

MEMORANDUM

TO: Council, SSC, and AP
FROM: Chris Oliver *Chris*
Executive Director
DATE: February 3, 2004
SUBJECT: American Fisheries Act

ACTION REQUIRED

Review 2003 pollock cooperative year-end reports, and 2004 cooperative agreements

BACKGROUND

Final, year-end co-op reports for 2003 were due February 1, along with cooperative agreements for the 2004 fisheries. Consistent with recent practice, we have not provided full copies of all the reports to you, but we have copies available here in a reference manual, and we will provide copies to anyone requesting the full reports. Pollock co-op representatives are on hand to provide a summary of these reports to the Council, as well as any changes to the co-op agreements.

2003

AMERICAN FISHERIES ACT

CATCHER VESSEL INTERCOOP

ANNUAL REPORT

TO THE

NORTH PACIFIC FISHERY MANAGEMENT COUNCIL

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Seattle, Washington

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Section 1. Overview

1.1 Purpose of the Catcher Vessel Intercooperative Report

The AFA Catcher Vessel Intercooperative Report is a companion report to the nine individual catcher vessel cooperative reports required by the American Fisheries Act. While the individual coop reports track the annual activities of each coop, they do not provide a summary of AFA catcher vessel harvest in the Bering Sea and Gulf of Alaska fisheries. The Catcher Vessel Intercooperative Report serves as the summary of fishing activities by the nine AFA catcher vessel cooperatives, providing the North Pacific Fisheries Management Council and the public with a simple means of evaluating the AFA catcher vessel fleet's aggregate fishing activities.

1.2 The 2003 Catcher Vessel Intercooperative Agreement

The nine AFA catcher vessel cooperatives renewed the Intercooperative Agreement for 2003 with no changes from the 2002 agreement. The 2003 Agreement continues to emphasize the commitment by all members towards reducing bycatch in the Bering Sea Pollock fishery.

The primary elements of the Intercoop Agreement:

- 1) Allocation, monitoring, and compliance of the BSAI and GOA sideboard limits and PSC caps among the AFA catcher vessel fleet;
- 2) Allocation, monitoring, and compliance of BSAI pollock harvest inside the Steller sea lion conservation area;
- 3) Establishment of penalties for coops that exceed pollock and sideboard allocations;
- 4) Provides for the harvest of BSAI pacific cod by the "under 1700 mt" exempt vessels while complying with AFA PSC limits;

- 5) Establishment and monitoring of sideboard species transfers between cooperatives;
- 6) Promotes compliance of the Council's recommended sideboard measures and PSC limits while allowing for the maximum harvest of AFA pollock and sideboard allocations; and
- 7) Promotes reduction of PSC bycatch in the BSAI pollock fishery.

A copy of the 2003 Intercoop Agreement is found in Appendix 1.

1.3 Intercoop Enforcement Actions

No enforcement or penalty actions regarding the over-harvest of AFA pollock, directed sideboard fishery caps, red king crab limits, or PSC limits occurred in 2003.

Additionally, no penalty actions in either the chinook salmon or "other" salmon bycatch agreements occurred in 2003.

Section 2. Bering Sea Pollock Fishery

2.1 Allocations and Harvest

The Bering Sea pollock TAC for 2003 was set at 1,491,760 metric tons. After a 10% deduction of the TAC for the Community Development Quota (149,176 metric tons) the remaining 1,342,584 metric tons is reduced by 3.5% to create an Incidental Catch Allowance (ICA) of 46,990 metric tons. The remaining 1,295,594 metric tons is the initial amount of pollock available to the Directed Fishing Allowance (DFA) and is allocated among the various AFA harvest sectors. The inshore sector is allocated 50% of the DFA, the mothership sector is allocated 10%, and the catcher/processor sector is allocated 40%. Catcher vessels that historically delivered pollock to the c/p sector are allocated 8.5% of the c/p sector share (3.4% of the DFA).

On August 19th NMFS reallocated 6,500 metric tons of the ICA to the directed pollock fishery and again on October 1st another 4,000 metric tons was reallocated. The ICA reallocations were divided pro-rata by NMFS to the four pollock sectors. The Catcher Vessel Intercoop, in turn, distributed the inshore sector reallocations to the inshore coops based on their respective percentages.

There is a total of 112 AFA qualified catcher vessels. The inshore sector has 99 qualified vessels of which 97 were members of inshore cooperatives in 2003. The remaining two boats made up the inshore "Open Access" category and account for 0.15% of the total inshore allocation. The mothership sector has a total of 20 qualified vessels of which fourteen are "dual qualified" for both the mothership and inshore sector fisheries. The 2 inshore open access vessels are dual qualified. Seven catcher vessels are qualified under the catcher/processor sector.

Table 2.1 provides information on the number of members in each coop; each coop's allocation percentage; their annual allocation; their adjusted allocation after the pollock ICA releases on August 19th and October 1st; each coop's total directed pollock harvest; and the amount of pollock over/under the adjusted allocation. None of the catcher vessel coops exceeded their annual pollock allocations.

Table 2.1

Source: Annual Catcher Vessel Cooperative Reports

2003 AFA CATCHER VESSEL COOPERATIVES' ALLOCATIONS AND DIRECTED FISHING HARVESTS						
Cooperative	Number of Vessels in Coop	Annual Allocation Percentage	Initial Annual Allocation	Annual Allocation Including ICA Release	2002 Harvest in Metric Tons	Over / (Under) Allocation
INSHORE COOPS						
Akutan Catcher Vessel Assoc.	33	28.085%	181,932	183,407	183,239	(168)
Arctic Enterprise Assoc.	3	4.210%	27,273	27,494	27,471	(23)
Northern Victor Fleet Cooperative	13	8.425%	54,578	55,020	54,990	(30)
Peter Pan Fleet Cooperative	9	2.138%	13,851	13,963	13,759	(204)
Unalaska Fleet Cooperative	11	12.209%	79,091	79,732	79,726	(6)
UniSea Fleet Cooperative	12	23.056%	149,357	150,567	150,417	(150)
Westward Fleet Cooperative	16	21.727%	140,744	141,885	141,784	(101)
Inshore Totals	97	99.850%	646,826	652,068	651,386	(682)
OFFSHORE CATCHER VESSEL COOPS						
Mothership Fleet Cooperative	20	10% of DFA	129,559	130,609	130,566	(43)
High Seas Catchers Cooperative	7	3.4% of DFA	44,050	44,407	Details of the HSCC pollock harvest are covered in the joint PCC and HSCC report	

2.2 Salmon Bycatch Avoidance

In 2003 all ten AFA cooperatives, catcher vessel and catcher/processors alike, entered into two salmon bycatch management agreements; one for chinook salmon bycatch reduction in the "A" season and a second for chum salmon bycatch reduction in the "B" season. Copies of each agreement are found in Appendix II.

Both the chinook and chum salmon agreements utilize a "rolling hot spot" closure system which, on a weekly basis, identifies the areas of the Bering Sea pollock fishery with the highest bycatch rate and initiates "Savings Closures" for those areas. The agreements also incorporate an element of peer pressure on poor performing vessels via three types of "Dirty Twenty Lists" which are updated and published each week. These lists specifically name the vessels with the highest bycatch rates on: 1) a weekly, 2) a 2 week rolling average, and 3) a season-to-date basis. Additionally, the agreements require tow-by-tow bycatch reporting by all AFA pollock vessels. SeaState, Inc. has been contracted to gather the data, compile it into useful information, and distribute it to back to the fleet.

Section 3. Sideboard Fisheries

3.1 Groundfish Sideboards

The American Fisheries Act directed the North Pacific Fisheries Management Council to provide regulations aimed at protecting other fisheries from adverse impacts that may occur due to the creation of BSAI pollock cooperatives. This mandate brought about the development of groundfish, PSC, and crab sideboard restrictions for the AFA catcher vessel fleet. Vessels with less than 1700 mt of historic catch in the BSAI pollock fishery and that meet minimum landing requirements in either the BSAI and/or GOA are granted exemptions to the BSAI cod fishery and/or GOA groundfish sideboards.

NMFS assigns the non-exempt AFA catcher vessel sector aggregate sideboard caps for each groundfish species, and an associated PSC bycatch limit, in the BSAI and the GOA. In turn, the Intercoop Agreement distributes the aggregate sideboard caps, with associated PSC, among the nine catcher vessel coops based on their members catch history. In some cases the assigned caps are so small that without the harvest management and monitoring provided by the Intercoop Agreement NMFS would not open those fisheries to directed fishing by the AFA non-exempt catcher vessels. Tables covering the directed groundfish sideboard fisheries available to the AFA non-exempt vessels in 2003 are located in Appendix III. These tables provide information on initial coop allocations of sideboard cap, the transfer of allocations between coops, the directed harvest by each coop, and the amount of sideboard cap that was not harvested by the AFA non-exempt fleet.

The following tables 3.1a and 3.1b provide aggregate information regarding the allocation and harvest of BSAI and GOA sideboard species by AFA non-exempt catcher vessels. The tables report the aggregate harvest of each sideboard species taken as directed catch and as incidental catch in other directed fisheries.

Table 3.1a

Data supplied by Annual Coop Reports & Sea State, Inc.

