

United Catcher Boats / Midwater Trawlers Cooperative

Presentation to North Pacific Fishery Management Council (NPFMC) on Bering Sea Aleutian Island (BSAI) Halibut Prohibited Species Catch (PSC)

May 22, 2014

At the February 2014 NPFMC meeting, the Council requested reports from the BSAI groundfish sectors on their progress for voluntarily implementing measures in their cooperative and/or inter-cooperative agreements to minimize halibut PSC. These measures include: development of effective and verifiable measures for halibut avoidance, individual accountability and the use of incentives to reduce halibut PSC.

On behalf of the BSAI trawl catcher vessel sector, United Catcher Boats (UCB) and Midwater Trawlers Cooperative (MTC) submits the following information per the Council's request. Our sector consists of trawl catcher vessels (CV) that participate in the BSAI CV P. Cod trawl fishery and the Bering Sea CV Pollock fishery. Our report will focus on these two fisheries.

1. BSAI P. Cod CV Trawl Fishery Since enactment of the American Fisheries Act (AFA) Intercoop Agreement (IC) in 2000 the AFA CV fleet has utilized 'sideboard management' provisions of this agreement to govern the AFA fleet in the management of the BSAI P. cod fishery. This agreement includes provisions that govern the use of halibut PSC. The IC agreement allocates and apportions the Trawl Limited Access (TLAS) sector's P. Cod Halibut PSC limit (453 mt) to the eight individual CV cooperatives. Subsequently, the individual cooperatives allocate their share of this halibut PSC limit down to the individual member vessels. There are provisions in the IC Agreement that govern the use of halibut PSC by the AFA Bering Sea P. Cod "Exempt" vessels. However, both Exempt and Non-Exempt vessels are limited to their pro-rata share of the halibut limit. The IC Agreement allocates, limits and manages halibut PSC to the cooperatives.

Beginning in 2012, the IC agreement also included a provision titled "Better Practices Protocols" that requires the AFA CV fleet to adhere to three practices, including: 1) each coop member fishing P. cod must use a halibut excluder; 2) each member shall not fish at night for P. cod; and, 3) vessels are required to use a codend with a minimum of 7" mesh size. Attached to this document is a copy of the 2014 IC Agreement.

Due to the individual vessel accountability nature of the IC provisions we did not want bycatch data extrapolated from observer samples on other vessels and so starting in 2012 the AFA vessels participating in the Bering Sea P. cod trawl fishery agreed to voluntarily carry an observer 100% of the time while participating in the P. cod fishery. The cost of the 100% observer coverage is borne by the vessel owner and is in addition to the 1.25% fee associated with the new ODDS observer program. The vessel owners did not want to have the fleet-wide average halibut bycatch rate applied to their vessels' P. cod catch, and also wanted more precise estimate of their vessels' PSC rates and amount.

2. Bering Sea Pollock CV Trawl Fishery Due to the extremely limited amount of halibut PSC associated with the AFA CV Pollock fishery, the vessel owners have not incorporated PSC management provisions in the IC Agreement. According to the NMFS, the pollock fishery uses less than 8 % of halibut bycatch used in the BS trawl fisheries. Nonetheless, the coops worked with Sea State in analyzing the data to try to determine whether there were measures we could take to avoid halibut bycatch. Unfortunately, the bycatch data showed that halibut were dispersed over wide areas without discernable “hotspot” areas and so bycatch avoidance could not be managed as we manage salmon avoidance. Further, the data showed that salmon closures tended to push the fleet north onto the shelf where halibut bycatch is more frequent. The vessel owners believe that increasing the CV fleet’s awareness of the encounter rate of halibut in the Pollock fishery as well as an increased focus on monitoring and sharing of fishery halibut PSC data among the Pollock fleet and other sectors are the best measures available at this time to govern halibut usage in the directed Pollock fishery.

