreement is attached as Appendix 1 to this report.

Due in part to the structure of the federal regulations governing the allocation of pollock and sideboard species among the nine catcher vessel (CV) coops, and in part to the necessary industry-created monitoring and compliance measures, the AFA vessel owners established the ICA. This agreement basically governs the relationships between the individual cooperatives. It is a legal contract that provides AFA-endorsed vessel owners the structure necessary to work cooperatively to harvest the Bering Sea catcher vessel's pollock allocations and the GOA and BSAI sideboard species limits. The agreement also provided the Council, NMFS and non-AFA vessel owner's assurances that the CV coop members would act in accordance with the newly enacted federal fishing regulations governing the AFA. The ICA was developed and agreed to by all nine CV coops in January 2000.

The primary elements of the ICA provide the following:

- 1) Allocation, monitoring and compliance of the GOA and BSAI groundfish sideboard limits and PSC caps among the coops;
- 2) Allocation and monitoring and compliance of the harvest of BSAI pollock inside the Steller Sea Lion Conservation Area (over and =/under 99' vessels);
- 3) Establishment of penalties for a coop exceeding its pollock and sideboard allocations;
- 4) Provide for the harvest of BSAI P. cod for the "< 1700 mt" exempt vessels while complying with AFA PSC limits;
- 5) Establishment and monitoring of sideboard species transfers between cooperatives,
- 6) Promote compliance of the Council's recommended Sideboard measures and PSC limits while allowing for maximum harvest of the AFA pollock and sideboard allocations

SECTION 2. POLLOCK HARVEST

2.1 Allocations

Information on NMFS' assignment of pollock allocations to the individual coops, the number of vessels per coop, and the actual harvest amounts by coop are provided in Tables 2.1, 2.2 and 2.3 for the three sectors. For the inshore sector, NMFS, per the Council's recommended AFA allocation formula, assigned Bering Sea pollock directed fishing allowances to individual cooperatives. The inshore allocation formula was based on the qualified vessels' 1995-1997 pollock catch history, modified by the Council recommended best 2-out-of-3 year average and also by a compensation factor giving inshore qualified vessels credit for offshore F/T deliveries made in 1995-1997. The Bering Sea pollock allocation (10% after CDQ) to the mothership CVs is a single allocation subsequently divided to the qualified Mothership Sector CVs by terms contained in this sector's cooperative agreement. The Mothership Sector CV allocations were agreed to by all of this sector's CV owners. The HSCC members also received a sector allocation that was subsequently allocated per the HSCC cooperative agreement.

TABLE 2.1

2000 INSHORE COOPERATIVE ALLOCATIONS AND DIRECTED BERING SEA POLLOCK HARVEST				
COOP	NUMBER OF CVs IN COOP	COOP ALLOCATION	COOP HARVEST	OVER (UNDER) ALLOCATION
Akutan Catcher Vessel Association	27	138,861	136,817	(2,044)
Arctic Enterprise Association	4	26,861	26,661	(200)
Northern Victor Fleet Cooperative	10	33,598	33,301	(297)
Peter Pan Fleet Cooperative	5	3,537	3,503	(34)
Unalaska Fleet Cooperative	11	57,323	57,142	(181)
UniSea Fleet Cooperative	14	118,368	118,101	(267)
Westward Fleet Cooperative	12	82,677	82,071	(606)
INTERCOOP TOTALS	83	461,225	457,596	(3,629)

TABLE 2.2

2000 MOTHERSHIP COOPERATIVE ALLOCATION AND DIRECTED BERING SEA POLLOCK HARVEST				
Mothership Fleet Cooperative	20 Vessels	98,285	98,221	(64)

TABLE 2.3

2000 HIGH SEAS CATCHERS COOPERATIVE ALLOCATION AND DIRECTED BERING SEA POLLOCK HARVEST			
High Seas Catchers Cooperative	7 Vessels	34,678	Details of the HSCC Pollock Harvest are Covered in the Joint PCC and HSCC Report

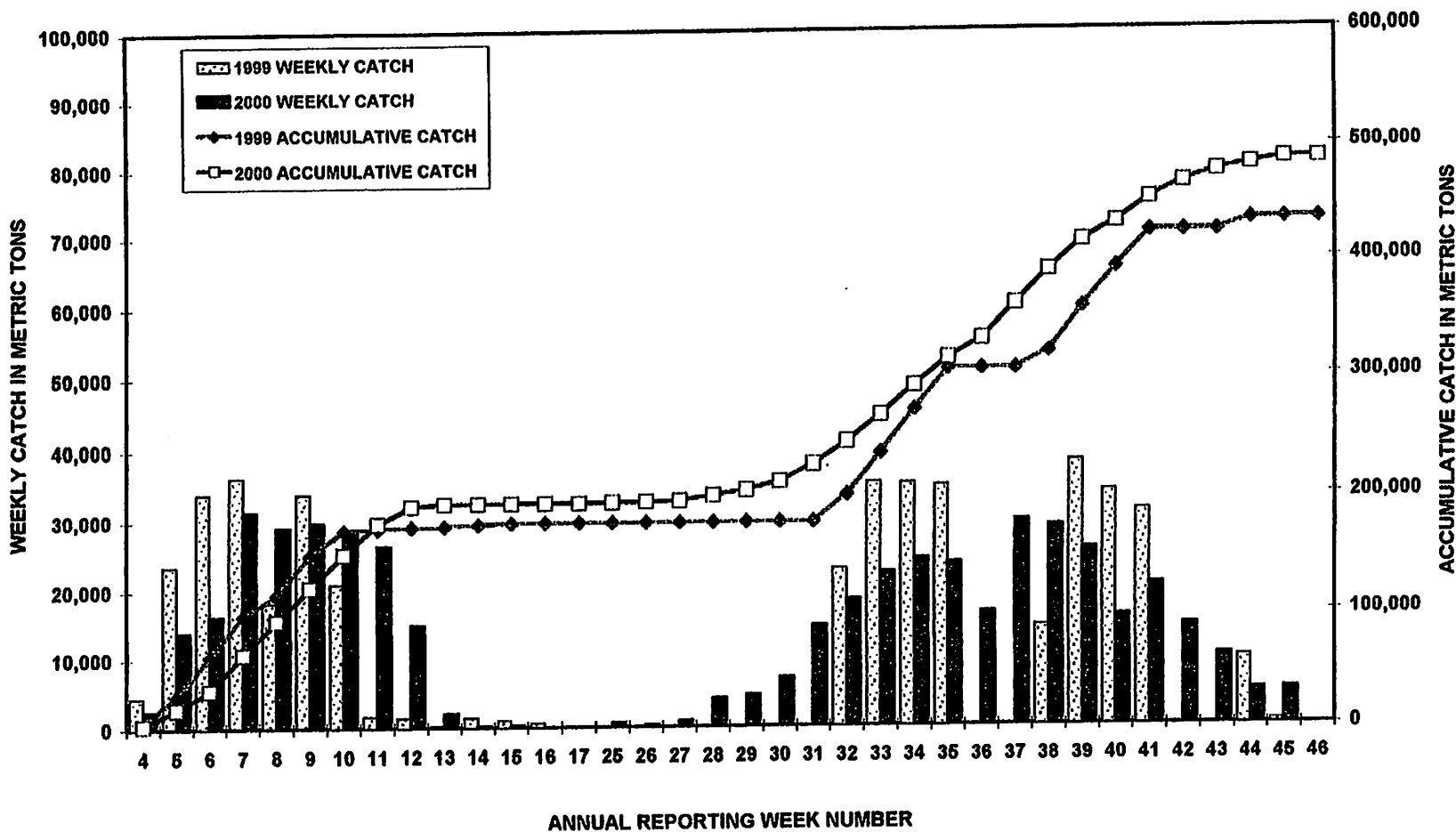
2.2 Harvests

In review of Tables 2.1 and 2.2, the catcher vessel cooperatives did not exceed their allocated amount for the 2000 fishery. Some were very close to their allotted amount. Though enforcement penalties were established in the Intercoop agreement for overages, no coop exceeded their allowed harvest levels, and therefore no enforcement penalties were assessed.

