

2018

AMERICAN FISHERIES ACT

ANNUAL CATCHER VESSEL INTERCOOP REPORT

TO THE

NORTH PACIFIC FISHERY MANAGEMENT COUNCIL

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Section 1. Introduction

1.1 Purpose of the Catcher Vessel Intercooperative Report

The AFA Catcher Vessel Intercooperative Report is a summary of the eight active catcher vessel cooperative reports required by the American Fisheries Act (AFA) regulations. While the individual coop reports track the annual activities of each cooperative at the vessel level, a summary of AFA catcher vessel harvests in the Bering Sea and Gulf of Alaska fisheries is useful as NMFS allocates the catcher vessel sideboard caps and PSC caps & triggers in the aggregate, not by individual cooperatives. The Catcher Vessel Intercooperative Report provides the North Pacific Fisheries Management Council and the public with a simpler means of evaluating the AFA catcher vessel fleets' aggregate fishing performance under the AFA regulations. Additionally, this report provides information beyond the required regulatory elements of the individual coop reports to provide a broader understanding of catcher vessel cooperative activities.

1.2 The 2018 Catcher Vessel Intercooperative Agreement

The AFA catcher vessel cooperatives rewrote portions of the Intercooperative Agreement in 2013. That Agreement was rolled over for 2014, 2015, 2016, 2017, and again for 2018. The 2013 rewrite focused mainly on the reduction of halibut bycatch. The Agreement requires all AFA vessels in the Bering Sea cod fishery to:

- 1) use a halibut excluder device;
- 2) use a codend with a mesh size no smaller than 7" (phased in over 3 years);
- 3) not fish at night when Halibut bycatch is higher.

The 2018 Agreement continues to emphasize the commitment by all members towards reducing bycatch in each Bering Sea and Gulf of Alaska groundfish fishery in which they participate.

Primary elements of the Intercoop Agreement:

- 1) Allocation, monitoring, and compliance of the A and B season pollock fishery splits for the inshore CV cooperatives.
- 2) Allocation, monitoring, and compliance of the BSAI and GOA sideboard limits and PSC caps for the AFA catcher vessel cooperatives;
- 3) Allocation, monitoring, and compliance of BSAI pollock harvest inside the Steller sea lion conservation area (SCA) for the inshore CV cooperatives.
- 4) Establishment of penalties for coops that exceed pollock and sideboard allocations;
- 5) Provides for the harvest of BSAI pacific cod by the "under 1700 mt" exempt vessels while complying with PSC limits;
- 6) Management and monitoring of sideboard species transfers between cooperatives;

- 7) 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
- 8) Promotes reduction of prohibited species catch (PSC) in the Bering Sea pollock fishery.

A copy of the 2018 Catcher Vessel Intercoop Agreement is found in Appendix I.

1.3 AFA Pollock and BSAI/GOA Sideboard Enforcement Actions

No coop enforcement or penalty actions regarding the over-harvest of AFA pollock, directly fished BSAI sideboard fishery limits, directly fished GOA sideboard limits, and BSAI & GOA PSC limits occurred in 2018.

Section 2. Bering Sea Pollock Fishery

2.1 Pollock Allocations and Harvest

There are a total of 103 AFA qualified catcher vessels that started the 2018 fishing season. The inshore sector started the year with 91 qualified vessels of which 88 were members of the 6 active inshore cooperatives in 2018. Three inshore qualified vessels, the F/V Arctic Wind, the F/V Peggy Jo, and the F/V Leslie Lee participated in the inshore Open Access sector in 2018. The inshore Open Access vessel’s pollock harvest, along with their Chinook and non-Chinook bycatch, was tracked by the Inshore SSIP Agreement’s website. The Open Access vessels, despite not being members of an inshore cooperative, remained members of the Inshore SSIP Agreement and therefore have agreed to vessel specific pollock allocations, Chinook bycatch allocations, and Chinook and chum salmon management measures as required in regulation for vessels participating in an IPA.