The owners of the Pollock CV fleet recently inquired about whether or not elements of a ‘hotspot’ avoidance program would be beneficial for the fleet as one tool to assist in managing halibut PSC in the directed Pollock fishery. UCB asked Karl Haflinger (SeaState) to examine Observer Program halibut bycatch data from the Pollock fishery in light of pursuing some sort of hotspot closure zone program. Results from preliminary analysis of the data indicate that halibut bycatch occurs at very low rates fairly evenly throughout the entire Eastern Bering Sea Pollock fishing grounds and fairly evenly throughout the seasons. It has been characterized as more like “drizzling rain”, and less like a “lighting strike” occurrence. In addition, Mr. Haflinger also examined the relationship between Chinook bycatch occurrence locations and halibut bycatch occurrence locations. Results indicate that creating a program to move Pollock effort away from higher halibut rate locations will relocate effort into areas associated with high Chinook salmon rates. In summary, a hot spot management program seems to be an ineffective tool for the Pollock fleet to manage halibut PSC due to the nature of halibut encounters associated with fishing for Pollock.

UCB and MTC also believe that the CV Pollock fleet does not know enough about encounters with halibut in the directed Pollock fishery at this time to incorporate any type of incentive-based tool that is focused at individual vessel behavior. We believe there is a need to investigate halibut PSC while fishing for Pollock before developing and incorporating possible halibut PSC management measures in the IC Agreement in order to have those measures ultimately prove effective.

One idea considered is the establishment of a data sharing system among the Amendment 80 sector, the AFA Catcher Processor sector, the AFA CV sector, and possibly the fixed gear sector that provides a set of alarms that can be used to notify participating sectors of high halibut occurrences in the various fisheries over the

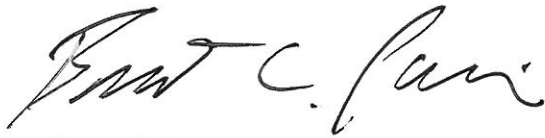
season. Because halibut rates differ so much between target fisheries and sectors, this sort of data sharing/alarm program's usefulness might be somewhat limited.

Another suggestion is to add a field to SeaState's SIP website that would include halibut bycatch rate information at the individual vessel level. However, not all CV companies have access to the SIP website and its data. In the same vein, the Pollock Mothership CV sector has already set up such a data sharing system within their sector that shares halibut PSC encounter data among all the MS CV fleet.

UCB and MTC members understand the importance of reducing halibut PSC catches. We are committed to continuing to refining our current practices and incentives as well as exploring new strategies to avoid and reduce halibut PSC.


Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Brent C. Paine".

Brent Paine

United Catcher Boats

A handwritten signature in black ink, appearing to read "Heather Mann".

Heather Mann

Midwater Trawlers Cooperative

2014 INTERCOOPERATIVE AGREEMENT

This 2014 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, 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 Jan. 21, 2014, 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") 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 Aleutian Islands ("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. Pursuant to Section 211(c) of the American Fisheries Act ("AFA"), the North Pacific Fishery Management Council (the "Council") has adopted limits on the amount of groundfish that may be harvested by AFA catcher vessels in certain fisheries other than BS pollock (the "Sideboards"). The Sideboards are catch limits, not catch allocations. However, to promote effective Sideboard management, the members of each of the Coops have allocated the Sideboards among themselves, have agreed that an over-harvest of a Sideboard allocation by a member shall subject that member to a penalty, and have agreed that Sideboard allocations may be transferred among Coops and Coop members.

C. The Council has also adopted limits on the incidental catch of amount of halibut and Bering Sea crab by AFA catcher vessels (the "PSC Limits"). The Coops acknowledge that the PSC Limits for halibut and crab are catch limits, not catch allocations. However, to promote effective PSC Limit management, the Coops have agreed to allocate certain PSC Limits among themselves and/or among the fisheries in which the Vessels participate, and have agreed to adopt certain restrictions on the usage and transfer of those allocations.

D. The Coops acknowledge that their participation in BS/AI trawl fisheries other than pollock is constrained by the prohibited species catch allowances (the "PSC Allowances") for the BS/AI trawl limited access sector (the "TLAS") as set by

the National Marine Fisheries Service ("NMFS") in connection with the annual harvest specifications for BS/ AI groundfish, and that when a PSC Allowance is attained, the Vessels are required to cease fishing in the affected fishery or area, even if the related PSC Limit has not been attained.