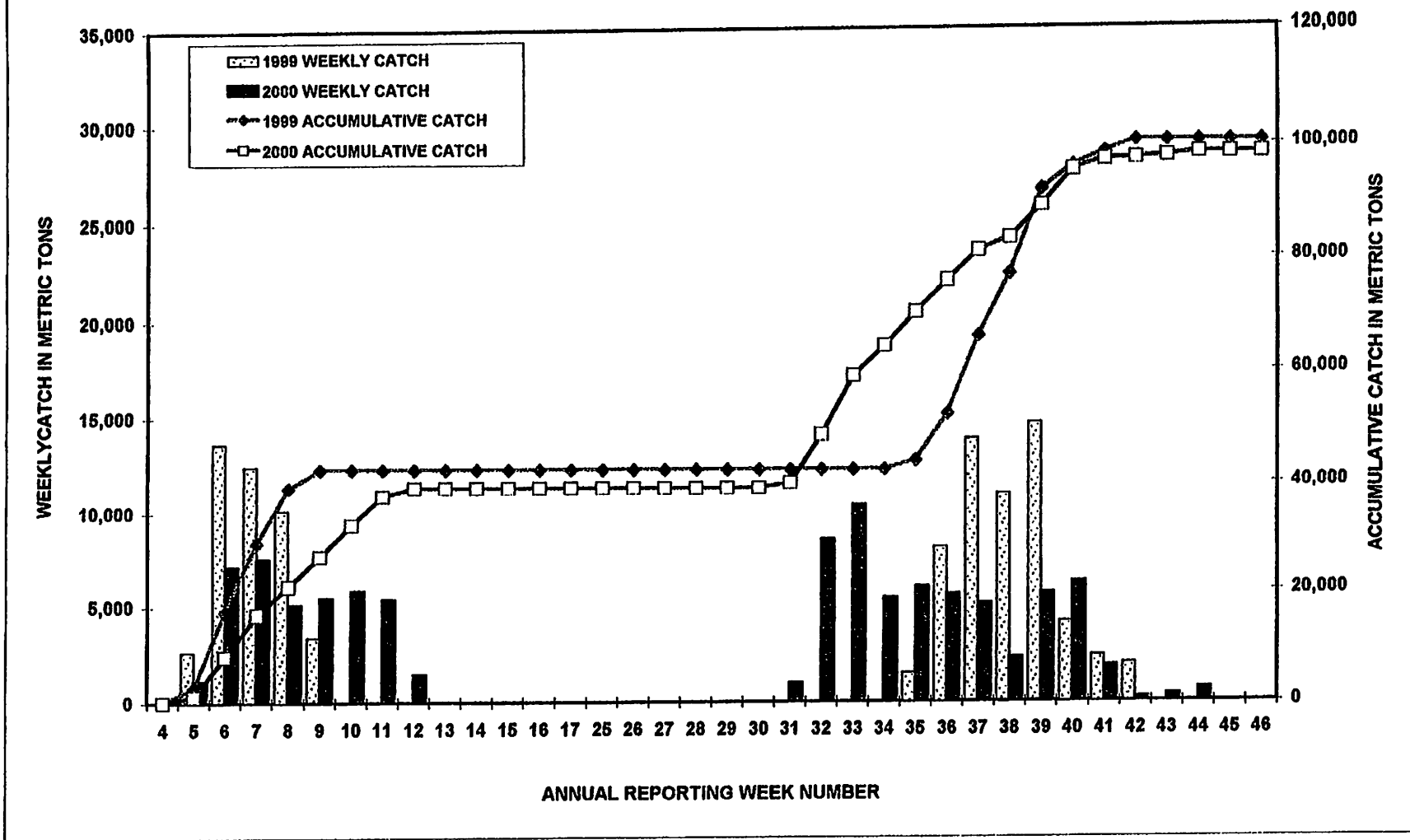
Graphs 2.1 and 2.2 present the aggregate harvest over time for the Inshore and Mothership sectors, respectively. These graphs also provide a comparison of the 2000 season with the last year of open access fishing, 1999. These graphs clearly show the reduction in total catch per week and also the extended length of the 2000 fishery seasons relative to 1999.

The tables and graphs in this section do not include catch data from the Inshore open access Pollock fishery (roughly 28,000 mt in 2000). The ICA did not govern the Inshore vessels that chose to remain in the Bering Sea Inshore open access pollock fishery. The monitoring of this fishery was done though United Catcher Boats Association.

Graph 2.1 1999 and 2000 INSHORE SECTOR EBS POLLOCK FISHERY



Graph 2.2 1999 and 2000 MOTHERSHIP EBS POLLOCK FISHERY

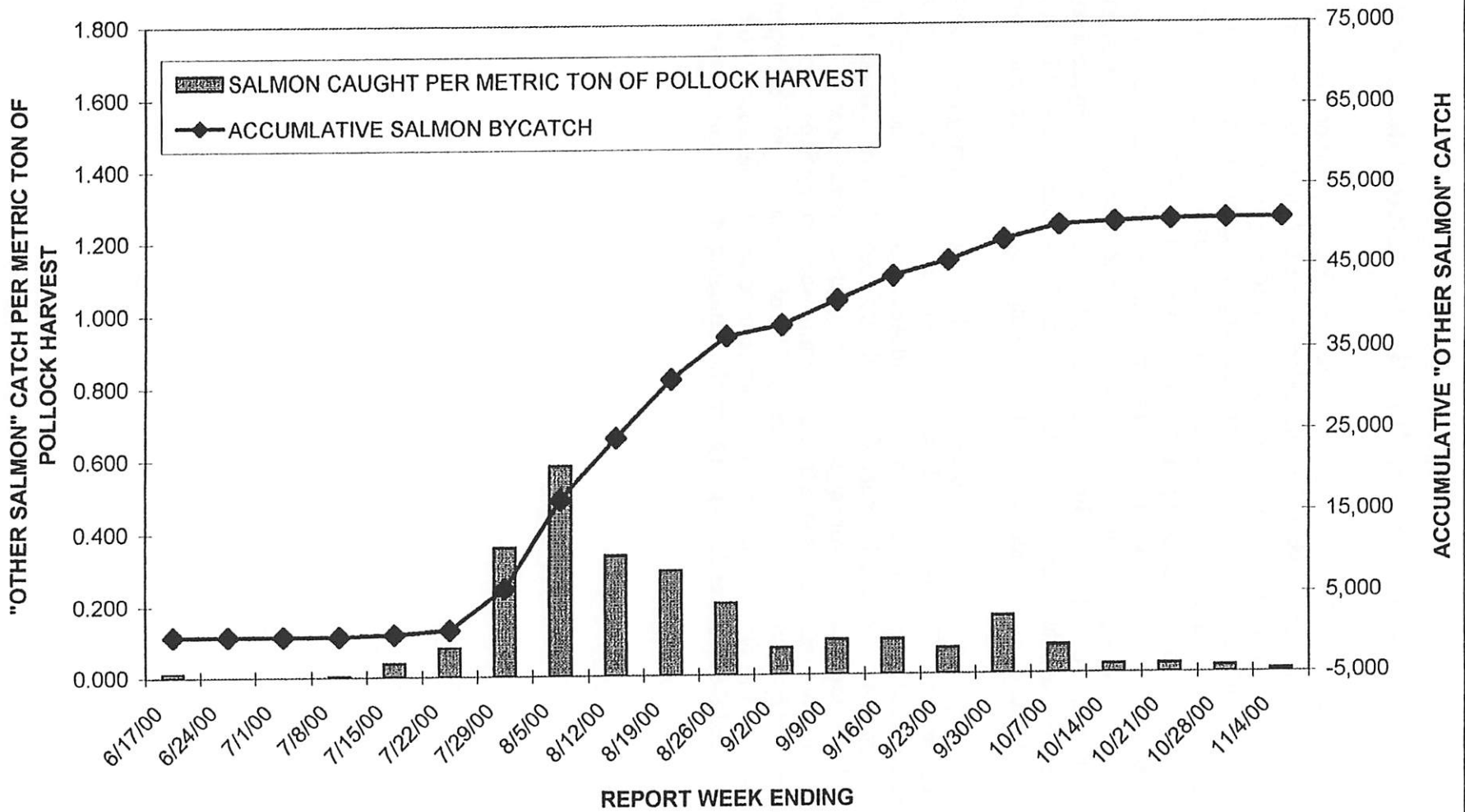


Section 2.3 Salmon Bycatch in the Directed Pollock Fishery

Due to the Pollock RFRPAs combined with the U.S. District Court ordered injunction that prohibited trawling inside SSL Critical Habitat, the CV fleet was forced to fish in areas prone to higher rates of salmon bycatch. By mid-August, the Intercoop Coordinator and Intercoop Monitoring agent (Sea State Inc.) began to notify the fleet that unusually high rates of chum salmon bycatch were occurring in areas outside the Sea Lion Conservation Area. To address this problem, members of the ICA, along with the Board of United Catcher Boats, developed a voluntary chum salmon bycatch reduction program. Elements of this program include: daily reporting system to coops of bycatch rates by area; publication of a "Dirty 20 list"; establishment of recommended bycatch rates; recommended avoidance areas; and a vessel to vessel on-grounds hotspot reporting system. Attached as Appendix 2 to this report is the UCB bycatch reduction program.

Graph 2.3 reports the bycatch of "other salmon" that occurred during the Inshore Sector C and D seasons. The columns and accumulative curve show the rapid rise in salmon bycatch as the C season got underway. By mid August Sea State, Inc. was providing salmon hotspot reports to all sectors of the pollock fishery. The rates began to drop off, but still remained at abnormally high levels. The United Catcher Boat Association salmon program was in full swing by the reporting week ending September 2nd. The inshore fleet bycatch rate fell to less than one fifth of the season's highest report week of August 5th at this time. A much reduced salmon bycatch rate continued for the remainder of the C and D seasons as demonstrated by the flattening of the accumulative bycatch curve.

GRAPH 2.3 2000 BERING SEA INSHORE C & D SEASON "OTHER SALMON" BYCATCH



Section 3. Sideboards

3.1 Groundfish Sideboards.

Table 3.1 provides information on the amount of BSAI groundfish species (non-Pollock) sideboards allocated by NMFS per Council recommended action on sideboards, total catch of the sideboard species and lastly, whether or not the AFA fleet in the aggregate exceeded the sideboard limits. Table 3.2 provides the same information for the Gulf of Alaska sideboard limits. In the 15 directed fisheries prosecuted by non-exempt AFA vessels this year, none of the GOA and BSAI AFA sideboard species allocations were exceeded. See tables 1 – 15 in Appendix 3. For Bering Sea fisheries, AFA vessels participated only in the Pollock, P. cod, and Yellowfin Sole target fisheries. In the Gulf of Alaska, AFA non-exempt vessels participated in the Pollock, P. cod, Shallow Water, Deep Water, POP and Northern Rockfish fisheries. See Tables 1-3 for BSAI and Tables 4-15 for GOA in Appendix 3.

The Intercoop Group struggled with two primary issues when developing its agreement for governing sideboard management. The first was how to balance the allocation of groundfish sideboard species (BSAI P. Cod in particular) between directed harvest of such species, and as bycatch needs in other directed fisheries. This was particularly difficult as the Council's recommended sideboard amounts were based on a formula using only landed catch, rather than total catch. See section 2.a. of the ICA for exact language on how the group addressed this issue.

The second major hurdle was addressing the exempt vessel issue. Because the Council exempted certain vessels from the GOA groundfish sideboards and the BSAI P. cod sideboards (AFA vessels w/ < 1700 mt of BSAI pollock) without associating the exemption with any recommendation on PSC allocation, the ICA developed a formula that allows exempt vessels access to additional PSC if these vessels' PSC rates remained below a certain threshold. If the threshold rate was exceeded, then the exempt vessel was not eligible for a "refreshing" of PSC.