2003 BSAI AFA CATCHER VESSEL AGGREGATE GROUND FISH SIDEBOARD CATCH				
Species	Fishery	Sideboard Limit	Aggregate Catch, Directed & Bycatch	Over / (Under) Sideboard Limit
Pacific Cod	Jig Gear	0	0	0
	Hook & Line	0	0	0
	Pot Gear 1/1-6/10	6	0	(6)
	9/1-12/31	4	0	(4)
	CV < 60' H&L or Pot	0	0	0
	Trawl Gear CV	38,831	28,360	(10,471)
Sablefish	BS Trawl	112	14	(98)
	AI Trawl	43	1	(42)
Atka Mackerel	Eastern AI&BS Jig	0	0	0
	Other Gear 1/1-4/15	16	14	(2)
	Other Gear 9/1-11/1	16	634	618
	Central AI Jan-4/15	1	15	14
	HLA Limit	1	0	(1)
	9/1-11/1	1	0	(1)
	HLA Limit	1	0	(1)
	Western AI Jan-4/15	0	0	0
	HLA Limit	0	0	0
	9/1-11/1	0	0	0
HLA Limit	0	0	0	
Yellowfin Sole	BSAI	4,606	132	(4,474)
Rock Sole	BSAI	1,275	1,895	620
Greenland Turbot	BS	147	6	(141)
	AI	23	7	(16)
Arrowtooth	BSAI	704	1,267	563
Alaska Plaice	BSAI	408	0	(408)
Other Flatfish	BSAI	122	314	192
Flathead Sole	BS	859	901	42
	BS	120	205	85
POP	Eastern AI	25	5	(20)
	Central AI	8	2	(6)
	Western AI	0	0	0
	BS	3	23	20
Northern rockfish	AI	48	20	(28)
	BS	1	2	1
Shortraker / Rougheye	AI	3	0.15	(3)
	BS	4	20	16
Other Rockfish	AI	5	2	(3)
	BSAI	641	509	(132)
Other Species	BSAI	1,617	1,043	(574)

Table 3.1b

2003 GOA AFA CATCHER VESSEL AGGREGATE GROUND FISH SIDEBOARD CATCH				
Species	Fishery	Sideboard Limit	Aggregate Catch, Directed & Bycatch	Over / (Under) Sideboard Limit
Pollock	WYK	377	0.00	(377)
	SEO	2,260	0.00	(2,260)
	610 A,B,C,&D	10,262	3,935.97	(6,326)
	620 A,B,C,&D	2,809	713.41	(2,096)
	630 A,B,C,&D	2,519	536.00	(1,983)
Pacific Cod	WGOA Inshore A&B	1,978	97.00	(1,881)
	WGOA Offshore A&B	158	0.00	(158)
	CGAO Inshore A&B	1,475	611.32	(864)
	CGOA Offshore A&B	163	0.00	(163)
	EGOA Inshore (annual)	17	0.00	(17)
	EGOA Offshore (annual)	2	0.00	(2)
Deep-water Flatfish	WGOA	0	0.00	0
	CGOA	149	5.52	(143)
	EGOA	42	0.00	(42)
Rex Sole	WGOA	1	0.22	(1)
	CGOA	223	0.03	(223)
	EGOA	41	0.00	(41)
Flathead Sole	WGOA	7	7.48	0
	CGOA	130	3.67	(126)
	EGOA	20	0.00	(20)
Shallow-water Flatfish	WGOA	70	1.23	(69)
	CGOA	777	18.52	(758)
	EGOA	52	0.00	(52)
Arrowtooth Flounder	WGOA	17	7.40	(10)
	CGOA	773	13.94	(759)
	EGOA	10	0.00	(10)
Sablefish	WGOA Trawl	0	0.00	0
	CGOA Trawl	93	22.36	(71)
	EGOA Trawl	14	0.00	(14)
POP	WGOA	168	9.43	(159)
	CGOA	737	342.99	(394)
	EGOA	114	0.00	(114)
Shorthead / Rougheye	WGOA	0	0.00	0
	CGOA	20	0.00	(20)
	EGOA	7	0.00	(7)
Other Rockfish	WGOA	0	0.00	0
	CGOA	114	0.00	(114)
	EGOA	0	0.00	0

Table 3.1b (continued)

2003 GOA AFA CATCHER VESSEL AGGREGATE GROUND FISH SIDEBOARD CATCH				
Species	Fishery	Sideboard Limit	Aggregate Catch, Directed & Bycatch	Over / (Under) Sideboard Limit
Northern Rockfish	WGOA	0	0.00	0
	CGOA	156	10.98	(145)
Pelagic Shelf Rockfish	WGOA	0	0.00	0
	CGOA	0	0.00	0
	EGOA	10	0.00	(10)
Thornyhead Rockfish	WGOA	11	0.00	(11)
	CGOA	26	3.48	(23)
	EGOA	25	0.00	(25)
Demersal Shelf Rockfish	SEO	1	0.00	(1)
Atka Mackerel	Gulfwide	19	0.00	(19)
Other Species	Gulfwide	101	108.10	7

The aggregate sideboard harvest tables report overages in several species not directly fished by the AFA non-exempt vessels. The overages occurred in species taken as incidental catch in directed fisheries such as Bering Sea pollock and BSAI cod. While the coops have successfully managed the directed fisheries' sideboard limits, the harvest of bycatch species associated with those directed fisheries vary from season to season. Because the sideboard limits are a three-year average it should be expected that the sideboard caps of species taken as incidental catch, rather than directed catch, would at times be exceeded.

3.2 PSC Sideboards

Tables 3.2a, 3.2b, and 3.2c cover prohibited species bycatch amounts taken by AFA catcher vessels participating in BSAI and GOA groundfish fisheries. None of the halibut or crab sideboard limits were exceeded by the AFA catcher vessel sector. Herring bycatch in Bering Sea pollock fishery continues to be at low levels, while salmon bycatch is up from last year. For the first time since its inception the Chinook Salmon Savings Area trigger amount was reached during the 2003 B season and closed to directed pollock fishing on September 1. The Chum Salmon Savings Area closure was also triggered on

September 24th. All indications point to steadily increasing numbers of both Chinook and Chum salmon in the Bering Seas during both the A and B seasons over the past few years. The 2003 pollock fishery clearly indicated that the trend continues.

Table 3.2a

Data supplied by Sea State, Inc.

2002 BSAI AFA CATCHER VESSEL AGGREGATE PSC SIDEBOARD CATCH				
PSC Species	Target Fishery	Sideboard Limit	Aggregate PSC Mortality	Over / (Under) Sideboard Limit
Halibut	Pacific Cod, Trawl	887	517	(370)
	Pacific Cod, fixed gear	2	0	(2)
	Yellowfin Sole			
	1/20 - 4/1	30	0	(30)
	4/1 - 5/21	22	0	(22)
	5/21 - 6/30	6	0	(6)
	6/30 - 12/31	43	0	(43)
	Rock Sole			
	1/20 - 4/1	127	0	(127)
	4/1 - 6/30	47	0	(47)
	6/30 - 12/31	47	0	(47)
	Turbot, Arrowtooth, Sablefish	0	0	0
	Rockfish	2	0	(2)
Pollock/A.Mack/O.Species	5	0	(5)	
Red King Crab, Zone 1	Pacific Cod	7,212	16	(7,196)
	Yellowfin Sole	1,906	0	(1,906)
	Rsole/Fhead Sole/O.Flatfish	16,984	0	(16,984)
	Pollock/A.Mack/O.Species	37	0	(37)
C.Opilio, COBLZ	Pacific Cod	77,124	873	(76,251)
	Yellowfin Sole	317,687	0	(317,687)
	Rsole/Fhead Sole/O.Flatfish	275,330	0	(275,330)
	Pollock/A.Mack/O.Species	1,644	0	(1,644)
	Rockfish	986	0	(986)
	Turbot, Arrowtooth, Sablefish	9,363	0	(9,363)
C.Bairdi, Zone 1	Pacific Cod	113,218	32,168	(81,050)
	Yellowfin Sole	38,993	0	(38,993)
	Rsole/Fhead Sole/O.Flatfish	103,787	0	(103,787)
	Pollock/A.Mack/O.Species	391	0	(391)
C.Bairdi, Zone 2	Pacific Cod	200,438	9532	(190,906)
	Yellowfin Sole	204,600	0	(204,600)
	Rsole/Fhead Sole/O.Flatfish	169,367	0	(169,367)
	Pollock/A.Mack/O.Species	624	0	(624)
	Rockfish	269	0	(269)

Table 3.2b

2003 GOA AFA CATCHER VESSEL AGGREGATE PSC SIDEBOARD CATCH				
PSC Species	Target Fishery	Sideboard Limit	Aggregate PSC Catch	Over / (Under) Sideboard Limit
Halibut (mortality in metric tons)	Trawl, 1st Season Allowance			
	Shallow water Targets	153	2	(151)
	Deep water Targets	7	0	(7)
	Trawl, 2nd Season Allowance			
	Shallow water Targets	34	18	(16)
	Deep water Targets	21	0	(21)
	Trawl, 3rd Season Allowance			
	Shallow water Targets	68	3	(65)
	Deep water Targets	28	4	(24)
	Trawl, 4th Season Allowance			
	Shallow water Targets	51	0	(51)
	Deep water Targets	0	0	
	Trawl, 5th Season Allowance			
	All Targets	62	0	(62)

Table 3.2c

2003 BSAI AFA CATCHER VESSEL AGGREGATE SALMON & HERRING BYCATCH		
PSC Species	Target Fishery	Aggregate Bycatch
Chinook	Pollock	21,354
	Pacific Cod	1,044
	Total	22,398
Other Salmon	Pollock	131,069
	Pacific Cod	1,127
	Total	121,196
Herring	Pollock	654
	Pacific Cod	0
	Total	654

3.3 Bristol Bay Red King Crab Sideboard Fishery

AFA qualified vessels participating in the Bristol Bay Red King Crab Fishery are restricted to a sideboard cap equal to 10.96% of the general fishery guideline harvest level. The total GHF for the 2003 fishery was set at 15,713,000 pounds, from which 1,178,000 pounds were reserved for the CDQ fishery, leaving 14,535,000 pounds for the general fishery. The resulting AFA sideboard cap for the 2003 fishery was 1,593,036 pounds. Thirty-two AFA vessels pre-registered for the 2003 fishery, all 32 vessels participated in the fishery.