E. The halibut mortality allowance for the BS/ AI TLAS Pacific cod fishery (the "Halibut Mortality Allowance") is less than the BS/ AI halibut PSC Limit, and the Halibut Mortality Allowance is therefore the primary constraint on Coop member halibut bycatch in the BS/ AI Pacific cod Sideboard fishery. In the interest of maintaining a meaningful halibut bycatch control program for the BSAI cod trawl fishery, the Coops are allocating the Halibut Mortality Allowance among themselves, rather than the halibut PSC Limit, and are adopting certain management Pacific cod fishery management measures set forth in Section 3, below.

F. The red King crab, *C. Opilio* and *C. Bairdi* crab bycatch allowances for the BSAI TLAS Pacific cod fishery (the "Crab Allowances") are less than the respective crab PSC Limits, and the Crab Allowance is therefore the primary constraint on the Coop member crab bycatch in the BS/ AI Pacific cod Sideboard fishery. Therefore, it is appropriate for the Coops to allocate and manage their crab bycatch in the BS/ AI Pacific cod Sideboard fishery using the Crab Allowances, rather than the respective crab PSC Limits.

G. The Coops are subject to certain time and area limits on their harvest of BS pollock in connection with Steller sea lion protection measures (the "RPAs"). The Coops have agreed to manage their members' fishing activity to promote compliance with the RPAs, while preserving certain Vessels' access to the sea lion conservation area ("SCA").

H. The Council has adopted a "trigger amount" of herring (the "Trigger Amount"), which, if attained, causes certain "savings areas" to be closed to trawling for pollock for certain periods of time. Each Coop's members have agreed to exercise their best efforts to conduct their fishing efforts such that the Coops operate within the Trigger Amount, and to comply with the related management measures.

Now, therefore, the parties agree as follows:

1. Sideboard Limits. Subject to applicable Sideboard exemptions (including the "1700 metric ton" BS/ AI cod and Gulf of Alaska ("Gulf") groundfish Sideboard exemptions and the mothership sector BS/ AI cod sideboard exemption), the Coops agree to limit their collective non-exempt members' Vessels' aggregate annual harvest of each Sideboard species to the amount that the non-exempt Coop members' Vessels' collective catch histories contribute to the annual Sideboard for such species, as calculated by NMFS in accordance with 50 C.F.R. § 679.64(b), and as adjusted in

accordance with this Agreement. 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, as adjusted in accordance with this Agreement; 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, subject to adjustments made in accordance with this Agreement.

2. 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 2. For purposes of this Section, Coop catch data produced by the Monitoring Agent (as identified in Section 8, below) in conformance with NMFS catch accounting and bycatch estimation procedures shall be presumed accurate. Vessels having made an observed trip may expedite the accounting of that trip's tow-by-tow data by directly submitting copies of the following NMFS forms, as filled out by the Observer, to the Monitoring Agent: Vessel Haul Form, Observer Haul Form, and Species Composition Form.

a. Sideboard 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 annually allocate all other Sideboards by first reserving 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, and then will allocate the remaining BS, AI and Gulf non-exempt vessel Sideboard directed fishery allowances among the Coops pro rata, according to the ratio of their overall limits as set forth in Section 1, above. 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.

b. Sideboard Transfers. A Coop may transfer some or all of its Sideboard allocations to one or more other Coops on such terms as they may agree, provided that no such transfer shall take effect unless and until it is approved by the Intercoop Manager (as identified in Section 10, below).

c. PSC Limit Allocation and Use. The Monitoring Agent shall allocate the Halibut Mortality Allowance and the Crab Allowances in accordance with

Section 3, below. Other than as specifically provided in this Agreement, each Coop agrees to exercise its best efforts to manage its Vessels such that the Vessels' aggregate incidental catch of halibut and crab in fisheries other than the Pacific cod Sideboard fishery (as determined by the Monitoring Agent in accordance with NMFS procedures) does not cause the Coops to exceed the related PSC Limits. Each Coop agrees to release to the Monitoring Agent on a timely basis for redistribution at no cost any PSC allocated or apportioned to it that it determines is not necessary to harvest its Sideboard allocations.

d. Gulf of Alaska Groundfish Sideboard Exemption.