The ICA also established a mechanism for individual coops to transfer sideboard limits among the nine CV cooperatives. The transfer required written notification to the Intercoop Coordinator and monitor. Data in Appendix 3 provides the original sideboard amounts for each coop and transfers among the coops in all directed sideboard fisheries.

TABLE 3.1

2000 BSAI AFA CATCHER VESSEL AGGREGATE GROUND FISH SIDEBOARD CATCH				
SPECIES	FISHERY	NMFS CV SIDEBOARD LIMITS	AGGREGATE CATCHER VESSEL CATCH	OVER (UNDER) 2000 SIDEBOARD LIMIT
Pacific Cod	Fixed Gear, 1/1 - 4/30	39	0	(39)
	Fixed Gear, 5/1 - 8/31	0	0	0
	Fixed Gear, 9/1 - 12/31	16	0	(16)
	Trawl, Catcher Vessel	32,316	28,498	(3,818)
	Trawl, Catcher Proc.	0	0	0
Sablefish	BS Trawl	0	0	0
	AI Trawl	0	0	0
Atka Mackerel	BS & Eastern AI Jig	0	0	0
	BS & Eastern AI Other Gear			
	1/1 - 4/15	23	0	(23)
	9/1 - 11/1	23	0	(23)
	Central AI			
	1/1 - 4/15	1	1	0
	1/1 - 4/15 Inside CH	1	0	(1)
	9/1 - 11/1	1	0	(1)
	9/1 - 11/1 Inside CH	1	0	(1)
	Western AI			
	1/1 - 4/15	0	0	0
	1/1 - 4/15 Inside CH	0	0	0
	9/1 - 11/1	0	0	0
	9/1 - 11/1 Inside CH	0	0	0
Yellowfin Sole	BSAI	7,460	1,895	(5,565)
Rock Sole	BSAI	2,921	1,235	(1,686)
Flathead Sole	BS	2,193	1,235	(958)
Greenland Turbot	BS	233	39	(194)
	AI	6	1	(5)
Arrowtooth Flounder	BSAI	6,492	682	(5,810)
Other Flatfish	BSAI	3,975	505	(3,470)
Pacific Ocean Perch	BS	225	2	(223)
	Eastern AI	14	4	(10)
	Central AI	4	2	(2)
	Western AI	0	0	0
Other Red Rockfish	BS	5	14	9
Sharpchin / Northern	AI	7	10	3
Shortraker / Rougheye	AI	1	0	(1)
Other Rockfish	BS	12	9	(3)
	AI	2	0	(2)
Squid	BSAI	651	1	(650)
Other Species	BSAI	754	1,028	274

TABLE 3.2

2000 GOA AFA CATCHER VESSEL AGGREGATE GROUND FISH SIDEBOARD CATCH				
SPECIES	FISHERY	NMFS CV SIDEBOARD LIMITS	AGGREGATE CATCHER VESSEL CATCH	OVER (UNDER) 2000 SIDEBOARD LIMIT
Pollock	Eastern GOA	3,205	0	(3,205)
	Shelikof A Season	2,339	612	(1,727)
	610 A Season	4,677	0	(4,677)
	620 A Season	69	0	(69)
	630 A Season	1,056	0	(1,056)
	Shelikof B Season	1,170	636	(534)
	610 B Season	2,339	255	(2,084)
	620 B Season	34	0	(34)
	630 B Season	528	0	(528)
	610 C Season	7,177	1,151	(6,026)
	620 C Season	864	0	(864)
	630 C Season	1,787	749	(1,038)
	610 D Season	5,981	4,105	(1,876)
	620 D Season	720	0	(720)
	630 D Season	1,489	270	(1,219)
Pacific Cod	WGOA Inshore	1,945	542	(1,403)
	WGOA Offshore	169	0	(169)
	CGOA Inshore	1,330	108	(1,222)
	CGOA Offshore	197	0	(197)
	EGOA Inshore	0	0	0
	EGOA Offshore	3	0	(3)
Flatfish Deep-water	WGOA	0	0	0
	CGOA	168	87	(81)
	EGOA	5	0	(5)
Rex Sole	WGOA	5	3	(2)
	CGOA	66	11	(55)
	EGOA	7	0	(7)
Flathead Sole	WGOA	26	1	(25)
	CGOA	49	30	(19)
	EGOA	2	0	(2)
Flatfish Shallow-water	WGOA	117	0	(117)
	CGOA	544	72	(472)
	EGOA	21	0	(21)
Arrowtooth Flounder	WGOA	24	0	(24)
	CGOA	515	39	(476)
	EGOA	8	0	(8)
Sablefish	WGOA Trawl	1	0	(1)
	CGOA Trawl	44	93	49
	EGOA Trawl	7	2	(5)
Pacific Ocean Perch	WGOA	6	0	(6)
	CGOA	639	383	(256)
	EGOA	57	47	(10)

TABLE 3.2 (continued)

2000 GOA AFA CATCHER VESSEL AGGREGATE GROUND FISH SIDEBOARD CATCH				
SPECIES	FISHERY	NMFS CV SIDEBOARD LIMITS	AGGREGATE CATCHER VESSEL CATCH	OVER (UNDER) 2000 SIDEBOARD LIMIT
Shortraker / Rougheye	WGOA	0	0	0
	CGOA	13	1	(12)
	EGOA	6	2	(4)
Other Rockfish	WGOA	0	0	0
	CGOA	3	134	131
	EGOA	0	4	4
Northern Rockfish	WGOA	0	0	0
	CGOA	138	101	(37)
Pelagic Shelf Rockfish	WGOA	0	0	0
	CGOA	0	0	0
	EGOA	9	0	(9)
Demersal Shelf Rockfish	SEO	0	0	0
Thornyhead	Gulfwide	28	9	(19)
Atka Mackerel	Gulfwide	27	0	(27)
Other Species	Gulfwide	95	5	(90)

3.2 PSC Sideboards

Table 3.3 provides the amount of PSC sideboards allocated to and caught by the CV cooperatives per Council recommendations and NMFS actions for the BSAI. Table 3.4 provides the same information for the GOA. The nine CV cooperatives did not exceed their aggregate PSC sideboard caps. Please note that there were no transfers of PSC limits among coops for 2000. Table 3.5 reports the total Chinook salmon, "Other salmon", and herring bycatch for the BSAI directed fisheries.

Note also that the CV PSC amounts differ from the CP PSC limits in that they are specific amounts per individual PSC fishery category, rather than aggregate limits by PSC species, as was done for the AFA CP sector.

TABLE 3.3

2000 BSAI AFA CATCHER VESSEL AGGREGATE PSC SIDEBOARD CATCH					
PSC SPECIES	TARGET FISHERY	NMFS CV PSC SIDEBOARD LIMITS	AGGREGATE CATCHER VESSEL PSC CATCH	OVER (UNDER) 2000 SIDEBOARD LIMIT	
Halibut	Pacific Cod Trawl	887	377	(510)	
	Pacific Cod Fixed Gear	2	0	(2)	
	Yellowfin Sole				
		1/20 - 3/31	30	0	(30)
		4/1 - 5/20	22	2	(20)
		5/21 - 7/3	6	0	(6)
		7/4 - 12/31	43	0	(43)
		Rock Sole/Fithd. Sole/O. Flats			
		1/20 - 3/31	127	0	(127)
		4/1 - 7/3	46	0	(46)
		7/4 - 12/31	47	0	(47)
		Turbot/Arrowtooth/Sablefish	0	0	0
		Rockfish	2	0	(2)
	Pollock/A.Mackerel/O.Species	5	0	(5)	
Red King Crab; Zone 1	Pacific Cod	7,207	247	(6,960)	
	Yellowfin Sole	1,333	44	(1,289)	
	Rock Sole/Fithd. Sole/O. Flats	11,958	0	(11,958)	
	Pollock/A.Mackerel/O.Species	39	0	(39)	
C. Opilio; COBLZ	Pacific Cod	76,383	12,245	(64,138)	
	Yellowfin Sole	329,067	1,864	(327,203)	
	Rock Sole/Fithd. Sole/O. Flats	247,154	0	(247,154)	
	Pollock/A.Mackerel/O.Species	1,626	0	(1,626)	
	Rockfish	1,006	0	(1,006)	
	Turbot/Arrowtooth/Sablefish	9,552	0	(9,552)	
C. Baridi; Zone 1	Pacific Cod	98,035	1,363	(96,672)	
	Yellowfin Sole	33,032	995	(32,037)	
	Rock Sole/Fithd. Sole/O. Flats	87,882	0	(87,882)	
	Pollock/A.Mackerel/O.Species	336	0	(336)	
C. Baridi; Zone 2	Pacific Cod	172,540	12,272	(160,268)	
	Yellowfin Sole	173,272	3	(173,269)	
	Rock Sole/Fithd. Sole/O. Flats	143,444	0	(143,444)	
	Pollock/A.Mackerel/O.Species	582	0	(582)	
	Rockfish	246	0	(246)	

TABLE 3.4

2000 GOA AFA CATCHER VESSEL AGGREGATE PSC SIDEBOARD CATCH				
PSC SPECIES	TARGET FISHERY	NMFS CV PSC SIDEBOARD LIMITS	AGGREGATE CATCHER VESSEL PSC CATCH	OVER (UNDER) 2000 SIDEBOARD LIMIT
Halibut	Trawl; 1st Season Allowance			
	Shallow-water Targets	170	28	(142)
	Deep-water Targets	7	2	(5)
	Trawl; 2nd Season Allowance			
	Shallow-water Targets	34	23	(11)
	Deep-water Targets	21	3	(18)
	Trawl; 3rd Season Allowance			
	Shallow-water Targets	68	35	(33)
	Deep-water Targets	28	0	(28)
	Trawl; 4th Season Allowance			
	All Targets	82	8	(74)

TABLE 3.5

2000 BSAI AFA CATCHER VESSEL AGGREGATE SALMON & HERRING BYCATCH		
BYCATCH CATEGORY	TARGET FISHERY	AGGREGATE CATCHER VESSEL SALMON BYCATCH
Chinook	Pollock	2,572
	Pacific Cod	177
	Yellowfin Sole	0
	Total	2,749
Other Salmon	Pollock	50,737
	Pacific Cod	19
	Yellowfin Sole	0
	Total	50,756
Herring	Pollock	360
	Pacific Cod	0
	Yellowfin Sole	0
	Total	360

3.3 Bristol Bay Red King Crab Sideboard Fishery

Twenty-five of the qualified 37 AFA endorsed vessels participated in the 2000 BBRKC sideboard fishery. Prior to the start of the fishery, NMFS provided to ADF&G a list of all AFA vessels that have a BBRKC LLP endorsement. ADF&G then determined the percentage of catch from these vessels from the years 1991 – 1993, 1996 & 1997. Presently there are 37 vessel catch histories upon which the cap is determined. The cap was calculated to be 10.96% of the 2000 BBRKC GHL, or 846,291 pounds. The 25 AFA-endorsed vessels harvested 715,940 pounds, hence the total harvest by the AFA group of vessels did not exceed the AFA harvest cap. If the cap had been exceeded, ADF&G regulations stipulate that the AFA cap for the following year would be reduced by an amount equal to twice the overage in pounds. In addition the AFA CV owners were required to provide and fund observers for 10% of the AFA fleet, or three observers.