Under the ADF&G regulations the AFA harvest cap will be apportioned equally, in pounds, between all AFA qualified vessels. An AFA vessel may not harvest more than its individual share of the AFA harvest cap. AFA vessels may not retain crab after the general fishery has closed, even if it has not harvested its individual share of the AFA harvest cap.

However, ADF&G may allow the AFA vessels to fish the cap in the aggregate provided an acceptable cooperative fishing agreement is in place. The agreement must have 100% of the qualified AFA vessels agreeing to participate in that cooperative. All 32 pre-registered AFA vessels agreed to fish under an acceptable cooperative agreement. The 2003 agreement provided two fishing options for the AFA crab fleet. Below are the conditions for participating in the 2003 AFA BBRKC cooperative:

-
1. The AFA vessels participating in the Bristol Bay Red King Crab ("BBRKC") fishery will be limited to a cap of 10.96% of the harvest guideline established for the fishery. The participating vessels will be managed on the basis of an adjusted AFA cap, which shall be 97% of the overall AFA vessel cap, with 3% of the cap being reserved as a "buffer".
 2. The amount of BBRKC a participating vessel may catch will be limited according to which of the two options below its owner/operator selects.

Option 1. The "Option 1 Cap" will be calculated by subtracting the aggregate amount of the seasonal limits assigned to the vessels electing to fish under Option 2, below, from the adjusted AFA BBRKC cap. Participating vessels will fish in an "Olympic" mode until the UCB cooperative manager (the "Manager") determines that 80 percent of the Option 1 Cap has been harvested, after which each vessel will be limited to an equal "not to exceed cap," which will be issued as a number of crab, and which will be calculated by dividing the remainder of the Option 1 Cap (as determined by the Manager) by the total number of AFA vessels participating under Option 1, and then dividing that amount by the average weight of crab harvested during the season (as determined by the Manager). Notwithstanding any vessel failing to have harvested its "not to exceed" cap, the AFA fishery will close when ADF&G announces the closure of the AFA fishery or the general fishery, whichever occurs first.

Option 2. Each participating vessel's seasonal harvest will be limited to a specific number of crab calculated by dividing the adjusted AFA cap by the number of AFA vessels electing to participate in the 2003 BBRKC fishery, as reflected on the Alaska Department of Fish and Game ("ADF&G") registration list, then divided by an estimated average crab weight (as determined by the Manager) to establish an initial season limit. The initial season harvest limit will be subject to a one time, mid season reassessment of the average crab weight by the Manager. At that time a final seasonal harvest limit will assigned to the Option 2 vessels. Seasonal limits are not re-assignable by vessels. In the event that a vessel that has been assigned a seasonal limit loses the capacity to harvest it, the balance of its limit, as determined by the Manager, will be forfeited to the AFA fleet cooperative, and distributed equally among all AFA vessels actively participating in the fishery at the time of distribution by the Manager. Notwithstanding any vessel failing to have harvested its seasonal limit, the AFA fishery will close when ADF&G announces the closure of the AFA fishery or the general fishery, whichever occurs first.

3. Each Option 1 vessel will report in six hour intervals and in such manner as required by UCB or ADF&G. Each Option 2 vessel will report in 12 hour intervals and in such manner as required by UCB or ADF&G.
4. ADF&G requires 10% observer coverage by the AFA Fleet and will randomly pick which vessels will carry observers onboard. Observer contract fees and transportation costs will be shared equally by the AFA Fleet.
5. Each vessel will either have a functioning Inmarsat C system or satellite telephone for communications.
6. Penalties 1. Any vessel that exceeds any BBRKC harvest limit assigned to it under this Affidavit or a related implementing agreement by >5% shall pay a penalty equal to 200% of the ex-vessel value of the overage to UCB. 2. Any Option 1 vessel determined to have underreported or overreported its catch by >5% shall pay a civil penalty equal to 200% of the ex-vessel value of the entire amount underreported or overreported. 3. Any vessel failing to report as scheduled will be assessed a penalty (\$100 per missed report 1 & 2; \$500 per missed report 3 & 4; \$1,000 per each missed report thereafter). Penalties for reporting overages and underages by Option 1 vessels and landing overages by all vessels shall be calculated based on the number of crab by which a vessel is determined to have over or underreported, or by which it is determined to have exceeded its catch limit, using the seasonal average weight per crab (as determined by the Manager) to liquidate the penalty amount.
7. All vessels will use best efforts not to collectively exceed the AFA cap and agree that to the extent it is exceeded, that the AFA cap in the following year will be reduced by an amount in pounds equal to twice the overage.
8. All costs incurred by UCB to facilitate the management of the fishery will be totaled at the end of the season. Participating vessel owners will pay an advance amount of \$500. After the end of the season the outstanding balance will be paid by the vessel owners on a pro-rata basis, based on the pounds harvested per vessel.
9. Participating vessel owners agree to release all BBRKC harvest information to the UCB manager/monitor. Individual final harvest information will be made available to participating vessel owners as well as to the ADF&G by the UCB monitor.

For the 2003 season 30 vessels chose to fish under Option 2, leaving 2 vessels fishing in the Option 1 pool. The Option 1 vessels never reached the 80% threshold; consequently they were not issued a “not-to-exceed cap” during the fishery. A summary of the Option 1 vessels’ harvest is found in Table 3.3a. Of the 30 vessels fishing in Option 2, 13 vessels were constrained by their individual harvest limit before the season closed. A summary of the Option 2 vessels’ harvest is found in Table 3.3b. As shown in Table 3.3c, the AFA BBRKC fleet stayed well under the AFA cap in 2003, harvesting 75% of the sideboard cap.

Table 3.3a

Option 1 Vessels					
Reporting Period		Crab This Period	Total Reported Crab	Pots Hauled This Period	Total Pots Hauled
Date	Time				
Oct. 16	12:00	0	0	0	0
	18:00	0	0	0	0
Oct. 17	0:00	0	0	0	0
	6:00	0	0	0	0
	12:00	1059	1059	128	128
	18:00	428	1487	80	208
Oct. 18	0:00	177	1764	39	247
	6:00	0	1764	0	247
	12:00	0	1764	0	247
	18:00	260	2024	105	352
Oct. 19	0:00	74	2098	26	378
	6:00	0	2098	0	378
	12:00	308	2410	24	402
	18:00	1051	3539	100	502
Oct. 20	0:00	84	3623	48	550
	6:00	2212	5835	222	772
	12:00	120	5955	73	845
	18:00	488	6460	29	874

Table 3.3b

Option 2 Vessels					
Reporting Period					
Date	Time	Crab This Period	Total Reported Crab	Pots Hauled This Period	Total Pots Hauled
Oct. 16	6:00	636	636	30	30
	18:00	9,923	10,559	978	1,008
Oct. 17	6:00	14,592	25,151	1,157	2,165
	18:00	28,174	53,325	1,546	3,711
Oct. 18	6:00	19,728	73,053	986	4,697
	18:00	35,089	108,142	1,658	6,355
Oct. 19	6:00	14,963	123,177	1,164	7,519
	18:00	24,164	147,269	1,535	9,054
Oct. 20	6:00	20,017	166,068	1,607	10,661
	18:00	17,071	184,357	1,477	12,138

Table 3.3c

Summary of 2003 AFA BBRKC Harvest			
AFA Sideboard Limit	Total Number of Crab Landed	Total Landed Weight	Percentage of AFA Sideboard Harvested
1,593,036	189,607	1,189,681	74.68%

Appendix I

2003 Catcher Vessel Intercoop Agreement

2003 INTERCOOPERATIVE AGREEMENT

This 2003 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 Nov. 27, 2002, 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 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 over-harvest 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 over-harvest 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”).

Now, therefore, the parties agree as follows:

1. Trigger Amount Management. The Coops 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. For purposes of this Section, 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. Bycatch Reporting. 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.

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 2003 shall not have transferred any amount of such Vessel's BS/AI pollock allocation for 2003 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 over-harvested its Sideboard allocation, notwithstanding its exempt status, and shall be subject to the related over-harvest 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. Over-harvest 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 over-harvest 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 over-harvests 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 over-harvest 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 over-harvest. 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 over-harvesting member delivered for the over-harvested species during the season(s) in which the over-harvest takes place, and shall include all consideration paid for the over-harvested 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 over-harvests in the directed BS, AI and Gulf Pacific cod fisheries, and the amount of Three Hundred Dollars (\$300.00) per metric ton for over-harvests in all other BS, AI and Gulf directed groundfish fisheries. Over-harvests 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 over-harvesting 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 over-harvest.

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 over-harvest 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 over-harvesting member to a qualified third party escrow agent in readily available funds, the obligation of indemnification for third party claims related to the original over-harvest 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 Pre-registration. 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, 2003. 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, 2003. The Coops agree to meet in good faith negotiations concerning modification of this Agreement and extension of its term not later than October 1, 2003, with the express intent of replacing or extending this Agreement prior to November 30, 2003.

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.

Appendix II

Salmon Bycatch Management Agreements

Chinook Salmon Bycatch Program Agreement
for the 2003 “A” Season Bering Sea Pollock Fishery

The CHINOOK SALMON BYCATCH MANAGEMENT AGREEMENT is entered into by and among the POLLOCK CONSERVATION COOPERATIVE (“PCC”), the HIGH SEAS CATCHERS COOPERATIVE (“HSCC”), the 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, as of _____, 2003. PCC, HSCC, MFC, and the Inshore Coops are collectively referred to as the “Coops”.