(i) 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 2014 shall not have transferred any amount of such Vessel's BS/ AI pollock allocation for 2014 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.

(ii) The Coops agree that while AFA vessels exempt from Gulf of Alaska Sideboards are restricted as described in Section 2.d.(i), above, the Council has adopted the Gulf of Alaska Rockfish Quota Share Program (RQSP) which recognized a different set of years to define each vessel's historic participation in the Gulf of Alaska rockfish fisheries than the AFA Sideboard years of 1995, 1996, and 1997. Therefore, for purposes of this section, an AFA Gulf exempt Vessel's rockfish Sideboard limits will be equal to their initial RQSP allocations.

3. BS/ AI Cod Sideboard Fishery Management Measures.

a. Halibut and Crab Allocations. The Halibut Mortality Allowance and the Crab Allowances are each less than their respective PSC Limits, and

therefore, the Coops agree to initially allocate halibut and crab bycatch limits for the BS/ AI Pacific cod Sideboard fishery to each Coop's exempt members and non-exempt members for 2014 based on the Halibut Mortality Allowance and the Crab Allowances. However, the Coops agree that if and when the Halibut Mortality Allowance is greater than the halibut PSC Limit, such halibut bycatch limits shall be allocated among the Coop's' members based on the halibut PSC Limit, notwithstanding any provision to the contrary herein, and the Coops agree that if and when a Crab Allowance is greater than its respective PSC Limit, such crab bycatch limits shall be allocated among the Coop's' members based on the crab PSC Limit, notwithstanding any provision to the contrary herein. Subject to the foregoing, upon implementation of the Halibut Mortality Allowance and the Crab Allowance, the Monitoring Agent will allocate transferable halibut and crab bycatch limits to each Coop's exempt and non-exempt Vessels as follows:

(i) each Coop shall receive a Halibut Mortality Allowance and a Crab Allowance for each of its Vessels operating without exemptions proportionate to such Coop's related Sideboard cod allocation, provided that each Coop's initial halibut and crab allocations 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 Halibut Mortality Allowance and Crab Allowance allocations for each of its Vessels operating 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 halibut and crab allocations 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 halibut and crab relative to that Vessel shall be based on a presumed contribution of 500 mt.

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

b. BS/ AI Halibut and Crab Reallocation. The Monitoring Agent will track the aggregate BS/ AI cod catch and the 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 without exceeding the Coop's related allocation of exempt Vessel halibut and

crab (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 *non-exempt* halibut and crab for such cod fishery (if any) pro rata, according to the proportion of its initial non-exempt allocation of such halibut and crab vis-a-vis the other Coops, such that the sum of the reductions is the lesser of (i) the amount of halibut and crab necessary for each exempt Vessel in the Complying Coop to harvest an additional 300 mt of cod at the pre-Buffer non-exempt cod/halibut and cod/crab ratios, or (ii) the proportionate amounts of such halibut and crab 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 halibut or crab calculated to harvest 1500 mt at the pre-Buffer non-exempt cod/halibut and cod/crab ratios. The Monitoring Agent will then increase the relevant Coop's exempt Vessel cod-related halibut and crab 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 halibut or crab allocation for the BS/AI 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 halibut or crab reallocation under this Section has provided a Coop with halibut or crab 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 inshore Coop agrees to manage its non-exempt Vessels' BS/AI cod directed fishing harvest such that no more than eighty five percent (85%) of the related initial halibut allocation is harvested prior to March 1, and the MFC shall manage its non-exempt Vessels' BS/AI cod directed fishing harvest such that no more than ninety percent (90%) of the related initial halibut allocation is harvested prior to March 1.

d. Better Practices Protocols. The Coops agree that the BS cod trawl limited access fishery would benefit from certain better fishing practices that address issues unique to the fishery. Therefore, Coop member Vessels participating in the BS cod trawl fishery are required to adhere to the following better fishing practice protocols. (The following protocols do not apply in connection with cod trawl operations in the Aleutian Islands fishery management area or sub-areas.)