The mothership catcher vessel sector has a total of 19 qualified catcher vessels; all are members of the Mothership Fleet Cooperative. Thirteen are “dual qualified” for both the mothership and inshore sector pollock fisheries.

Six catcher vessels are qualified for the catcher/processor sector and make up the High Seas Catchers’ Cooperative.

The following Table 2.1 provides information on: 1) the number of members in each catcher vessel cooperative, 2) each coop’s pollock allocation percentage, 3) annual allocation, 4) total directed pollock harvest, and 5) the amount of pollock harvest under the annual allocation.

Table 2.1

Source: Annual Catcher Vessel Coop Reports & Sea State

| 2018 AFA CATCHER VESSEL COOPERATIVES' POLLOCK ALLOCATIONS AND DIRECTED FISHING HARVESTS | | | | | |
|------------------------------------------------------------------------------------------------|----------------------------------|-------------------------------------|---------------------------------------------------------|----------------------------------------------------------------------------------|----------------------------------|
| Cooperative | Number of Vessels in Coop | Annual Allocation Percentage | Annual Allocation in Metric Tons (w/AI Rollover) | Harvest in Metric Tons | Over / (Under) Allocation |
| INSHORE CATCHER VESSEL COOPERATIVES | | | | | |
| Akutan Catcher Vessel Assoc. | 34 | 33.240% | 198,561 | 198,543 | (18) |
| Arctic Enterprise Assoc. | 0 | 0.000% | 0 | 0 | 0 |
| Northern Victor Fleet Cooperative | 16 | 10.605% | 63,350 | 63,350 | 0 |
| Peter Pan Fleet Cooperative | 8 | 1.651% | 9,865 | 9,713 | (152) |
| Unalaska Fleet Cooperative | 9 | 11.454% | 68,419 | 68,407 | (12) |
| UniSea Fleet Cooperative | 13 | 22.094% | 131,981 | 131,950 | (31) |
| Westward Fleet Cooperative | 8 | 19.380% | 115,766 | 115,766 | 0 |
| Inshore Open Access | 3 | 1.576% | 9,416 | 9,324 | (92) |
| Inshore Totals | 91 | 100.000% | 597,358 | 597,053 | (305) |
| OFFSHORE CATCHER VESSEL COOPERATIVES | | | | | |
| Mothership Fleet Cooperative | 19 | 10.0% of DFA | 119,473 | 119,402 | (71) |
| High Seas Catchers Cooperative | 6 | 3.4% of DFA | 40,620 | Details of the HSCC pollock harvest are covered in the joint PCC and HSCC report | |

No AFA catcher vessel coops exceeded their annual pollock allocations in 2018 or landed any pollock outside the State of Alaska.

The Coast Guard Act of 2010 provided the opportunity for the replacement, removal, and consolidation) of fishing vessels eligible to participate in the BSAI AFA inshore pollock

fishery. Over the course of 2018 three vessel consolidations occurred. The Peggy Jo was replaced by the Arctic Wind which is an existing AFA catcher vessel. The Arctic Wind now holds both its and the Peggy Jo's catch histories. The Leslie Lee, an existing AFA catcher vessel replaced the Predator and now holds both vessels' catch histories. The American Challenger was replaced by the existing AFA vessel the Forum Star. Their catch histories were combined as well.

The MarGun, a dual qualified mothership and inshore sector catcher vessel was declared a total loss and was replaced by a vessel named the Margun that was not previously an AFA vessel.

2.2 Salmon Bycatch Reduction Measures

1. Amendment 91 and 110 Incentive Plan Agreements - IPAs

Beginning in 2011 regulations for reducing Chinook bycatch in the Bering Sea pollock fisheries were implemented under Amendment 91. For the first time a Prohibited Species Catch (PSC) limit for the incidental catch of Chinook salmon by pollock fishers was put in place. Reaching the limit (hard cap) will close directed fishing for pollock. Under the provisions of Amendment 91 there are three levels of hard caps based on a vessel's willingness to participate in an Incentive Plan Agreement (IPA). The general intent of an IPA is to reduce Chinook bycatch at all levels of abundance encountered by a fishing fleet as opposed to a traditional hard cap management approach that only alters fishing behavior when there is a danger of reaching the hard cap.