Attached as Appendix 4 to this report is a copy of the BBRKC Sideboard Fishery Management Plan that was agreed to by all participating vessel owners. This plan details the monitoring, accounting and management of this sideboard fishery by United Catcher Boats Association.

APPENDIX 1

2000 CATCHER VESSEL INTERCOOP AGREEMENT

INTERCOOPERATIVE AGREEMENT

This INTERCOOPERATIVE AGREEMENT is entered into by and among HIGH SEAS CATCHERS COOPERATIVE ("High Seas"), MOTHERSHIP FLEET COOPERATIVE ("MFC") and the "Inshore Coops", i.e., AKUTAN CATCHER VESSEL ASSOCIATION, ARCTIC ENTERPRISE ASSOCIATION, NORTHERN VICTOR FLEET COOPERATIVE, PETER PAN FLEET COOPERATIVE, UNALASKA FLEET COOPERATIVE, UNISEA FLEET COOPERATIVE and WESTWARD FLEET COOPERATIVE, all of which are Washington Fish Marketing Act corporations, as of January 19, 2000, with respect to the following facts:

A. High Seas, MFC and the Inshore Coops (together, the "Coops") are composed of certain catcher vessels (the "Vessels") eligible to harvest Bering Sea ("BS") and Aleutian Islands ("AI") pollock under the American Fisheries Act (the "AFA"). High Seas and the MFC are composed of all of the vessels eligible to harvest BS and AI pollock in the "catcher vessels delivering to catcher processors" and "mothership" sectors of such fisheries, respectively. The Inshore Coops have each received an allocation of BS pollock in accordance with Section 210 of the AFA. The members of each of the Coops have allocated among themselves the pollock available to their respective Coop, and have agreed that an overharvest of its allocation by any member shall subject such member to a penalty.

B. Pursuant to Section 211(c) of the AFA, the North Pacific Fishery Management Council (the "Council") has adopted certain measures to prevent the Vessels from exceeding in the aggregate their traditional harvest levels in fisheries other than BS and AI pollock (the "Sideboards"). The members of each of the Coops have allocated the Sideboards limits among themselves, and have agreed that an overharvest of a Sideboard limit by any member shall subject that member to a penalty.

C. The Council has adopted certain limits on the Vessels' incidental catch of certain "Prohibited Species" such as crab and halibut (the "PSC Caps"). Each Coop's members have agreed to exercise their best efforts to conduct their fishing efforts such that their Coop remains in compliance with the PSC Caps.

D. The Coops are subject to certain time and area limits on their harvest of BS and AI pollock in connection with Steller sea lion protection measures (the "RPAs").

E. The Coops wish to promote compliance with the Sideboards and PSC Caps, to provide their members with an opportunity to harvest their proportionate share of pollock and other species under Council jurisdiction, and to insure that in the case of an overharvest by a member, the affected parties have adequate recourse.

Now, therefore, the parties agree as follows:

1. Sideboard Limits. Subject to applicable Sideboard exemptions (including the "1700 metric ton" BS/ AI cod and Gulf of Alaska ("Gulf") groundfish Sideboard exemptions and the mothership sector BS/ AI cod sideboard exemption) the Coops agree to limit their collective members' Vessels' aggregate annual harvest of each Sideboard species to the amount that the Coop members' Vessels' collective catch histories contribute to the annual Sideboard for such species, as calculated by the National Marine Fisheries Service ("NMFS") in accordance with 50 C.F.R. § 679.63(b). To give effect to this provision, each Coop shall (i) limit its non-exempt members' Vessels' aggregate annual harvest of each Sideboard species to the amount that such Vessels contribute to the aggregate annual Sideboard for such species; or (ii) in the case of two or more Coops entering into an intercooperative agreement under which the parties have agreed to limit their collective non-exempt members' Vessels' aggregate annual harvest of one or more Sideboard species to the amount that such Coops' members' Vessels' collective catch histories contribute to the annual Sideboard for such species, limit its members catch in compliance with such intercooperative agreement.

2. Sideboard and PSC Cap Management. The Coops acknowledge that in the absence of coordinated Sideboard and PSC Cap management, both exempt and nonexempt vessels are at risk of being unable to harvest the entire amount of Sideboard species available to them. Therefore, the Coops agree to the procedures set forth in this Section 2. For purposes of this Section, Coop catch data produced by the Monitoring Agent in conformance with NMFS catch accounting and bycatch estimation procedures shall be presumed accurate.

a. Sideboard and PSC Cap Allocation. The Monitoring Agent, in consultation with NMFS, will first reserve an amount of each Sideboard species necessary to fund the bycatch needs of pollock and other directed groundfish fisheries in which the AFA catcher vessels participate. Then, the Monitoring Agent will initially allocate the BS, AI and Gulf non-exempt vessel Sideboard directed fishery allowances, exempt vessel Sideboard reserves and PSC Caps among the Coops as set forth herein. The allocations will be based on NMFS data and formulas to the extent feasible, and on the best available data otherwise. Each Coop agrees to exercise its best efforts to provide the Monitoring Agent with all catch data that the Monitoring Agent reasonably requests for purposes of calculating such allocations. Upon the Monitoring Agent having allocated the non-exempt and exempt vessel Sideboard allowances among the Coops, the Monitoring agent shall allocate the PSC Caps such that:

(i) each Coop shall receive PSC Cap allocations for each of the fisheries in which its vessels operate without exemptions proportionate such Coop's related Sideboard species allocations, provided that each Coop's initial PSC Cap allocations related to non-exempt vessel BS/ AI cod harvest shall be reduced by five

percent (5%) to fund the "traditional time and area" buffer (the "Buffer") provided to the exempt vessels pursuant to (ii), below; and

(ii) each Coop shall receive separate PSC Cap allocations for each of the fisheries in which one or more of its vessels operate on an exempt basis, proportionate to such vessels' contribution to the related NMFS reserve, provided that each Coop's initial "1700 mt" exempt vessel BS/ AI cod PSC allocation shall be adjusted upward by a pro rata amount of the Buffer. In cases where an exempt vessel contributes less than 500 metric tons ("mt") to the BS/ AI cod exempt vessel reserve, the initial allocation of PSC relative to that vessel shall be based on a presumed contribution of 500 mt.

For purposes of this Section 2, the mothership sector catcher vessels shall be considered "non-exempt" prior to March 1, and their initial coop Sideboard and PSC Cap allocations shall be made accordingly. The mothership catcher vessels shall become "exempt" as of March 1, and thereupon shall become eligible for a reallocation of PSC pursuant to Subsection b., below, if as a coop group they have harvested their initial BS/ AI cod Sideboard allocation without exceeding their initial allocation of PSC.

b. BS/ AI and Gulf Cod PSC Reallocation. The Monitoring Agent will track the aggregate BS/ AI and Gulf cod catch and halibut and crab bycatch of each Coop's exempt vessels. Upon the Monitoring Agent determining that a Coop's exempt vessels (as a group) have harvested their initial or subsequent allocation(s) of cod in the BS/ AI or Gulf cod fishery without exceeding the Coop's related allocation of exempt vessel PSC (as adjusted by intra or inter Coop transfers) (such Coop being a "Complying Coop"), the Monitoring Agent will reduce each Coop's (including the Complying Coop's) remaining allocation of cod-related PSC for such cod fishery (if any) pro rata, according to the proportion of its initial non-exempt allocation of such PSC vis-a-vis the other Coops, such that the sum of the reductions is the lesser of (i) the amount of PSC necessary for each exempt vessel in the Complying Coop to harvest an additional 300 mt of cod at the pre-Buffer non-exempt cod/PSC ratio, or (ii) the proportionate amounts of such PSC that the Monitoring Agent deems necessary for the Complying Coop's exempt vessels to operate at such ratio until such fishery is closed to catcher vessel trawling; provided that the sum of such reductions under (i) or (ii) above shall in no case exceed that amount of PSC calculated to harvest 1500 mt at the pre-Buffer non-exempt cod/PSC ratio. The Monitoring Agent will then increase the relevant Coop's exempt vessel cod-related PSC allocations for such fishery by the sum of such reductions. On the other hand, if a Coop's exempt vessels harvest their initial or subsequent cod-related PSC allocation for the BS/ AI or Gulf cod fishery (as adjusted by inter or intra Coop transfers) before having harvested the Coop's cod allocations made available therewith, the Monitoring Agent will not increase such Coop's exempt vessel allocations, and such Coop shall require such vessels to cease their directed fishing in that cod fishery, notwithstanding their exemption. If the Monitoring Agent

determines that a PSC reallocation under this Section has provided a Coop with PSC in excess of the amount necessary to fish until fishery closure, the Monitoring Agent will have the authority to release an amount of the surplus that the Monitoring Agent deems reasonable back to the contributing Coops.

c. Bycatch Data Reporting. The Coops agree to provide the Monitoring Agent with full, timely data concerning halibut and crab bycatch rates per area. The Coops agree to exercise all commercially reasonable efforts to provide such data from the fishing grounds, and to direct their members' fishing activities to achieve the lowest practicable bycatch rates.

d. BS/ AI Cod Harvest Timing. To facilitate harvest of the full amount of the BS/ AI cod Sideboard, each Coop agrees to manage its non-exempt vessels' BS/ AI cod directed fishing harvest such that no more than sixty percent (60%) of the related initial PSC allocation is harvested prior to March 1.

e. Optimal PSC Utilization. Each Coop agrees to exercise its best efforts to manage its vessels such that their aggregate PSC catch (as determined by the Monitoring Agent in accordance with NMFS procedures) does not exceed the Coop's PSC allocations, as adjusted by transfers with other Coops and pursuant to Subsection 2.b., above. Each Coop agrees to release to the Monitoring Agent on a timely basis for redistribution at no cost the PSC it determines is not necessary to harvest its Sideboard allocations.