AGREEMENT

1. **Purpose of Agreement.** The purpose of this Agreement is to implement a procedure to reduce chinook salmon bycatch in the 2003 Bering Sea/Aleutian Islands (“BS/AI”) trawl pollock “A” season non-CDQ fishery (the “Fishery”). Each party to this Agreement agrees exercise all commercially reasonable efforts to achieve that purpose.
2. **Data Gathering, Analysis, and Reporting.** The Coops agree to retain Sea State, Inc. (“Sea State”) to provide data gathering, analysis, and reporting services necessary to implementing this Chinook Salmon Management Agreement for the duration of the Fishery.
3. **Hot Spot Reporting.** Throughout the season Sea State will provide timely hot spot reporting to the Coops by chart and text messaging via e-mail and/or Standard C. The reports may also include a summary of observations regarding bycatch characteristics, trends, and/or fishing behaviors that may be having an effect on bycatch rates. This additional information will include, but are not limited to, depth and temperature data when reliably available.
4. **Avoidance Area Advisories.** Sea State will notify the Coops if and when the bycatch rate of an area is identified by Sea State and the catcher vessel Intercoop Manager to be at or above an unacceptable level on a regular basis. The size and shape of the recommended closure area are left to the discretion of Sea State and the catcher vessel Intercoop Manager. The

Coops agree to encourage their members to avoid any such areas as identified by Sea State and the Intercoop Manager.

5. Dirty 20 Lists. Each week Sea State will calculate and distribute to the Coops the following three types of Dirty 20 lists based on each vessel's performance in the Fishery:
 - a. A list of the top 20 vessels with season-to-date chinook salmon bycatch in excess of the Tier One rate
 - b. A list of the top 20 vessels with chinook salmon bycatch for the previous 2 weeks in excess of the Tier One rate.
 - c. A list of the top 20 vessels with chinook salmon bycatch for the previous week in excess of the Tier One rate.

6. Savings Area Closures. If triggered, a three tiered Savings Closure system will be implemented for the remainder of the Fishery. The base rate will be calculated using the 2003 Chinook Salmon Savings Area (CHSSA) trigger amount 30,525 (33,000 less 7.5% CDQ reserve) as the numerator and the 1997-2003 7 year average roe season DFA as the denominator (453,578 mt).
 - a. The Savings Area Closure System will be implemented by either of two trigger mechanisms for vessels participating in the Fishery:
 - 1) When the aggregate bycatch of chinook salmon in the Fishery reaches two-thirds of the 2003 CHSSA trigger amount (as calculated in Table 5a below) all coops must participate in the three tier savings closure system for the remainder of the A season.

Table 5a.

2003 Chinook Salmon Savings Area Trigger Amount	7.5% Set-aside for CDQ	Adjusted Trigger Amount	2/3 of Adjusted Trigger Amount
33,000	2,475	30,525	20,350

2) If determined necessary by Sea State and the catcher vessel Intercoop Manager, emergency implementation of the Savings Area Closure System is allowed before reaching the aggregate two-thirds trigger. Emergency implementation of the Savings Area Closure System may be cancelled if Sea State and the catcher vessel Intercoop Manager determine bycatch levels are at or below reasonable levels.

- b. When triggered, SeaState will calculate and publish on a weekly basis each Coop's chinook salmon bycatch rate and Tier classification for the following week. Rate calculations will be based on each Coop's previous 2 week's pollock catch in the Fishery (the denominator) and the associated bycatch of chinook salmon (the numerator) taken by its members during the same period. For purposes of this Section, a Coop's salmon bycatch amount shall be based on observed, counted chinook salmon (i.e., whole haul samples), or sample sizes sufficiently large such that SeaState reasonably concludes that estimated number of chinook salmon has a high probability of being accurate. Classification of inshore Coops shall be based on plant observer data, not on tow-by-tow estimates from the fishing grounds.

Tier classifications are assigned by the following criteria:

- Coops with chinook salmon bycatch rates of less than or equal to seventy-five percent (75%) of the Base Rate shall be assigned to Tier 1. The Tier 1 rate is less than or equal to 0.050 chinook salmon per mt.
 - Coops with chinook salmon bycatch rates greater than seventy-five percent (75%) of the Base Rate but less than one hundred and twenty-five percent (125%) of the Base Rate shall be assigned to Tier 2. The Tier 2 rate is greater than 0.050 but less than 0.084 chinook salmon per mt.
 - Coops with chinook salmon bycatch rates equal to or greater than one hundred twenty-five percent (125%) of the Base Rate shall be assigned to Tier 3. The Tier 3 rate is equal to or greater than 0.084 chinook salmon per mt.
- c. On a weekly basis, Sea State will provide notice to the Coops identifying the area with the highest chinook salmon bycatch rate in excess of the Base Rate (the "Savings Areas"). Twenty-four (24) hours following delivery of weekly Savings Area notices to the Coops, the Savings Areas will be subject to a "Savings Closure" for seven (7) days, and Coop vessels participating in the Fishery shall be restricted pursuant to Subsection 5.d. below. Savings Areas will be sized as Sea State determines appropriate to address the area of highest bycatch concern in the Bering Sea. The minimum total area designated for a Savings Closure is 500 square miles. The maximum total area designated for a Savings Closure is 1000 square miles. Savings Areas will be rectangular in shape and identified by a set of four coordinates, one set corresponding to each corner of the Savings

Area. Corner coordinates will be designated in 5 minute increments of longitude and latitude.

- d. Upon a Savings Closure taking effect, the related area shall be closed to fishing by all Tier 2 and Tier 3 Coop vessels participating in the Fishery. The Savings Closure shall remain in effect for four (4) days for Tier 2 Coop vessels, and for seven (7) days for Tier 3 Coop vessels.
7. Vessel Reporting. The Coops acknowledge that the effectiveness of the bycatch management regime set forth in items 3 through 6 above, depends on gathering, analyzing and disseminating accurate chinook salmon bycatch data rapidly. The Coops therefore agree as follows:
- a. Each Coop shall require its members' vessels to exercise all commercially reasonable efforts to report each directed pollock trawl tow location to Sea State within 24 hours, together with a salmon bycatch estimate. PCC shall arrange to have its members' vessels' observer reports concerning salmon bycatch transmitted to Sea State. MFC and High Seas shall arrange to have the pollock amounts and salmon counts for their members' vessels reported to Sea State by the processing vessels to which their members' vessels deliver. All Coops other than PCC, MFC and High Seas shall arrange for their vessels to report the crew's best estimate of the amount of pollock and the number of salmon in the tow when reporting its location.
 - b. Each Inshore Coop shall develop its own methods and means to accurately calculate (when feasible) or estimate the amount of pollock and the number of salmon contained in each directed pollock tow by its members' vessels, and to rapidly and accurately report that information to Sea State.
8. Term. This Agreement shall take effect upon execution by all the Coops. This Agreement will expire on June 10, 2003.
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 conform with changes in law or circumstances.
 - 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 the 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 or e-mail transmission to the recipient. Each Coop agrees to provide the name, postal address, telefacsimile number and e-mail address of its duly authorized representative(s) 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. 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.

“OTHER” SALMON BYCATCH MANAGEMENT AGREEMENT

2003 POLLOCK “B” SEASON

This SALMON BYCATCH MANAGEMENT AGREEMENT is entered into by and among POLLOCK CONSERVATION COOPERATIVE (“PCC”), the 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, as of _____, 2003, with respect to the following facts:

RECITALS

Governor Knowles proclaimed a “state of disaster” with respect to certain 2000 and 2001 western Alaska chum salmon runs. The Governor requested that the North Pacific Fishery Management Council (the “Council”), the National Marine Fisheries Service (“NMFS”) and participants in the Bering Sea/Aleutian Islands (“BS/AI”) groundfish fisheries take steps to reduce the incidental catch of chum salmon in the BS/AI groundfish fisheries. The Coops desire to address this issue by inter-cooperative agreement.

AGREEMENT

1. Purpose of Agreement. The purpose of this Agreement is to implement a procedure to reduce chum salmon bycatch in the 2003 Bering Sea/Aleutian Islands (“BS/AI”) trawl pollock “B” season non-CDQ fishery (the “Fishery”). Each party to this Agreement agrees exercise all commercially reasonable efforts to achieve that purpose.

2. Chum Salmon Bycatch Management. The parties agree that chum salmon bycatch in the Fishery shall be managed on an inter-cooperative basis as follows.

a. The Coops will retain Sea State, Inc. (“Sea State”) to provide data gathering, analysis and reporting services necessary to implementing the bycatch management program contemplated under this Agreement.

b. Sea State will calculate a base bycatch rate (the “Base Rate”) that will serve both as a threshold for Savings Area closures (as described in Subsection 2.e, below), and determining the Tier to which a Coop is assigned for purposes of Savings Area access. The Base Rate will be calculated by dividing the chum salmon savings area trigger amount adopted by the Council under Amendment 35

(i.e., 42,000 “other” salmon) by the seven (7) year average, 1997 – 2003, of the BS/AI pollock “B” season directed fishing allowance (“DFA”), net of incidental catch allowances for non-pollock fisheries and of Community Development Quota (“CDQ”) allocations. **The preliminary Base Rate shall be .0653 “other” salmon per metric ton of pollock (based on a seven year average non-roe season DFA of 642,920 mt.).**

c. On a weekly basis, SeaState will calculate and publish each Coop’s “other” salmon bycatch rate for determining the Tier to which a Coop is assigned. Rate calculations for purposes of Tier assignments will be based on each Coop’s pollock catch in the Fishery for the prior two weeks (the denominator) and the associated bycatch of “other” salmon (the numerator) taken by its members. For purposes of this Section, a Coop’s salmon bycatch amount shall be based on observed, counted “other” salmon (i.e., whole haul samples), or sample sizes sufficiently large that Sea State reasonably concludes that estimated number of “other” salmon has a high probability of being accurate. Classification of inshore Coops shall be based on plant observer data, and not on tow-by-tow estimates from the fishing grounds.