(i) Halibut Excluder. Each Coop member Vessel shall use a halibut excluder bycatch reduction device (BRD) on every cod trawl tow. The

halibut BRD used must, at a minimum, be constructed and installed in a manner similar to halibut BRD devices that are generally recognized by Coop members as effective for reducing halibut bycatch. However, this provision is not intended to prohibit or restrict the development and implementation of new halibut BRDs, provided that there is a reasonable expectation of increased halibut bycatch reduction through their use. Notwithstanding the foregoing, Coop member Vessels that are in compliance with this protocol as of the beginning of a cod fishery season, and who subsequently suffer irreparable damage to their BRD, shall be relieved of their obligation to comply with this protocol on the condition that they notify their Coop's Board of Directors as of the next delivery following such damage that they are claiming this exemption.

(ii) No Night Fishing. Coop member Vessels shall not fish for cod during the period of the night beginning two (2) hours after sunset and ending two (2) hours prior to sunrise. "Not fishing" is defined as having trawl doors aboard the Vessel. Sunset and sunrise times shall be determined with reference to the U.S. Naval Observatory website, and calculated using Akutan, Alaska as the reference location. A table showing the 2014 sunset and sunrise times at Akutan, Alaska is attached as Exhibit A.

(iii) Minimum Codend Mesh Size. For the 2014 season, the Coops shall recommend that their member Vessels use codends in the BS cod fishery constructed of mesh no smaller than 7 inches, as determined by between-knot measure. The Coops expect and intend to require their member Vessels to use such codends in the BS cod fishery as of the 2015 A season. Notwithstanding the foregoing, Coop member Vessels that are in compliance with this protocol as of the beginning of a cod fishery season, and who subsequently suffer irreparable damage to their fishing gear, shall be relieved of their obligation to comply with this protocol on the condition that they notify their Coop's Board of Directors as of the next delivery following such gear damage that they are claiming this exemption.

e. Enforcement of Better Practices Protocols and Damages for Breach. Each Coop's Board of Directors shall have exclusive authority to determine whether its member Vessels are operating in compliance with the protocols established under Section 3.d., above. In the event that a Coop Board of Directors determines that one of its member Vessels has failed to comply with one or more of the protocols set forth above, the Board of Directors may assess liquidated damages in an amount not to exceed Five Thousand Dollars (\$5,000.00) for each violation. Such liquidated damages shall be the sole and exclusive remedy for a breach of Section 3.d., and the Coops hereby waive, on behalf of themselves and their members, all claims to any other type of damages for a breach of Section 3.d., including but not limited to actual, consequential, or punitive damages.

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 or PSC Allowance 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 and PSC Allowance 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 agrees 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 Allocation Enforcement. Upon a Coop receiving written notice from the Monitoring Agent that it does not have an adequate PSC Limit, Halibut Allowance or Crab Allowance 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 or Allowance 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, PSC Limit, Halibut Allowance or Crab Allowance 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 a Sideboard, PSC Limit, Halibut Allowance or Crab Allowance allocation. 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, Sideboard, PSC Limit, Halibut Allowance or Crab Allowance allocation 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.

6. 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) 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. 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 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'.

7. Herring Trigger Amount Management. The Coops agree to exercise all reasonable efforts to reduce their 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 8.a, below) in conformance with NMFS catch accounting and bycatch estimation procedures shall be presumed accurate.

8. 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 reputable upon clearly demonstrating inaccuracy.

c. Data Release. 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 the NMFS Observer Program to the Monitoring Agent and the Intercoop Manager (as identified in Section 10, 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.

9. 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.

10. 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, 2014. 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. All Coops agree to provide a copy of their annual Coop Report as required under 50 CFR 679.61(f) to the Intercoop Manager not less than 15 days prior to the required NMFS submission date.