3. Overharvest Prevention Measures.

a. Harvest Limits. The Coops agree to exercise their best efforts to prevent any of their members from exceeding their pollock allocation and Sideboard limits. In cases where a member has done so, the Coops agree to exercise their best efforts to prevent such overharvest from affecting non-members and/or resulting in a violation of fishery regulations. To that end, the Coops agree to facilitate pollock allocation and Sideboard limit transfers among members when practicable, agree to transfer PSC Cap apportionments among Coops when practicable, and to issue "stop fishing" orders as appropriate when such transfers are not practicable. The Coops also agree to encourage their members to mitigate the effects of inadvertent overharvests by making quota, limit or cap allocations available on reasonable terms and conditions. However, other than as provided in Section 3.f.(ii), below, nothing in this Section 3 shall constitute an affirmative obligation on the part of any Coop or its members to transfer an allocation or apportionment at the request of another Coop or other members.

b. Pollock Allocation and Sideboard Penalties. The Coops acknowledge that notwithstanding the provisions of Section 3.a, above, adopting and enforcing appropriate penalties is necessary to create overharvest disincentives. The

Inshore Coops therefore each agree to adopt the uniform penalty for an Inshore Coop member exceeding its pollock allocation amount or area or season proportion of Five Hundred Dollars (\$500.00) per metric ton for the pollock "A" season and Three Hundred Dollars (\$300.00) per metric ton for the pollock seasons thereafter. The Coops each agree to adopt the uniform penalty amount of One Thousand Dollars (\$1,000.00) per metric ton for BS, AI and Gulf Pacific cod, and the amount of Three Hundred Dollars (\$300.00) per metric ton for all other BS, AI and Gulf groundfish species. Overharvests shall be determined on the basis of the best available data. Harvest reports developed by the Monitoring Agent shall be presumed accurate in the absence of demonstrable error.

c. PSC Cap Enforcement. Upon a Coop receiving written notice from the Monitoring Agent that it does not have an adequate PSC allocation to support further fishing activity by its members' vessels, such Coop shall immediately cause its members' vessels to cease fishing in the relevant directed fisheries. The Coops hereby adopt as a uniform penalty for each landing following such notice that includes a PSC species harvested in excess of a Coop's allocation an amount equal to twice the ex-vessel value of all commercially harvestable species delivered in such landing. For purposes of this Subsection, Coop catch data produced by the Monitoring Agent in conformance with NMFS catch accounting and bycatch estimation procedures will be presumed accurate. The Coops agree to take all actions and execute all documents reasonably necessary to give effect to this provision.

d. Liquidated Damages. The Coops acknowledge that the financial impact associated with overharvesting an allocation or exceeding a Sideboard limit or PSC Cap are difficult to estimate, and that penalty amounts are therefore intended to be a substitute in all cases for direct, indirect and consequential damages. Therefore, the Coops agree that the penalty amounts established under 3.b. and 3.c., above are liquidated damages, the payment of which (together with reasonable costs of collection) shall satisfy a member's obligation with respect to any harvest in excess of an allocation, Sideboard or applicable PSC Cap. The Coops hereby waive any and all claims to direct, indirect or consequential damages related to such overharvest.

e. Rights of Action. Each Coop agrees that the members of all other Coops shall have rights to initiate penalty actions and to be paid overharvest forfeitures and related costs of collection equivalent to such Coop's own members' rights. Each Coop agrees to take all corporate action necessary to give effect to this provision.

f. Indemnification.

(i) Each Coop (an "Indemnifying Coop") hereby agrees to indemnify, defend and hold harmless all other Coops and their members (the

"Indemnitees") against all third party claims, legal actions and proceedings of any type whatsoever (the "Actions"), and against all third party damages, including but not limited to all liabilities, obligations, judgments, penalties, fines, forfeitures, costs of defense and reasonable attorneys' fees (including fees incurred enforcing this indemnification) (together, the "Damages") that the Indemnitees incur as a result of an overharvest of a pollock allocation, Sideboard species or PSC Cap by a member of the Indemnifying Coop.

(ii) For purposes of this provision, in cases where an overharvest by a member is (a) not willful or repeated; (b) is capable of being corrected by other members (of the same or other Coops) restraining their harvest(s), and timely written notice is provided to such members' Coop(s); and (c) for which the appropriate amount of liquidated damages is tendered by the originally overharvesting member to a qualified third party escrow agent in readily available funds, the obligation of indemnification for third party claims related to the original overharvest shall shift to the Coop(s) receiving notice and the tender of liquidated damages.

4. Steller Sea Lion-Related Management Measures.

a. Non-Exempt Vessels. Other than as necessary to give effect to regulatory exemptions extended to its members (such as the measure which exempts vessels under 99' in length from Catcher Vessel Operational Area ("CVOA") closures during certain fall and winter months), each Inshore Coop agrees to limit the aggregate annual pollock harvest of its members per season and per area (as determined in accordance with NMFS accounting procedures related to such harvests, including NMFS presumptions concerning unmonitored vessels) to the percentage of the annual inshore pollock directed fishing allowance generally permitted to be harvested during such season and/or in such area.

b. Unmonitored Vessels. The Coops acknowledge that NMFS presumes pollock catch by unobserved vessels that are not carrying an operating Vessel Monitoring System ("VMS") is harvested in the Sea Lion Conservation Area ("SCA") until such area is closed, notwithstanding where the vessel actually fished. The Coops agree to work collectively to establish, adopt and enforce measures that promote accurate inside/outside SCA catch accounting.

5. Data Reporting.

a. Appointment of Monitoring Agent. The Coops acknowledge that it will not be possible to obtain the benefits associated with cooperative harvesting activity unless catch data is reported on a timely basis to a centralized monitoring and reporting agent (the "Monitoring Agent"). The Coops agree to independently contract with Sea State, Inc. as their agent for that purpose.

b. Data Gathering. Each Coop agrees to take all commercially reasonable actions to obtain catch data and other information that may be necessary for effective fishery management from its members as soon as reasonably possible, and to provide such data to the Monitoring Agent as soon as reasonably possible after receiving such data. Data produced for the Coops by the Monitoring Agent shall be presumed accurate, which presumption shall only be rebuttable upon clearly demonstrating inaccuracy.

6. Vessel Preregistration. The Coops acknowledge that it may be necessary for their members to provide advance notice of their intent to employ Vessels in certain fisheries, to provide NMFS and the Coops with the ability to project catch rates and amounts. Each Coop agrees to obtain such elections from its members and report them to the Monitoring Agent on a timely basis.

7. Intercooperative Management. The Coops acknowledge that resolving issues related to cooperative harvesting operations will be a continuing process. Each Coop agrees to appoint a person to represent it in intercooperative matters. The Coops further agree to retain United Catcher Boats ("UCB") to provide ongoing intercooperative coordination services until June 1, 2000. The Coops agree such services shall not include representing the Coops or any of them in political or general policy matters, other than as authorized by all Coops in advance.

8. Term. The initial term of this Agreement shall expire on November 30, 2000. The Coops agree to meet in good faith negotiations concerning modification of this Agreement and extension of its term not later than September 1, 2000, with the express intent of replacing or extending this Agreement prior to November 30, 2000.

9. Miscellaneous.

a. No amendment to this Agreement shall be effective against a party hereto unless in writing and duly executed by such party. The parties agree to amend this Agreement as reasonably necessary to comply with changes in law, and policies and regulations implementing the American Fisheries Act.

b. This Agreement shall be governed by and construed in accordance with applicable federal law and the laws of the State of Washington.

c. This Agreement may be executed in counterparts which, when taken together, shall have the same effect as a fully executed original. Delivery of a signed copy of this Agreement by telefacsimile shall have the same effect as delivering a signed original.

d. The parties agree to execute any documents necessary or convenient to give effect to intents and purposes of this Agreement.

e. All notices required to be given under this Agreement shall be deemed given five (5) days following deposit in certified first class U.S. mail, postage prepaid, with the correct address, or upon the first business day following confirmed telefacsimile transmission to the recipient. Each Coop agrees to provide the name, postal address, telefacsimile number and e-mail address (if any) of its representative for purposes of receiving notices under this Agreement within three (3) days of executing this Agreement.

f. In the event that any provision of this Agreement is held to be invalid or unenforceable, such provision shall be deemed to be severed from this Agreement, and such holding shall not affect in any respect whatsoever the validity of the remainder of this Agreement.

g. Each Coop agrees to use its best efforts to resolve any disputes arising under this Agreement through direct negotiations. Other than disputes related to overharvest of pollock, Sideboard limits or PSC Caps in connection with which one or more Coops or their members seek an injunction, a restraining order or some other form of equitable relief, all disputes not resolved through direct negotiation and/or dispute resolution will be submitted to arbitration in Seattle, Washington upon the request of any party to this Agreement. The party's written request will include the name of the arbitrator selected by the party requesting arbitration. The other party will have ten (10) days to provide written notice of the name of the arbitrator it has selected, if any. If the other party timely selects a second arbitrator, the two arbitrators will select a third arbitrator within ten (10) days. If the other party does not timely select the second arbitrator, there shall be only the one arbitrator. The single arbitrator or the three (3) arbitrators so selected will schedule the arbitration hearing as soon as possible thereafter. Every arbitrator, however chosen, must have no material ties to any Coop or Coop member. The decision of the arbitrator (or in the case of a three (3) arbitrator panel, the decision of the majority) will be final and binding. The arbitration will be conducted under the rules of (but not by) the American Arbitration Association. The parties will be entitled to limited discovery as determined by the arbitrator(s) in its or their sole discretion. The arbitrator(s) will also determine the "prevailing party" and that party will be entitled to its reasonable costs, fees and expenses, including attorneys' and arbitrator fees, incurred in the action by said party. In no event will arbitration be available pursuant to this paragraph after the date when commencement of such legal or equitable proceedings based on such claim, dispute, or other matter in question would be barred by the applicable statute of limitations.