- Coops with “other” salmon bycatch rates of less than or equal to seventy-five percent (75%) of the Base Rate shall be assigned to Tier 1. **The preliminary Tier 1 rate is less than or equal to 0.049 “other” salmon per mt.**
- Coops with “other” salmon bycatch rates greater than seventy-five percent (75%) of the Base Rate but less than one hundred and twenty-five percent (125%) of the Base Rate shall be assigned to Tier 2. **The preliminary Tier 2 rate is greater than 0.049 but less than 0.082 “other” salmon per mt.**
- Coops with an “other” salmon bycatch rates equal to or greater than one hundred twenty-five percent (125%) of the Base Rate shall be assigned to Tier 3. **The preliminary Tier 3 rate is equal to or greater than 0.082 “other” salmon per mt.**

d. When the Fishery is open to any of the inshore, catcher/processor or mothership components, on an ongoing basis Sea State will calculate the bycatch rates for each Alaska Department of Fish and Game (“ADF&G”) statistical area for which Sea State receives a salmon bycatch report, and when feasible, for each lateral half of each such statistical area. The bycatch rates shall be calculated on the basis of reports Sea State determines to be adequately accurate, including reliable tow-by-tow estimates from the fishing grounds. In every case, rates calculated on the basis of the actual number of salmon observed per tow will be given priority over rates based on sampling and extrapolation.

e. On a weekly basis, Sea State will provide notice to the Coops identifying the areas with the highest “other” salmon bycatch rate in excess of the Base Rate (the “Savings Areas”) in each of the northwest and southeast regions of the BS/AI (as such regions are delineated on Exhibit A). Twenty-four (24) hours following delivery of weekly Savings Area notices to the Coops, the Savings Areas will be subject to a “Savings Closure” for seven (7) days, and Coop vessels participating in the Fishery shall be restricted pursuant to Subsection 2.f, below. Each region may have up to two Savings Areas. The Savings Areas will be sized as Sea State determines appropriate to address bycatch in each region. The minimum total area designated in each region for Savings Closure(s) is 500 square miles. The maximum total area designated in each region for Savings Closure(s) is 1000 square miles. All Savings Areas will be rectangular in shape and identified by a set of four coordinates, one set corresponding to each corner of the Savings Area. Corner coordinates will be designated in 5 minute increments of longitude and latitude.

f. Upon a Savings Closure taking effect, the related area shall be closed to fishing by all Tier 2 and Tier 3 Coop vessels participating in the Fishery. The Savings Closure shall remain in effect for four (4) days for Tier 2 Coop vessels, and for seven (7) days for Tier 3 Coop vessels.

g. On a weekly basis, Sea State will provide the following additional information to the Coops:

1. Each coop’s season-to-date “other” salmon bycatch rate.
2. A list of the top 20 vessels with season-to-date “other” salmon bycatch in excess of the Tier One rate.
3. A list of the top 20 vessels with “other” salmon bycatch for the previous 2 weeks in excess of the Tier One rate.
4. A list of the top 20 vessels with “other” salmon bycatch for the previous week in excess of the Tier One rate.

h. The Chum Salmon Savings Area will be subject to additional closures to vessels participating in the Fishery after September 1 if and when bycatch rates inside the CSSA generally exceed the Tier Three rate (0.082 salmon per metric ton of pollock harvest). The additional CSSA closure areas may encompass all or part of the CSSA. Each CSSA closure may last up to two weeks as determined appropriate by Sea State.

3 Data Gathering and Reporting. The Coops acknowledge that the effectiveness of the bycatch management regime set forth in Section 2, above, depends on gathering, analyzing and disseminating accurate

“other” salmon bycatch data rapidly. The Coops therefore agree as follows.

a. Each Coop shall require its members’ vessels to exercise all commercially reasonable efforts to report each trawl tow location to Sea State within 24 hours, together with a salmon bycatch estimate. PCC shall arrange to have its members’ vessels’ observer reports concerning salmon bycatch transmitted to Sea State. MFC and High Seas shall arrange to have the pollock amounts and “other” salmon counts for their members’ vessels reported to Sea State by the processing vessels to which their members’ vessels deliver. All Coops other than PCC, MFC and High Seas shall arrange for their vessels to report the crew’s best estimate of the amount of pollock and the number of “other” salmon in the tow when reporting its location.

b. Each Coop shall require its members’ vessels to notify their coop manager (if applicable), the intercooperative manager and, if feasible, Sea State as soon as possible of any tow with an “other” salmon bycatch rate that the crew estimates to be equal to or greater than one and a half (1.5) salmon per metric ton of pollock. In addition, each Coop shall arrange to have its vessels provide immediate notice of such incidents to all other Coop vessels in the Fishery via direct communication whenever feasible.

c. Each Inshore Coop shall develop its own methods and means to accurately calculate (when feasible) or estimate the amount of pollock and the number of salmon contained in each tow by its members’ vessels, and to rapidly and accurately report that information to Sea State.

4. Savings Closure Enforcement. Upon a Coop receiving notice from Sea State that its members’ vessels are not eligible to operate in a Savings Area, the Coop shall promptly notify its members. Each Coop agrees to take enforcement action with respect to any violation of a Savings Closure notice, and to impose the penalties set forth below in cases where a vessel is found to have violated a closure.

g. The Coops hereby adopt a uniform penalty for the first violation of a Savings Closure of an amount equal to fifty percent (50%) of the ex-vessel value of the pollock caught in the Savings Area. The Coops hereby adopt a uniform penalty for second and subsequent violations of a Savings Closure of one hundred percent (100%) of the ex-vessel value of the pollock caught in the Savings Area. For purposes of this Subsection, Coop catch data produced by the Sea State 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.

h. The Coops acknowledge that the damages resulting from violating a Savings Closure 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 Subsection 4.a., above, are liquidated damages, the payment of which (together with reasonable costs of collection) shall satisfy a Coop's and its members' obligations related to violating a Savings Closure. The Coops hereby waive any and all claims to direct, indirect or consequential damages related to such violation.

i. Each Coop agrees that the members of all other Coops shall have rights to initiate Savings Closure enforcement or penalty actions equivalent to such Coop's own members' rights. However, the authority to pursue enforcement or penalty actions with respect to alleged violation of a Savings Closure and the authority to levy fines, penalties, forfeitures or costs related to such actions shall in every case be reserved to the Coop to which the vessel involved belongs. Each Coop agrees to take all corporate action necessary to give effect to this provision.

5. Term. This Agreement shall take effect upon execution by all of the Coops. This Agreement shall expire on November 30, 2003.

6. Miscellaneous.

h. 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 conform with changes in law or circumstances.

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

j. 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.

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

l. 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 or e-mail transmission to the recipient. Each Coop agrees to provide the name, postal address, telefacsimile number and e-mail address of its duly authorized representative(s) for purposes of receiving notices under this Agreement within three (3) days of executing this Agreement.

m. 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.

n. Each Coop agrees to use its best efforts to resolve any disputes arising under this Agreement through direct negotiations. 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.

Entered into as of the date first set forth above.

Appendix III

Coop Sideboard Caps, Transfers, and Harvest in

2003 Directed Sideboard Fisheries

of the BSAI and Gulf of Alaska

Table 1. DIRECTED BSAI PACIFIC COD

Sideboard cap less bycatch requirements: 36,081

Coop	Coop Sideboard Percentage	Sideboard Allocation (mt)	Sideboard Cap Transfers	Final Sideboard Allocation (mt)	Directed Catch	Remaining Sideboard Allocation
Akutan Catcher Vessel Assoc.	25.28%	9,121	318	9,439	5,528	3,911
Arctic Enterprise Assoc.	4.30%	1,551	612	2,163	1,847	316
HSCC	10.57%	3,814	1,222	5,036	4,043	993
Mothership Fleet Cooperative	14.97%	5,401	-1,002	4,399	2,675	1,724
Northern Victor Cooperative	13.49%	4,867	1,352	6,219	5,571	648
Peter Pan Fleet Cooperative	0.50%	179	0	179	0	179
Unalaska Fleet Cooperative	8.11%	2,926	-336	2,590	1,812	778
UniSea Fleet Cooperative	11.37%	4,102	200	4,302	3,412	890
Westward Fleet Cooperative	11.42%	4,120	-2,365	1,755	1,038	717
Intercoop Totals	100.01%	36,083	0.00	36,083	25,926	10,158

Table 2. BSAI ROCK SOLE

Sideboard cap less bycatch requirements: 1,275

Coop	Coop Sideboard Percentage	Initial Sideboard Allocation (mt)	Sideboard Cap Transfers	Final Sideboard Allocation (mt)	Directed Catch	Remaining Sideboard Allocation
Akutan Catcher Vessel Assoc.	13.54%	173	0	173	0	173
Arctic Enterprise Assoc.	4.37%	56	0	56	0	56
HSCC	15.44%	197	0	197	0	197
Mothership Fleet Cooperative	5.96%	76	0	76	0	76
Northern Victor Cooperative	1.47%	19	0	19	0	19
Peter Pan Fleet Cooperative	1.94%	25	0	25	0	25
Unalaska Fleet Cooperative	15.61%	199	0	199	0	199
UniSea Fleet Cooperative	7.97%	102	0	102	0	102
Westward Fleet Cooperative	33.71%	430	0	430	0	430
Intercoop Totals	100%	1,275	0	1,275	0	1,275