11. Term. This Agreement shall take effect upon execution by all of the Coops. This Agreement shall expire on November 30, 2014. The Coops agree to meet in good faith negotiations concerning modification of this Agreement and extension of its term not later than October 1, 2014, with the express intent of replacing or extending this Agreement prior to November 30, 2014.

12. 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 AFA.

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.

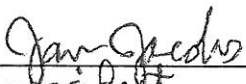
e. All notices required to be given under this Agreement shall be deemed given five (5) days following deposit in certified first class U.S. mail, postage prepaid, with the correct address, or upon the first business day following confirmed telefacsimile transmission to the recipient. Each Coop agrees 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 Limit or PSC Allowance apportionments in connection with which one or more Coops or their members seek an injunction, a restraining order or some other form of equitable relief, all disputes not resolved through direct negotiation and/or dispute resolution will be submitted to arbitration in Seattle, Washington upon the request of any party to this Agreement. The party's written request will include the name of the arbitrator selected by the party requesting arbitration. The other party will have ten (10) days to provide written notice of the name of the arbitrator it has selected, if any. If the other party timely selects a second arbitrator, the two arbitrators will select a third arbitrator within ten (10) days. If the other party does not timely select the second arbitrator, there shall be only the one arbitrator. The single arbitrator or the three (3) arbitrators so selected will schedule the arbitration hearing as soon as possible thereafter. Every arbitrator, however chosen, must have no material ties to any Coop or Coop member. The decision of the arbitrator (or in the case of a three (3) arbitrator panel, the decision of the majority) will be final

and binding. The arbitration will be conducted under the rules of (but not by) the American Arbitration Association. The parties will be entitled to limited discovery as determined by the arbitrator(s) in its or their sole discretion. The arbitrator(s) will also determine the "prevailing party" and that party will be entitled to its reasonable costs, fees and expenses, including attorneys' and arbitrator fees, incurred in the action by said party. In no event will arbitration be available pursuant to this paragraph after the date when commencement of such legal or equitable proceedings based on such claim, dispute, or other matter in question would be barred by the applicable statute of limitations.

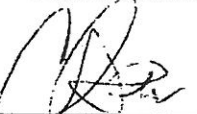
HIGH SEAS CATCHERS COOPERATIVE

By 
Its President


MOTHERSHIP FLEET COOPERATIVE

By 
Its PRESIDENT


AKUTAN CATCHER VESSEL
ASSOCIATION

By 
Its President

NORTHERN VICTOR FLEET
COOPERATIVE

By 
Its President

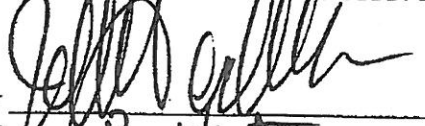
PETER PAN FLEET COOPERATIVE

By 
Its PRESIDENT

UNALASKA FLEET COOPERATIVE

By 
Its PRESIDENT

UNISEA FLEET COOPERATIVE

By 
Its President

WESTWARD FLEET COOPERATIVE

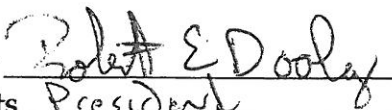
By 
Its President

Exhibit A

Location: W165 46, N54 08

AKUTAN, ALASKA
Rise and Set for the Sun for 2014

Astronomical Applications Dept.
U. S. Naval Observatory
Washington, DC 20392-5420