HIGH SEAS CATCHERS COOPERATIVE

By _____
Its _____

MOTHERSHIP FLEET COOPERATIVE

By _____
Its _____

AKUTAN CATCHER VESSEL
ASSOCIATION

By _____
Its _____

ARCTIC ENTERPRISE ASSOCIATION

By _____
Its _____

NORTHERN VICTOR FLEET
COOPERATIVE

By _____
Its _____

PETER PAN FLEET COOPERATIVE

By _____
Its _____

UNALASKA FLEET COOPERATIVE

By _____
Its _____

UNISEA FLEET COOPERATIVE

By _____
Its _____

WESTWARD FLEET COOPERATIVE

By _____
Its _____

APPENDIX 2

UNITED CATCHER BOATS SALMON BYCATCH
REDUCTION PROGRAM

SALMON BYCATCH IN THE BERING SEA POLLOCK FISHERY

Problem Statement. Salmon returns to the Yukon River, Kuskokwim River, and Norton Sound area, while having had weak returns over the past few years, are suffering from exceptionally poor returns of Chinook and Chum salmon this summer. On July 19 Governor Knowles signed a Declaration of Disaster Emergency for western and interior Alaska due to the "catastrophic collapse of the salmon returns." In a letter to the Secretary of Commerce, dated July 28, 2000, Governor Knowles stated, "The exact causes of the failure are still undetermined, but are probably linked to a number of factors including: changing ocean conditions causing poor ocean survival, and disease; and interception in state, federal, and international waters."

Now, more than ever before, pollock fishermen need to make a very conscious effort to reduce salmon bycatch. Even though the fishery seems overwhelmed with fishing restrictions this year due to sea lion protection, the reduction of salmon bycatch needs to remain a priority.

History of Chum Salmon Bycatch, 1996-1999 and Through August 19, 2000. In 1996, 1997, and 1998 the B season Pollock fishery began on Sept. 1 of each year, however in 1999 a combination of the American Fisheries Act and Steller sea lion issues significantly changed the pollock fishery. The B season became split into a B and a C season for catcher vessels and catcher processors that began August 1 and September 15 respectively. The Mothership sector had a combined B/C season that began August 1.

The Chum Salmon Savings Area was not a factor in 1996, 1997, and 1998 as the season opened on the same day as the CSSA. The CVOA chum catch after August 15 never triggered further closure of the area. 1999 was different because of the August 1 start. Fishing efforts were constrained by both the sea lion RPAs and the CSSA. The total chum bycatch by the pollock fleet was lower in 1999 than previous years, consequently once the CSSA opened on Sept. 1 it remained open for the entire season. Table 1 recaps the 1996 through Aug. 19, 2000 summer/fall pollock seasons. Note that the TAC is for the inshore sector only while the chum bycatch is for salmon caught by vessels in all sectors.

TABLE 1: 1996 - 1999 Summer/Fall Pollock Seasons

Year	START DATE	INSHORE TAC	"OTHER SALMON" CATCH (CHUM)	RATE OF ALL CHUM BYCATCH TO INSHORE TAC
1996	01-Sep	194,714	74,486	0.38
1997	01-Sep	201,210	62,859	0.31
1998	01-Sep	197,649	62,936	0.32
1999 B	01-Aug	125,885		
1999 C	15-Sep	125,885		
1999 B & C		251,770	44,587	0.18
2000 (Thru 8/19)	01-Jun	100,000	42,163	0.42
2000 TOTAL	01-Jun	292,000	122,640 (projected)	0.42

While chum salmon bycatch historically occurs across all harvest sectors of the pollock fishery, the majority of the 2000 bycatch has been in NMFS reporting areas 509 and 517. To date the offshore fleets have concentrated their fishing efforts in areas 521 and 524, leaving the majority of pollock harvest from areas 517 and 509 by the inshore catcher vessels. Consequently, this paper is focusing this year's bycatch problem and its relationship to the inshore catcher vessels. If salmon bycatch begins escalating in the other sectors, hopefully any solutions reached by the inshore sector could be applied sector wide.

2000 Fishery Projections. The pollock industry is faced with the possibility of experiencing a very high chum bycatch this year. As of August 19 the inshore fleet has caught 100,000 metric tons of pollock, roughly 35 % of their quota. A simple projection based on the same bycatch rate continuing till the end of the season results in a total chum catch of approx. 120,000. While this may seem like a very high projection, it is worth considering the bycatch experienced in 1996, 1997, and 1998. Referring back to TABLE 1, the remaining TAC for the 2000 inshore sector is very close to the TACs for all three of those years. The average chum bycatch for '96, '97, & '98 is 66,760. Add that to the 42,000 taken through August 19 and the bycatch total reaches 108,760.

These may be extreme numbers, but they are certainly not out of the question. Karl Haflinger of Sea State projects 75,000 to 100,000 chums will be caught based on fleet wide rates (see Sea State letter, August 25, 2000). Governor Knowles of Alaska, in a letter to the North Pacific Management Council regarding the current salmon run failures in the western Alaska region, makes reference to a five year chum bycatch average of 57,000 fish. He goes on to request the Council to "take new and expeditious actions to stop the bycatch of these salmon that threaten subsistence and conservation needs of this disaster region." On August 21, 2000 the Yukon River closed to salmon subsistence fishing, creating an even greater need for action by the pollock fleet.

Solutions for Salmon Bycatch Reduction. United Catcher Boats Board of Directors unanimously passed a chum salmon bycatch reduction program for the inshore catcher vessel fleet on Tuesday August 29th. The five-part program includes:

- 1) A daily reporting system by the Intercoop manager to the coops based on each day's shoreside plant delivery data. To include the bycatch rate and associated ADF&G reporting areas.
- 2) Publish a "Dirty 20 list" of vessels with the highest chum salmon bycatch rate for the most recent reporting week and an accumulative list covering the entire C/D season as it progresses.
- 3) Provide catcher vessel captains with recommended bycatch rates to help determine what level of acceptability their current bycatch rate may be.
- 4) Publish a list of recommended fishing avoidance areas based on both accumulative and recent catch information, updated as bycatch trends change.
- 5) Provide catcher vessel captains with an ongrounds reporting system for vessel to vessel hotspot reports.

APPENDIX 3

INDIVIDUAL COOP CAPS, TRANSFERS, AND HARVEST

IN DIRECTED SIDEBOARD FISHERIES

PROSECUTED IN 2000

Table 1. BSAI PACIFIC COD

Coop	Initial Sideboard Allocation (mt)	Sideboard Cap Transfers	Final Sideboard Allocation (mt)	Directed Catch	Over (Under) Coop sideboard
Akutan Catcher Vessel Assoc.	6,879.00	105.61	6,984.61	6,434.00	(550.61)
Arctic Enterprise Assoc.	2,173.00	0.00	2,173.00	2,163.00	(10.00)
High Seas Catchers Cooperative	3,307.00	339.52	3,646.52	3,586.00	(60.52)
Mothership Fleet Cooperative	5,495.00	-280.00	5,215.00	4,580.00	(635.00)
Northern Victor Cooperative	2,456.00	-147.90	2,308.10	2,259.00	(49.10)
Peter Pan Fleet Cooperative	9.00	0.00	9.00	0.00	(9.00)
Unalaska Fleet Cooperative	2,167.00	-17.23	2,149.77	2,086.00	(63.77)
UniSea Fleet Cooperative	4,906.00	0.00	4,906.00	4,832.00	(74.00)
Westward Fleet Cooperative	2,020.00	0.00	2,020.00	1,779.00	(241.00)
Intercoop Totals	29,412.00	0.00	29,412.00	27,719.00	(1,693.00)

Table 2. BSAI YELLOWFIN SOLE

Coop	Initial Sideboard Allocation (mt)	Sideboard Cap Transfers	Final Sideboard Allocation (mt)	Directed Catch	Over (Under) Coop sideboard
Akutan Catcher Vessel Assoc.	799.00	0.00	799.00	0.00	(799.00)
Arctic Enterprise Assoc.	0.00	0.00	0.00	0.00	0.00
High Seas Catchers Cooperative	55.00	0.00	55.00	0.00	(55.00)
Mothership Fleet Cooperative	297.00	0.00	297.00	0.00	(297.00)
Northern Victor Cooperative	95.00	0.00	95.00	0.00	(95.00)
Peter Pan Fleet Cooperative	10.00	0.00	10.00	0.00	(10.00)
Unalaska Fleet Cooperative	1,987.00	0.00	1,987.00	1,528.00	(459.00)
UniSea Fleet Cooperative	3,479.00	0.00	3,479.00	0.00	(3,479.00)
Westward Fleet Cooperative	736.00	0.00	736.00	0.00	(736.00)
Intercoop Totals	7,458.00	0.00	7,458.00	1,528.00	(5,930.00)