Table 3. BSAI YELLOWFIN SOLE

Sideboard cap less bycatch requirements: 4,606

Coop	Coop Sideboard Percentage	Initial Sideboard Allocation (mt)	Sideboard Cap Transfers	Final Sideboard Allocation (mt)	Directed Catch	Remaining Sideboard Allocation
Akutan Catcher Vessel Assoc.	9.27%	427	0	427	0	427
Arctic Enterprise Assoc.	0.02%	1	0	1	0	1
HSCC	2.65%	122	0	122	0	122
Mothership Fleet Cooperative	2.72%	125	0	125	0	125
Northern Victor Cooperative	1.26%	58	0	58	0	58
Peter Pan Fleet Cooperative	0.16%	7	0	7	0	7
Unalaska Fleet Cooperative	25.39%	1,169	0	1,169	0	1,169
UniSea Fleet Cooperative	41.63%	1,917	0	1,917	0	1,917
Westward Fleet Cooperative	16.89%	778	0	778	0	778
Intercoop Totals	100%	4,606	0	4,606	0	4,606

Table 4. AREA 610 POLLOCK

AFA CV Sideboard Cap (metric tons): 10,262

Coop	Coop Sideboard Percentage	Sideboard Allocation (mt)	Sideboard Cap Transfers	Final Sideboard Allocation (mt)	Directed Catch	Remaining Sideboard Allocation
Akutan CV Assoc.	36.47%	3,743	-104	3,639	1,056	2,583
Arctic Ent. Assoc.	0.66%	68	0	68	0	68
HSCC	0.31%	32	125	157	124	33
Mothership Coop	0.91%	93	0	93	0	93
N. Victor Coop	6.58%	675	104	779	210	569
Peter Pan Fleet Coop	0.75%	77	0	77	0	77
Unalaska Fleet Coop	16.10%	1,652	-125	1,527	891	636
UniSea Fleet Coop	16.85%	1,729	0	1,729	0	1,729
Westward Fleet Coop	21.36%	2,192	0	2,192	0	2,192
Intercoop Totals	100%	10,261	0	10,261	2,281	7,980

Table 5. AREA 620 POLLOCK

AFA CV Sideboard Cap (metric tons): 2,809

Coop	Coop Sideboard Percentage	Sideboard Allocation (mt)	Sideboard Cap Transfers	Final Sideboard Allocation (mt)	Directed Catch	Remaining Sideboard Allocation
Akutan CV Assoc.	60.52%	1,700	0	1,700	1,169	531
Arctic Ent. Assoc.	0.00%	0	0	0	0	0
HSCC	1.80%	51	0	51	0	51
Mothership Coop	0.21%	6	0	6	0	6
N. Victor Coop	13.17%	370	0	370	0	370
Peter Pan Fleet Coop	0.03%	1	0	1	0	1
Unalaska Fleet Coop	10.55%	296	345	641	446	195
UniSea Fleet Coop	5.22%	147	-107	40	0	40
Westward Fleet Coop	8.49%	238	-238	0	0	0
Intercoop Totals	100%	2,809	0	2,809	1,615	1,194

Table 6. AREA 630 POLLOCK

AFA CV Sideboard Cap (metric tons): 2,519

Coop	Coop Sideboard Percentage	A Season Sideboard Allocation (mt)	Sideboard Cap Transfers	Final Sideboard Allocation (mt)	Directed Catch	Remaining Sideboard Allocation
Akutan CV Assoc.	52.67%	1,327	0	1,327	260	1,067
Arctic Ent. Assoc.	0.00%	0	0	0	0	0
HSCC	3.99%	101	0	101	0	101
Mothership Coop	8.54%	215	0	215	0	215
N. Victor Coop	9.64%	243	0	243	0	243
Peter Pan Fleet Coop	6.18%	156	0	156	0	156
Unalaska Fleet Coop	12.31%	310	25	335	276	59
UniSea Fleet Coop	3.23%	81	-25	56	0	56
Westward Fleet Coop	3.43%	86	0	86	0	86
Intercoop Totals	100%	2,519	0	2,519	536	1,983

Table 7. AREA 640 POLLOCK

AFA CV Sideboard Cap (metric tons): 377

Coop	Coop Sideboard Percentage	Initial Sideboard Allocation (mt)	Sideboard Cap Transfers	Final Sideboard Allocation (mt)	Directed Catch	Remaining Sideboard Allocation
Akutan Catcher Vessel Assoc.	0.11%	0.41	124	124	0	124
Arctic Enterprise Assoc.	7.08%	26.69	-27	0	0	0
High Seas Catchers Cooperative	0.07%	0.26	0	0	0	0
Mothership Fleet Cooperative	0.00%	0.00	0	0	0	0
Northern Victor Cooperative	12.76%	48.11	0	48	0	48
Peter Pan Fleet Cooperative	0.00%	0.00	0	0	0	0
Unalaska Fleet Cooperative	0.00%	0.00	0	0	0	0
UniSea Fleet Cooperative	54.23%	204.45	0	204	0	204
Westward Fleet Cooperative	25.76%	97.12	-97	0	0	0
Intercoop Totals	100%	377.04	0	377	0	377

Table 8. WESTERN GULF COD

AFA CV Sideboard Cap (metric tons): 1,978

Coop	Coop Sideboard Percentage	A Season Sideboard Allocation (mt)	Sideboard Cap Transfers	Final Sideboard Allocation (mt)	Directed Catch	Remaining Sideboard Allocation
Akutan CV Assoc.	32.91%	651	0	651	0	651
Arctic Ent. Assoc.	9.01%	178	0	178	0	178
HSCC	9.92%	196	0	196	1	195
Mothership Coop	5.35%	106	0	106	0	106
N. Victor Coop	11.09%	219	0	219	0	219
Peter Pan Fleet Coop	7.57%	150	0	150	0	150
Unalaska Fleet Coop	8.16%	161	0	161	0	161
UniSea Fleet Coop	8.08%	160	0	160	0	160
Westward Fleet Coop	7.93%	157	0	157	0	157
Intercoop Totals	100%	1,978	0	1,978	1	1,977

Table 9. CENTRAL GULF COD

AFA CV Sideboard Cap (metric tons): 1,475

Coop	Coop Sideboard Percentage	A Season Sideboard Allocation (mt)	Sideboard Cap Transfers	Final Sideboard Allocation (mt)	Directed Catch	Remaining Sideboard Allocation
Akutan CV Assoc.	50.23%	741	0	741	166	575
Arctic Ent. Assoc.	0.00%	0	0	0	0	0
HSCC	7.00%	103	-53	50	0	50
Mothership Coop	10.01%	148	0	148	0	148
N. Victor Coop	5.29%	78	0	78	0	78
Peter Pan Fleet Coop	8.09%	119	0	119	0	119
Unalaska Fleet Coop	10.79%	159	53	212	150	62
UniSea Fleet Coop	0.01%	0	0	0	0	0
Westward Fleet Coop	8.59%	127	0	127	0	127
Intercoop Totals	100%	1,475	0	1,475	316	1,159

Table 10. CENTRAL GULF SHALLOW-WATER FLATFISH

AFA CV Sideboard Cap (metric tons): 777

Coop	Coop Sideboard Percentage	Initial Sideboard Allocation (mt)	Sideboard Cap Transfers	Final Sideboard Allocation (mt)	Directed Catch	Remaining Sideboard Allocation
Akutan Catcher Vessel Assoc.	26.52%	206	0	206	0	206
Arctic Enterprise Assoc.	0.00%	0	0	0	0	0
High Seas Catchers Cooperative	10.22%	79	0	79	0	79
Mothership Fleet Cooperative	0.21%	2	0	2	0	2
Northern Victor Cooperative	0.23%	2	0	2	0	2
Peter Pan Fleet Cooperative	1.30%	10	0	10	0	10
Unalaska Fleet Cooperative	61.24%	476	0	476	3	473
UniSea Fleet Cooperative	0.00%	0	0	0	0	0
Westward Fleet Cooperative	0.29%	2	0	2	0	2
Intercoop Totals	100%	777	0	777	3	774

**Table 11. CENTRAL GULF DEEP-WATER
FLATFISH**

AFA CV Sideboard Cap (metric tons): 149

Coop	Coop Sideboard Percentage	Initial Sideboard Allocation (mt)	Sideboard Cap Transfers	Final Sideboard Allocation (mt)	Directed Catch	Remaining Sideboard Allocation
Akutan Catcher Vessel Assoc.	12.56%	19	0	19	0	19
Arctic Enterprise Assoc.	0.00%	0	0	0	0	0
High Seas Catchers Cooperative	2.06%	3	0	3	0	3
Mothership Fleet Cooperative	0.03%	0	0	0	0	0
Northern Victor Cooperative	0.00%	0	0	0	0	0
Peter Pan Fleet Cooperative	5.46%	8	0	8	0	8
Unalaska Fleet Cooperative	74.49%	111	0	111	2	109
UniSea Fleet Cooperative	0.00%	0	0	0	0	0
Westward Fleet Cooperative	5.40%	8	0	8	0	8
Intercoop Totals	100%	149	0	149	2	147