Alaska Standard Time

	Jan.		Feb.		Mar.		Apr.		May		June		July		Aug.		Sept.		Oct.		Nov.		Dec.	
Day	Rise	Set	Rise	Set	Rise	Set	Rise	Set	Rise	Set	Rise	Set	Rise	Set	Rise	Set	Rise	Set	Rise	Set	Rise	Set	Rise	Set
	h m	h m	h m	h m	h m	h m	h m	h m	h m	h m	h m	h m	h m	h m	h m	h m	h m	h m	h m	h m	h m	h m	h m	h m
01	1023	1751	0950	1844	0851	1941	0735	2040	0626	2136	0537	2226	0535	2239	0616	2201	0712	2053	0806	1939	0905	1828	1000	1744
02	1022	1752	0948	1846	0849	1943	0733	2042	0624	2138	0536	2227	0536	2238	0618	2159	0713	2051	0807	1936	0907	1826	1001	1744
03	1022	1754	0946	1848	0846	1945	0730	2044	0622	2140	0535	2228	0537	2238	0620	2157	0715	2048	0809	1934	0909	1824	1003	1743
04	1022	1755	0945	1850	0844	1947	0728	2045	0620	2141	0534	2229	0537	2237	0622	2156	0717	2046	0811	1931	0911	1822	1004	1742
05	1021	1756	0943	1852	0842	1948	0725	2047	0618	2143	0534	2230	0538	2237	0623	2154	0719	2043	0813	1929	0913	1820	1006	1742
06	1021	1758	0941	1854	0839	1950	0723	2049	0616	2145	0533	2231	0539	2236	0625	2152	0721	2041	0815	1926	0914	1818	1007	1741
07	1020	1759	0939	1856	0837	1952	0720	2051	0614	2147	0532	2232	0540	2235	0627	2150	0722	2038	0817	1924	0916	1816	1008	1741
08	1020	1801	0937	1858	0834	1954	0718	2053	0612	2149	0532	2233	0541	2234	0629	2148	0724	2036	0818	1922	0918	1815	1009	1741
09	1019	1802	0935	1900	0832	1956	0716	2055	0610	2150	0531	2234	0543	2234	0630	2146	0726	2033	0820	1919	0920	1813	1011	1740
10	1018	1804	0933	1902	0829	1958	0713	2057	0608	2152	0531	2235	0544	2233	0632	2143	0728	2031	0822	1917	0922	1811	1012	1740
11	1018	1805	0931	1904	0827	2000	0711	2058	0606	2154	0530	2236	0545	2232	0634	2141	0729	2029	0824	1914	0924	1809	1013	1740
12	1017	1807	0929	1907	0825	2002	0708	2100	0604	2156	0530	2236	0546	2231	0636	2139	0731	2026	0826	1912	0926	1808	1014	1740
13	1016	1808	0927	1909	0822	2004	0706	2102	0603	2157	0530	2237	0547	2230	0638	2137	0733	2024	0828	1910	0928	1806	1015	1740
14	1015	1810	0925	1911	0820	2006	0704	2104	0601	2159	0530	2238	0549	2229	0639	2135	0735	2021	0830	1907	0930	1804	1016	1740
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16	1013	1814	0920	1915	0815	2010	0659	2108	0558	2202	0529	2239	0551	2226	0643	2130	0738	2016	0834	1903	0934	1801	1018	1740
17	1012	1815	0918	1917	0812	2011	0657	2110	0556	2204	0529	2239	0553	2225	0645	2128	0740	2014	0836	1900	0936	1800	1018	1740
18	1011	1817	0916	1919	0810	2013	0654	2112	0554	2206	0529	2239	0554	2224	0646	2126	0742	2011	0837	1858	0938	1759	1019	1741
19	1009	1819	0914	1921	0807	2015	0652	2113	0553	2207	0529	2240	0556	2222	0648	2124	0744	2008	0839	1856	0939	1757	1020	1741
20	1008	1821	0912	1923	0805	2017	0650	2115	0551	2209	0530	2240	0557	2221	0650	2121	0746	2006	0841	1853	0941	1756	1020	1741
21	1007	1823	0909	1925	0802	2019	0647	2117	0550	2210	0530	2240	0559	2219	0652	2119	0747	2004	0843	1851	0943	1755	1021	1742
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23	1004	1826	0905	1929	0757	2023	0643	2121	0547	2214	0530	2240	0602	2216	0655	2115	0751	1959	0847	1847	0947	1752	1022	1743
24	1003	1828	0903	1931	0755	2025	0641	2123	0546	2215	0531	2240	0603	2215	0657	2112	0753	1956	0849	1845	0948	1751	1022	1744
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31	0952	1842			0738	2038			0538	2225			0615	2203	0710	2056			0903	1830			1023	1750

Add one hour for daylight time, if and when in use.