Table 3. WESTERN GOA PACIFIC COD

Coop	Initial Sideboard Allocation (mt)	Sideboard Cap Transfers	Final Sideboard Allocation (mt)	Directed Catch	Over (Under) Coop sideboard
Akutan Catcher Vessel Assoc.	676.00	0.00	676.00	150.50	(525.50)
Arctic Enterprise Assoc.	208.00	0.00	208.00	0.00	(208.00)
High Seas Catchers Cooperative	199.00	0.00	199.00	0.00	(199.00)
Mothership Fleet Cooperative	118.00	0.00	118.00	0.00	(118.00)
Northern Victor Cooperative	217.00	0.00	217.00	0.00	(217.00)
Peter Pan Fleet Cooperative	146.00	0.00	146.00	0.00	(146.00)
Unalaska Fleet Cooperative	160.00	-160.00	0.00	0.00	0.00
UniSea Fleet Cooperative	201.00	160.00	361.00	347.00	(14.00)
Westward Fleet Cooperative	20.00	0.00	20.00	0.00	(20.00)
Intercoop Totals	1,945.00	0.00	1,945.00	497.50	(1,447.50)

Table 4. SHELIKOF "A" SEASON POLLOCK

Coop	Initial Sideboard Allocation (mt)	Sideboard Cap Transfers	Final Sideboard Allocation (mt)	Directed Catch	Over (Under) Coop sideboard
Akutan Catcher Vessel Assoc.	1,000.00	-55.00	945.00	0.00	(945.00)
Arctic Enterprise Assoc.	0.00	0.00	0.00	0.00	0.00
High Seas Catchers Cooperative	44.00	0.00	44.00	0.00	(44.00)
Mothership Fleet Cooperative	0.00	0.00	0.00	0.00	0.00
Northern Victor Cooperative	551.00	0.00	551.00	0.00	(551.00)
Peter Pan Fleet Cooperative	0.00	0.00	0.00	0.00	0.00
Unalaska Fleet Cooperative	498.00	127.32	625.32	612.00	(13.32)
UniSea Fleet Cooperative	247.00	-72.32	174.68	0.00	(174.68)
Westward Fleet Cooperative	0.00	0.00	0.00	0.00	0.00
Intercoop Totals	2,340.00	0.00	2,340.00	612.00	(1,728.00)

Table 5. AREA 610 "B" SEASON POLLOCK

Coop	Initial IC Sideboard Allocation	Sideboard Cap Transfers	Final Sideboard Allocation (mt)	Directed Catch	Over (Under) Coop sideboard
Akutan Catcher Vessel Assoc.	851.00	0.00	851.00	0.00	(851.00)
Arctic Enterprise Assoc.	16.00	0.00	16.00	0.00	(16.00)
High Seas Catchers Cooperative	7.00	489.29	496.29	255.00	(241.29)
Mothership Fleet Cooperative	26.00	0.00	26.00	0.00	(26.00)
Northern Victor Cooperative	154.00	-112.29	41.71	0.00	(41.71)
Peter Pan Fleet Cooperative	19.00	0.00	19.00	0.00	(19.00)
Unalaska Fleet Cooperative	377.00	-377.00	0.00	0.00	0.00
UniSea Fleet Cooperative	438.00	0.00	438.00	0.00	(438.00)
Westward Fleet Cooperative	451.00	0.00	451.00	0.00	(451.00)
Intercoop Totals	2,339.00	0.00	2,339.00	255.00	(2,084.00)

Table 6. SHELIKOF "B" SEASON POLLOCK

Coop	Initial IC Sideboard Allocation	Sideboard Cap Transfers	Final Sideboard Allocation (mt)	Directed Catch	Over (Under) Coop sideboard
Akutan Catcher Vessel Assoc.	500.00	0.00	500.00	0.00	(500.00)
Arctic Enterprise Assoc.	0.00	0.00	0.00	0.00	0.00
High Seas Catchers Cooperative	22.00	-22.00	0.00	0.00	0.00
Mothership Fleet Cooperative	0.00	0.00	0.00	0.00	0.00
Northern Victor Cooperative	275.00	-275.00	0.00	0.00	0.00
Peter Pan Fleet Cooperative	0.00	0.00	0.00	0.00	0.00
Unalaska Fleet Cooperative	249.00	420.00	669.00	636.00	(33.00)
UniSea Fleet Cooperative	123.00	-123.00	0.00	0.00	0.00
Westward Fleet Cooperative	0.00	0.00	0.00	0.00	0.00
Intercoop Totals	1,169.00	0.00	1,169.00	636.00	(533.00)

Table 7. AREA 610 "C" SEASON POLLOCK

Coop	Initial IC Sideboard Allocation	Sideboard Cap Transfers	Final Sideboard Allocation (mt)	Directed Catch	Over (Under) Coop sideboard
Akutan Catcher Vessel Assoc.	2,612.00	0.00	2,612.00	855.20	(1,756.80)
Arctic Enterprise Assoc.	50.00	0.00	50.00	0.00	(50.00)
High Seas Catchers Cooperative	22.00	1383.00	1,405.00	434.63	(970.37)
Mothership Fleet Cooperative	79.00	0.00	79.00	0.00	(79.00)
Northern Victor Cooperative	473.00	500.00	973.00	296.00	(677.00)
Peter Pan Fleet Cooperative	57.00	0.00	57.00	0.00	(57.00)
Unalaska Fleet Cooperative	1,158.00	0.00	1,158.00	0.00	(1,158.00)
UniSea Fleet Cooperative	1,344.00	-500.00	844.00	0.00	(844.00)
Westward Fleet Cooperative	1,383.00	-1383.00	0.00	0.00	0.00
Intercoop Totals	7,178.00	0.00	7,178.00	1,585.83	(5,592.17)

Table 8. AREA 630 "C" SEASON POLLOCK

Coop	Initial IC Sideboard Allocation	Sideboard Cap Transfers	Final Sideboard Allocation (mt)	Directed Catch	Over (Under) Coop sideboard
Akutan Catcher Vessel Assoc.	790.00	0.00	790.00	312.80	(477.20)
Arctic Enterprise Assoc.	0.00	0.00	0.00	0.00	0.00
High Seas Catchers Cooperative	78.00	-78.00	0.00	0.00	0.00
Mothership Fleet Cooperative	300.00	0.00	300.00	0.00	(300.00)
Northern Victor Cooperative	191.00	78.00	269.00	209.00	(60.00)
Peter Pan Fleet Cooperative	122.00	0.00	122.00	0.00	(122.00)
Unalaska Fleet Cooperative	243.00	0.00	243.00	227.00	(16.00)
UniSea Fleet Cooperative	64.00	0.00	64.00	0.00	(64.00)
Westward Fleet Cooperative	0.00	0.00	0.00	0.00	0.00
Intercoop Totals	1,788.00	0.00	1,788.00	748.80	(1,039.20)

Table 9. AREA 610 "D" SEASON POLLOCK

Coop	Initial IC Sideboard Allocation	Sideboard Cap Transfers	Final Sideboard Allocation (mt)	Directed Catch	Over (Under) Coop sideboard
Akutan Catcher Vessel Assoc.	2,176.00	-408.40	1,767.60	1,404.39	(363.21)
Arctic Enterprise Assoc.	41.00	0.00	41.00	0.00	(41.00)
High Seas Catchers Cooperative	19.00	848.96	867.96	848.96	(19.00)
Mothership Fleet Cooperative	66.00	0.00	66.00	0.00	(66.00)
Northern Victor Cooperative	394.00	1089.82	1,483.82	1,416.00	(67.82)
Peter Pan Fleet Cooperative	48.00	0.00	48.00	0.00	(48.00)
Unalaska Fleet Cooperative	965.00	379.02	1,344.02	1,285.00	(59.02)
UniSea Fleet Cooperative	1,120.00	-779.02	340.98	0.00	(340.98)
Westward Fleet Cooperative	1,153.00	-1130.38	22.62	0.00	(22.62)
Intercoop Totals	5,982.00	0.00	5,982.00	4,954.35	(1,027.65)

Table 10. AREA 630 "D" SEASON POLLOCK

Coop	Initial IC Sideboard Allocation	Sideboard Cap Transfers	Final Sideboard Allocation (mt)	Directed Catch	Over (Under) Coop sideboard
Akutan Catcher Vessel Assoc.	658.00	-176.00	482.00	121.38	(360.62)
Arctic Enterprise Assoc.	0.00	0.00	0.00	0.00	0.00
High Seas Catchers Cooperative	65.00	-65.00	0.00	0.00	0.00
Mothership Fleet Cooperative	250.00	0.00	250.00	0.00	(250.00)
Northern Victor Cooperative	159.00	241.00	400.00	126.00	(274.00)
Peter Pan Fleet Cooperative	102.00	0.00	102.00	0.00	(102.00)
Unalaska Fleet Cooperative	203.00	0.00	203.00	23.00	(180.00)
UniSea Fleet Cooperative	53.00	0.00	53.00	0.00	(53.00)
Westward Fleet Cooperative	0.00	0.00	0.00	0.00	0.00
Intercoop Totals	1,490.00	0.00	1,490.00	270.38	(1,219.62)

Table 11. CGOA SHALLOW-WATER FLATFISH

Coop	Initial IC Sideboard Allocation	Sideboard Cap Transfers	Final Sideboard Allocation (mt)	Directed Catch	Over (Under) Coop sideboard
Akutan Catcher Vessel Assoc.	20.00	0.00	20.00	0.00	(20.00)
Arctic Enterprise Assoc.	0.00	0.00	0.00	0.00	0.00
High Seas Catchers Cooperative	70.00	0.00	70.00	0.00	(70.00)
Mothership Fleet Cooperative	26.00	0.00	26.00	0.00	(26.00)
Northern Victor Cooperative	1.00	0.00	1.00	0.00	(1.00)
Peter Pan Fleet Cooperative	9.00	0.00	9.00	0.00	(9.00)
Unalaska Fleet Cooperative	417.00	0.00	417.00	108.00	(309.00)
UniSea Fleet Cooperative	0.00	0.00	0.00	0.00	0.00
Westward Fleet Cooperative	1.00	0.00	1.00	0.00	(1.00)
Intercoop Totals	544.00	0.00	544.00	108.00	(436.00)