**Table 12. CENTRAL GULF NORTHERN
ROCKFISH**

AFA CV Sideboard Cap (metric tons): 156

Coop	Coop Sideboard Percentage	Initial Sideboard Allocation (mt)	Sideboard Cap Transfers	Final Sideboard Allocation (mt)	Directed Catch	Remaining Sideboard Allocation
Akutan Catcher Vessel Assoc.	55.69%	87	0	87	0	87
Arctic Enterprise Assoc.	0.00%	0	0	0	0	0
High Seas Catchers Cooperative	1.11%	2	-2	0	0	0
Mothership Fleet Cooperative	0.03%	0	0	0	0	0
Northern Victor Cooperative	0.00%	0	0	0	0	0
Peter Pan Fleet Cooperative	0.00%	0	0	0	0	0
Unalaska Fleet Cooperative	36.05%	56	2	58	7	51
UniSea Fleet Cooperative	0.00%	0	0	0	0	0
Westward Fleet Cooperative	7.11%	11	0	11	0	11
Intercoop Totals	100%	156	0	156	7	149

Table 13. CENTRAL GULF POP

AFA CV Sideboard Cap (metric tons): 737

Coop	Coop Sideboard Percentage	Initial Sideboard Allocation (mt)	Sideboard Cap Transfers	Final Sideboard Allocation (mt)	Directed Catch	Remaining Sideboard Allocation
Akutan Catcher Vessel Assoc.	31.05%	229	0	229	183	46
Arctic Enterprise Assoc.	0.00%	0	0	0	0	0
High Seas Catchers Cooperative	10.83%	80	-80	0	0	0
Mothership Fleet Cooperative	0.63%	5	0	5	0	5
Northern Victor Cooperative	0.00%	0	0	0	0	0
Peter Pan Fleet Cooperative	0.02%	0	0	0	0	0
Unalaska Fleet Cooperative	41.44%	305	80	385	334	51
UniSea Fleet Cooperative	0.00%	0	0	0	0	0
Westward Fleet Cooperative	16.01%	118	0	118	0	118
Intercoop Totals	100%	737	0	737	517	220

Table 14. EASTERN GULF POP

AFA CV Sideboard Cap (metric tons): 114

Coop	Coop Sideboard Percentage	Initial Sideboard Allocation (mt)	Sideboard Cap Transfers	Final Sideboard Allocation (mt)	Directed Catch	Remaining Sideboard Allocation
Akutan Catcher Vessel Assoc.	0.00%	0	0	0	0	0
Arctic Enterprise Assoc.	0.00%	0	0	0	0	0
High Seas Catchers Cooperative	99.57%	114	0	114	0	114
Mothership Fleet Cooperative	0.00%	0	0	0	0	0
Northern Victor Cooperative	0.34%	0	0	0	0	0
Peter Pan Fleet Cooperative	0.00%	0	0	0	0	0
Unalaska Fleet Cooperative	0.00%	0	0	0	0	0
UniSea Fleet Cooperative	0.00%	0	0	0	0	0
Westward Fleet Cooperative	0.09%	0	0	0	0	0
Intercoop Totals	100%	114	0	114	0	114

Summary of the 2004 IC Chinook Salmon Agreement

- Savings Closures
 1. Salmon bycatch during the period Jan 20 through Jan 23 does not apply to any vessel or coop's bycatch performance and is only used to provide initial bycatch information to locate hotspots.
 2. Beginning Jan 24th Phase 1 of the chinook program begins. The salmon bycatch information collected from Jan 24th through Jan 29th will be the basis for the first Savings Closure and tier assignments, during Phase 1 only coops in tier three will be subject to the savings closures. The first tier assignments of the season will be announced on Jan 29th (Thursday) and will run for one week (Friday – Thursday) and be updated each following Thursday. With the exception of the initial tier assignments, coops' will be assigned their tier status based on a two week rolling average.
 3. During Phase 1 Tier 3 coops will be shut out of the Savings Closures for 7 days.
 4. Tier assignments will be based on the same rates as used in 2003. Coops below .05 chinook per mt of pollock are in Tier 1, coops in the range of .05 to .084 are assigned to tier 2, and coops above .084 are in tier 3.
 5. Savings closures areas are updated twice weekly. Announced on Thursday's for closures on Friday through Monday, and announced on Monday for closure on Tuesday through Thursday.
 6. Up to 2 Savings Closure areas may be in place during each period with a total area limit of 1000 square miles. The closure areas will be shaped and positioned in a "connect the dots fashion" as determined by SeaState.
 7. When 40% of the 2004 CHSSA trigger is reached ($.4 \times 26,825 = 10,730$), Phase 2 of the Chinook Agreement begins. At this point coops in tier 2 are closed out of the Savings Closures for the first 4 days of the week, Friday through Monday in addition to the existing tier 3 closures.

- VMS Tracking Data

All coops agree to have their member vessels release their VMS tracking data to SeaState. The release of this information will be accompanied by a confidentiality agreement that the information will only be used for the purposes of this agreement.

- Tow by tow reporting
 1. PCC and MSC tow reports will be covered through their observer reports.
 2. Inshore coop vessels will, to the extent possible, report on a tow by tow basis via VMS reporting software. It is understood that this method, while the most efficient way for SeaState to receive inshore CV tow reports, is not 100% reliable and may, under some circumstances, prove to have fairly technical operational difficulties. Also, some coop member vessels make only a few Bering Sea pollock trips each season, consequently buying, installing, and learning the reporting software may prove to be more burdensome than is practical. Due to these difficulties, VMS reporting is not required, but is recommended. However,

all inshore CVs are required to report each tow's location, estimated pollock weight, and estimated salmon bycatch in some reasonable fashion within 24 hours of haulback.

- **Incident Reporting**

Vessels encountering salmon bycatch above a certain rate are required to report the tow's location and salmon bycatch to SeaState ASAP. SeaState will vary the rate in the course of the season based on the relative abundance of salmon present on the grounds.

- **Dirty 20 Lists**

1. A list of the top 20 vessels with season-to-date chinook salmon bycatch in excess of the Tier One rate and have a seasonal harvest over 500 mt. of pollock.

2. A list of the top 20 vessels with chinook salmon bycatch for the previous 2 weeks in excess of the Tier One rate.

3. A list of the top 20 vessels with chinook salmon bycatch for the previous week in excess of the Tier One rate.

- **Hotspot Advisories**

SeaState will provide hotspot advisories to the coops throughout the season when areas with high bycatch are located but do not fall inside the Savings Closure areas.

- **Savings Closure Enforcement**

The 2004 Chinook Agreement will include the same Savings closure Enforcement clause used in the previous Chum Salmon Agreements. That provision reads as follows:

Savings Closure Enforcement. Upon a Coop receiving notice from Sea State that its members' vessels are not eligible to operate in a Savings Area, the Coop shall promptly notify its members. Each Coop agrees to take enforcement action with respect to any violation of a Savings Closure notice, and to impose the penalties set forth below in cases where a vessel is found to have violated a closure.

- a. The Coops hereby adopt a uniform penalty for the first violation of a Savings Closure of an amount equal to fifty percent (50%) of the ex-vessel value of the pollock caught in the Savings Area. The Coops hereby adopt a uniform penalty for second and subsequent violations of a Savings Closure of one hundred percent (100%) of the ex-vessel value of the pollock caught in the Savings Area. For purposes of this Subsection, Coop catch data produced by the Sea State 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.

b. The Coops acknowledge that the damages resulting from violating a Savings Closure 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 Subsection 4.a., above, are liquidated damages, the payment of which (together with reasonable costs of collection) shall satisfy a Coop's and its members' obligations related to violating a Savings Closure. The Coops hereby waive any and all claims to direct, indirect or consequential damages related to such violation.

c. Each Coop agrees that the members of all other Coops shall have rights to initiate Savings Closure enforcement or penalty actions equivalent to such Coop's own members' rights. However, the authority to pursue enforcement or penalty actions with respect to alleged violation of a Savings Closure and the authority to levy fines, penalties, forfeitures or costs related to such actions shall in every case be reserved to the Coop to which the vessel involved belongs. Each Coop agrees to take all corporate action necessary to give effect to this provision.

CHINOOK SALMON BYCATCH MANAGEMENT AGREEMENT

2004 POLLOCK "A" SEASON

This CHINOOK SALMON BYCATCH MANAGEMENT AGREEMENT is entered into by and among POLLOCK CONSERVATION COOPERATIVE ("PCC"), the 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, as of _____, 2004, with respect to the following facts:

RECITALS

Western Alaskans have expressed conservation and allocation concerns regarding the incidental catch of chinook salmon in the Bering Sea/ Aleutian Islands pollock fishery. While such bycatch is regulated by the North Pacific Fishery Management Council (the "Council") and the National Marine Fisheries Service ("NMFS"), the Coops desire to address this issue by inter-cooperative agreement, out of respect for the concerns of Western Alaskans, to avoid unnecessary incidental catch of chinook salmon and, to the extent feasible, to avoid triggering a regulatory closure of the Chinook Salmon Savings Area (the "CHSSA").

AGREEMENT

1. Purpose of Agreement. The purpose of this Agreement is to implement a private, contractual inter-cooperative program to reduce chinook salmon bycatch in the 2004 Bering Sea/ Aleutian Islands ("BS/ AI") trawl pollock "A" season non-CDQ fishery (the "Fishery"). Each party to this Agreement agrees exercise all commercially reasonable efforts to achieve that purpose.