Table 12. CGOA DEEP-WATER FLATFISH

Coop	Initial IC Sideboard Allocation	Sideboard Cap Transfers	Final Sideboard Allocation (mt)	Directed Catch	Over (Under) Coop sideboard
Akutan Catcher Vessel Assoc.	4.00	0.00	4.00	0.00	(4.00)
Arctic Enterprise Assoc.	1.00	0.00	1.00	0.00	(1.00)
High Seas Catchers Cooperative	4.00	0.00	4.00	0.00	(4.00)
Mothership Fleet Cooperative	11.00	0.00	11.00	0.00	(11.00)
Northern Victor Cooperative	0.00	0.00	0.00	0.00	0.00
Peter Pan Fleet Cooperative	10.00	0.00	10.00	0.00	(10.00)
Unalaska Fleet Cooperative	138.00	0.00	138.00	67.00	(71.00)
UniSea Fleet Cooperative	0.00	0.00	0.00	0.00	0.00
Westward Fleet Cooperative	0.00	0.00	0.00	0.00	0.00
Intercoop Totals	168.00	0.00	168.00	67.00	(101.00)

Table 13. CGOA NORTHERN ROCKFISH

Coop	Initial IC Sideboard Allocation	Sideboard Cap Transfers	Final Sideboard Allocation (mt)	Directed Catch	Over (Under) Coop sideboard
Akutan Catcher Vessel Assoc.	0.00	0.00	0.00	0.00	0.00
Arctic Enterprise Assoc.	0.00	0.00	0.00	0.00	0.00
High Seas Catchers Cooperative	0.00	0.00	0.00	0.00	0.00
Mothership Fleet Cooperative	0.00	0.00	0.00	0.00	0.00
Northern Victor Cooperative	0.00	0.00	0.00	0.00	0.00
Peter Pan Fleet Cooperative	0.00	0.00	0.00	0.00	0.00
Unalaska Fleet Cooperative	138.00	0.00	138.00	100.00	(38.00)
UniSea Fleet Cooperative	0.00	0.00	0.00	0.00	0.00
Westward Fleet Cooperative	0.00	0.00	0.00	0.00	0.00
Intercoop Totals	138.00	0.00	138.00	100.00	(38.00)

Table 14. CGOA PACIFIC OCEAN PERCH

Coop	Initial IC Sideboard Allocation	Sideboard Cap Transfers	Final Sideboard Allocation (mt)	Directed Catch	Over (Under) Coop sideboard
Akutan Catcher Vessel Assoc.	0.00	0.00	0.00	0.00	0.00
Arctic Enterprise Assoc.	0.00	0.00	0.00	0.00	0.00
High Seas Catchers Cooperative	0.00	0.00	0.00	0.00	0.00
Mothership Fleet Cooperative	0.00	0.00	0.00	0.00	0.00
Northern Victor Cooperative	0.00	0.00	0.00	0.00	0.00
Peter Pan Fleet Cooperative	0.00	0.00	0.00	0.00	0.00
Unalaska Fleet Cooperative	639.00	0.00	639.00	309.00	(330.00)
UniSea Fleet Cooperative	0.00	0.00	0.00	0.00	0.00
Westward Fleet Cooperative	0.00	0.00	0.00	0.00	0.00
Intercoop Totals	639.00	0.00	639.00	309.00	(330.00)

Table 15. EGOA PACIFIC OCEAN PERCH

Coop	Initial IC Sideboard Allocation	Sideboard Cap Transfers	Final Sideboard Allocation (mt)	Directed Catch	Over (Under) Coop sideboard
Akutan Catcher Vessel Assoc.	0.00	0.00	0.00	0.00	0.00
Arctic Enterprise Assoc.	0.00	0.00	0.00	0.00	0.00
High Seas Catchers Cooperative	57.00	0.00	57.00	47.19	(9.81)
Mothership Fleet Cooperative	0.00	0.00	0.00	0.00	0.00
Northern Victor Cooperative	0.00	0.00	0.00	0.00	0.00
Peter Pan Fleet Cooperative	0.00	0.00	0.00	0.00	0.00
Unalaska Fleet Cooperative	0.00	0.00	0.00	0.00	0.00
UniSea Fleet Cooperative	0.00	0.00	0.00	0.00	0.00
Westward Fleet Cooperative	0.00	0.00	0.00	0.00	0.00
Intercoop Totals	57.00	0.00	57.00	47.19	(9.81)

APPENDIX 4

AFA CATCHER VESSEL BRISTOL BAY RED KING

COOP MANAGEMENT PLAN

BBRKC AFA SIDEBOARD FISHERY MANAGEMENT PLAN
United Catcher Boats
October 10, 2000

I. Purpose

Current ADF&G regulations provide for two options for management of the AFA vessels that participate in the BBRKC fishery. **Option A** was ADF&G's original proposal before the Board of Fisheries which assigns an equal trip limit to each AFA vessel before the start of the season, of which an individual vessel cannot exceed. **Option B** is UCB's counter proposal. This proposal allows for the participating AFA boats the opportunity to harvest 80% of the AFA cap in an open assess mode, and the remainder to be harvested under an assigned trip limit. ADF&G regulations state that if the AFA vessels exceed their cap, the AFA sideboard cap in the following year will be reduced by twice the overage amount.

The purpose of UCB's cooperative management program is to: 1) insure that the AFA vessels, in the aggregate, do not exceed their sideboard cap (set at 10.96% of the GHL for the 2000 fishery) and 2) to not be assigned an individual vessel equal trip limit by ADF&G.

II. Overview of the Plan

1. Establishment of the AFA Cap Amount The harvest cap will be a percentage of the annual GHL. Prior to the start of the fishery, NMFS provides a list of all AFA vessels that have a BBRKC LLP endorsement to ADF&G. ADF&G will determine the percentage of catch these vessels have taken from the years 1991 – 1993, 1996 & 1997. Presently there are 37 vessels upon which the cap is determined. This year the cap is equal to 10.96% of the 2000 BBRKC GHL. The combined AFA group of vessels cannot exceed the AFA harvest cap. If the cap is exceeded, the AFA cap the following year will be reduced by an amount equal to twice the overage in pounds.

2. Closure of the AFA Fishery The AFA fishery can be closed by three options, whichever comes first: 1) the AFA fishery will close when the general crab fishery is closed; 2) the ADF&G can close by emergency order the AFA cooperative fishery; or 3) the AFA BBRKC Fishery Monitor Agent will notify the AFA crab fleet when it has reached 80% of the cap and each vessel will stop fishing when it harvests its "not to exceed" cap. The "not to exceed" cap is equal to 17% of the annual AFA harvest cap and will be apportioned equally to the participating AFA vessels.

3. Penalties 1. A vessel that exceeds its "not to exceed limit" by greater than 5% shall pay a penalty equal to 200% of the ex-vessel value of the overage to UCB. 2. Any vessel determined to have underreported by greater than 5% shall pay a penalty equal to 200% of the ex-vessel value of the entire amount

underreported to UCB. 3. Any vessel failing to report as scheduled will be assessed a penalty as follows: \$100 per missed report 1 and 2; \$500 per missed report 3 and 4; and \$1,000 per each missed report thereafter.

4. Observer Coverage ADF&G regulations require the catcher vessel fleet to have 10% observer coverage this year. The ADF&G randomly selected 4 AFA vessels to carry observers. Observers will be on the following vessels: MarGun, GunMar, Mark I and Dominator. The four observers will arrive Dutch Harbor on October 12th and attend an ADF&G briefing at 9 AM on Oct. 13th. All participating AFA vessels will cover cost of the observers. United Catcher Boats has contracted with Saltwater Inc. for the services of four observers.

5. Cost of the Program All costs incurred by United Catcher Boats will be totaled after fishery is over. Participating vessel owners will pay an advance amount of \$500. After the end of the season the outstanding balance, if any, will be paid by the vessel owners on a pro-rata basis, based on the pounds harvested per vessel. Estimated costs include: observer coverage for 4 vessels (\$275/day/observer plus travel expense), travel from Seattle to Dutch Harbor and per diem costs for the fishery monitor, and communication expenses (phone, Immarsat, email).

III. Monitoring Requirements

1. Participating vessel owners or their captains will provide the following information to the monitoring agent on or before October 13th: 1) the vessel's Single Sideband call sign number; 2) Trac phone number; 3) Standard C (Immarsat) vessel address; 4) cellular phone number; and 5) processing plant they will deliver to. Before the start of the season, individual vessel operators need to confirm with the monitoring agent that they can communicate with the monitoring agent. Participating vessel owners or their captains are required to provide to the monitoring agent a copy of the ADF&G Fish Ticket after it is issued by the processor and signed by the captain. The monitoring agent will provide to the vessel operators his cellular phone number, email address, office phone number, and Sideband call sign.

2. Participating AFA vessel operators will report to the monitoring agent every six hours after the start of the fishery, beginning at 12 Noon on October 16, 2000. The operator's 6-hour report will include the following information: 1) pots pulled for each 6-hour period; 2) number of crab retained for each 6-hour period; and 3) total estimated number of crab retained from start of the fishery. In addition, vessel operators will report to the monitoring agent when every 1,000 crab is retained.

3. The monitoring agent will determine on or before October 13th the estimated individual vessel "not to exceed cap" and provide this information to the vessel operators prior to the start of the fishery. The "not to exceed" cap is

equal to 17% of the annual AFA harvest cap and will be apportioned equally to the participating AFA vessels.

4. The monitoring agent will use in-season catch information from the AFA fleet to determine when 80% of the AFA harvest cap is reached. Upon this determination, the monitoring agent will issue an announcement informing the AFA fleet when 80% of the cap has been harvested and order the individual vessels to limit their harvest to the "not to exceed cap" and stop retention of crab when they have reached their "not to exceed" limit. If the monitoring agent determines that the AFA fleet will not, in the aggregate, exceed the AFA harvest cap prior to the closure to the general fishery, he will not issue a "not to exceed cap" order to limit harvest.

5. The AFA fishery monitoring agent will not assist vessel operators/owners in ADF&G pre-tank and regular tank inspections, nor will he assist operators/owners and processors in the AFA Processor Cap regulations.