2. Chinook Salmon Bycatch Management. The parties agree that chinook salmon bycatch in the Fishery shall be managed on an inter-cooperative basis as follows.

a. The Coops will retain Sea State, Inc. ("Sea State") to provide the data gathering, analysis, fleet monitoring and reporting services necessary to implement the bycatch management program contemplated under this Agreement.

b. Sea State will use the bycatch rate (the "Base Rate") as a trigger for Savings Area closures (as described in Subsection 2.h, below) and determining the Tier to which a Coop is assigned for purposes of Savings Area access. The Base Rate is .067

chinook salmon per metric ton of pollock, which is calculated by dividing the 2003 CHSSA trigger amount of 30,525 chinook salmon (i.e., the 2003 regulatory trigger of 33,000 chinook salmon, less the 7.5% Community Development Quota ("CDQ") reserve) by the seven (7) year average, 1997-2003, of the BS/ AI pollock "A" season directed fishing allowance ("DFA"), net of incidental catch allowances for non-pollock fisheries and of CDQ allocations.

c. Sea State will use bycatch data from the period January 20 - 23, 2004 to provide Coops with preliminary information regarding the location and concentration of chinook salmon. Sea State will use bycatch data from the period January 24 - 29, 2004 for initial Savings Area closures and Coop Tier assignments, and thereafter Sea State will determine each Coop's Tier assignment on a weekly basis.

d. Rate calculations for purposes of Tier assignments will be based on each Coop's pollock catch in the Fishery for the prior two weeks (the denominator) and the associated bycatch of chinook salmon taken by its members (the numerator), with the exception of the initial tier assignments as described in Section 2.c. For purposes of this Section, a Coop's salmon bycatch amount shall be based on observed, counted chinook salmon (i.e., whole haul samples), or sample sizes sufficiently large that Sea State reasonably concludes that estimated number of chinook salmon has a high probability of being accurate. Classification of inshore Coops shall be based on plant observer data, and not on tow-by-tow estimates from the fishing grounds.

- Coops with chinook salmon bycatch rates of less than 75% of the Base Rate, i.e., with bycatch rates less than .05 chinook per metric ton ("mt") of pollock, shall be assigned to Tier 1.
- Coops with chinook salmon bycatch rates equal to or greater than 75% of the Base Rate but less than 125% of the Base Rate, i.e., with bycatch rates equal to or greater than .05 chinook per mt, but less than or equal to .084 chinook per mt, shall be assigned to Tier 2.
- Coops with chinook salmon bycatch rates greater than 125% of the Base Rate, i.e., above .084 chinook per mt, shall be assigned to Tier 3.

e. When the Fishery is open to any of the inshore, catcher/processor or mothership components, on an ongoing basis Sea State will calculate the bycatch rates for each Alaska Department of Fish and Game ("ADF&G") statistical area for which Sea State receives a salmon bycatch report, and when feasible, for each lateral half of each such statistical area. The bycatch rates shall be calculated on the basis of reports Sea State determines to be adequately accurate, including reliable tow-by-tow estimates from the fishing grounds. In every case, rates calculated on the basis of the actual

number of salmon observed per tow will be given priority over rates based on sampling and extrapolation.

f. On January 29, 2004, and on each Thursday thereafter, and on February 2, 2004 and on each Monday thereafter, for the duration of the 2004 pollock "A" season, Sea State will provide notice to the Coops identifying one or two areas with the highest chinook salmon bycatch rate(s) in excess of the Base Rate, if any (the "Savings Areas") in the BS/ AI. Savings Areas will be sized as Sea State determines appropriate to address chinook bycatch . The maximum total area of Savings Closure(s) will be 1000 square miles. The boundaries of Savings Areas will be defined by a series of latitude/longitude coordinates and will be shaped as Sea State determines appropriate.

g. Savings Area closures announced on Thursdays (the "Friday Closures") shall be effective from 12:00 noon the following Friday through 12:00 noon the following Tuesday, and Savings Area closures announced on Mondays (the "Tuesday Closures") shall be effective from 12:00 noon the following Tuesday through 12:00 noon the following Friday. Upon a Savings Area closure taking effect, fishing by Coop vessels participating in the Fishery shall be restricted pursuant to Subsection 2.h, below.

h. There will be two phases of Savings Area closures. From the beginning of the 2004 "A" season until such time as Sea State determines that chinook bycatch in the Fishery has reached 10,730 salmon (i.e., 40% of the Base Rate numerator), Savings Areas shall be closed to fishing by Tier 3 Coop vessels only. As of the time that Sea State determines chinook bycatch in the Fishery has exceeded 10,730 salmon and delivers notice of the same to the Coops, and thereafter for the duration of the 2004 "A" season, in addition to all Savings Areas being closed to fishing by Tier 3 Coop vessels, the Savings Area(s) announced in the Friday Closures shall be closed to fishing by Tier 2 Coop vessels through 12:00 noon the following Tuesday.

i. On a weekly basis, Sea State will provide the following information to the Coops:

i. Each Coop's season-to-date chinook salmon bycatch rate.

ii. A list of the 20 vessels with the highest season-to-date chinook salmon bycatch rates in excess of the Tier One rate and a seasonal harvest of more than 500 mt of pollock.

iii. A list of the 20 vessels with the highest chinook salmon bycatch rates for the previous 2 weeks in excess of the Tier One rate.

iv. A list of the 20 vessels with highest chinook salmon bycatch rates for the previous week in excess of the Tier One rate.

j. Throughout the 2004 pollock "A" season, Sea State will provide chinook salmon "hot spot" advisory notices concerning areas of high bycatch that do not fall within Savings Area closures.

3. Data Gathering and Reporting. The Coops acknowledge that the effectiveness of the bycatch management program set forth in Section 2, above, depends on gathering, analyzing and disseminating accurate chinook salmon bycatch data rapidly. The Coops therefore agree as follows.

a. Each Coop shall require its members' vessels to exercise all commercially reasonable efforts to report to Sea State within 24 hours the location of, estimated pollock tonnage of and estimated number of chinook salmon in each trawl tow. PCC may satisfy its obligation under this section 3.a by arranging to have its members' vessels' observer reports concerning chinook bycatch transmitted to Sea State. MFC and High Seas may satisfy their obligations under this Section by arranging to have the pollock amounts and chinook salmon counts for their members' vessels reported to Sea State by the observers on the processing vessels to which their members' vessels deliver. The Inshore Coops shall arrange for their vessels to report the crew's best estimate of the amount of pollock and the number of chinook salmon in the tow when reporting its location. Each Inshore Coop shall develop its own methods and means to accurately calculate (when feasible) or estimate the amount of pollock and the number of salmon contained in each tow by its members' vessels, and to rapidly and accurately report that information to Sea State.

b. The Inshore Coops acknowledge that the Vessel Monitoring System ("VMS") is the most efficient means for reporting tow-by-tow data to Sea State, and the Inshore Coops therefore agree to encourage their members to use the VMS system to do so. However, the Coops all acknowledge that in certain circumstances, it may be difficult to achieve accurate, reliable reporting through the VMS system, and that for vessels with relatively small pollock allocations, the cost of acquiring, installing and operating the VMS data transmission system may be higher than reasonable. Therefore, reporting bycatch information via the VMS system is not required.

c. Sea State will from time to time announce a chinook bycatch rate that will trigger an incident reporting requirement. Each Coop shall require its members' vessels to notify their coop manager (if applicable), the intercooperative manager and, if feasible, Sea State as soon as possible of any tow with a chinook salmon bycatch rate that the crew estimates to be equal to or greater than the incident reporting rate threshold.

4. Savings Area Closure Enforcement. Upon a Coop receiving a Savings Area closure notice which has the effect of closing one or more Savings Areas to fishing by its members' vessels under this Agreement, the Coop shall timely notify its members. Each Coop agrees to take enforcement action with respect to any violation of a Savings Area closure notice, and to impose the penalties set forth below in cases where a vessel is found to have violated a closure.

a. The Coops hereby adopt a uniform penalty for the first violation of a Savings Area closure of an amount equal to fifty percent (50%) of the ex-vessel value of the pollock caught in the Savings Area. The Coops hereby adopt a uniform penalty for second and subsequent violations of a Savings Closure of one hundred percent (100%) of the ex-vessel value of the pollock caught in the Savings Area. For purposes of this Subsection, Coop catch data produced by the Sea State 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.

b. The Coops acknowledge that the damages resulting from violating a Savings Closure 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 Subsection 4.a., above, are liquidated damages, the payment of which (together with reasonable costs of collection) shall satisfy a Coop's and its members' obligations related to violating a Savings Closure. The Coops hereby waive any and all claims to direct, indirect or consequential damages related to such violation.

c. Each Coop agrees that the members of all other Coops shall have rights to initiate Savings Closure enforcement or penalty actions equivalent to such Coop's own members' rights. However, the authority to pursue enforcement or penalty actions with respect to alleged violation of a Savings Closure and the authority to levy fines, penalties, forfeitures or costs related to such actions shall in every case be reserved to the Coop to which the vessel involved belongs. Each Coop agrees to take all corporate action necessary to give effect to this provision.

d. The Coops agree to cause their members to release their VMS tracking data to Sea State, on the condition that Sea State executes a confidentiality agreement under Sea State agrees not to disclose any such information to any third party without prior consent from the affected vessel owner, and agrees to limit its use of such information to monitoring compliance with this Agreement.

5. Term. This Agreement shall take effect upon execution by all of the Coops. This Agreement shall expire on June 10, 2004, provided that the enforcement provisions of Section 4, above, shall survive such expiration with full force and effect.

6. 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 conform with changes in law or circumstances.

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 the 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 or e-mail transmission to the recipient. Each Coop agrees to provide the name, postal address, telefacsimile number and e-mail address of its duly authorized representative(s) 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. 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.

Entered into as of the date first set forth above.

HIGH SEAS CATCHERS COOPERATIVE

MOTHERSHIP FLEET COOPERATIVE

By _____
Its _____

By _____
Its _____

AKUTAN CATCHER VESSEL
ASSOCIATION

ARCTIC ENTERPRISE ASSOCIATION

By _____
Its _____

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 _____

Jmst/agreements/chinook bycatch agreement-2004-12-19-03