Under A-91, vessels and/or CDQ groups opting to participate in an IPA would be allotted their portion of a 60,000 Chinook limit. If no vessels or CDQ Groups chose to participate in an IPA each pollock sector would receive its share of a 47,591 hard cap. Vessels and/or CDQ Groups opting out of participating in an IPA when other vessels and/or CDQ had chosen to participate in an IPA would operate under a hard cap based on those vessels share of a 28,496 Chinook limit.

The regulatory conditions of Amendment 91 do not dictate what specific types of incentives an acceptable IPA must include, but rather the outcome the incentives chosen by an IPA group must provide. Pollock fleets must submit, for approval by NMFS, an IPA that meets the following criteria:

- Provide incentives at the individual vessel level
- Incentivize vessels to avoid Chinook bycatch at all levels of abundance in all years
- Reward vessels that successfully avoid Chinook and/or penalize vessels that fail to avoid Chinook
- Incentives must influence fishing decisions at levels below the hard cap
- Hold Bycatch to a performance standard of 47,591 in most years
- The IPA must describe how the IPA ensures each vessel will manage their bycatch to keep total bycatch below the sector level regulatory performance standard

Amendment 110, initiated for the 2017 fishing year, included bycatch reduction measures for non-Chinook salmon (primarily chum salmon) into the existing IPAs. Amendment 110 also requires a reduction of the Chinook salmon performance standard and hard cap in years that follow a three river index for Chinook returns to the Kuskokwim, upper Yukon, and Unalakleet rivers that is less than 250,000 Chinook salmon. When the 3 river index falls below 250,000, the performance standard is reduced to 33,318 and the hard cap is reduced to 45,000 bycaught Chinook for the following year.

Also included in Amendment 110 are requirements for an industry-wide data sharing agreement, use of salmon excluders, inclusion of a rolling hot spot (RHS) program for both Chinook and chum salmon, a maximum 3 year lifespan for Savings Credits in savings based IPAs, restrictions on October pollock fishing that will prevent Chinook bycatch rates from becoming significantly higher than rates experienced in preceding months, and name a “third party” that will receive RHS closure area reports along with any RHS closure area violations. Amendment 110 also added more explicit annual reporting requirements for the IPAs.

Prior to the start of the 2017 fishing year, NMFS received, and approved, IPA applications from each of the three AFA sectors; Inshore, Mothership, and C/P. In 2018 all CDQ Groups and AFA vessels continued to participate in an IPA. AFA catcher vessels participated in all three IPAs; all inshore qualified vessels were members of the Inshore Chinook Salmon Savings Incentive Plan Agreement, all Mothership catcher vessels were members of the Mothership Salmon Savings Incentive Plan, and all members of the High Seas Catchers Cooperative joined the Chinook Salmon Bycatch Reduction Plan and Agreement.

Each IPA is required to submit an annual report to the Council by March 15th of the following year under a set of reporting requirements provided in the Amendment 110 regulations. The following Table 2.2 provides the salmon bycatch by catcher vessels in each IPA.

Table 2.2

Source: Annual IPA Reports

| 2018 AFA Catcher Vessel Salmon Bycatch in Pollock | | |
|-----------------------------------------------------------------|------------------------------------------|--------------|
| IPA Group | Chinook Bycatch | Chum Bycatch |
| Inshore Chinook Salmon Savings Incentive Plan Agreement (ISSIP) | 6,935 | 147,544 |
| Mothership Salmon Savings Incentive Plan (MSSIP) | 739 | 21,206 |
| Chinook Salmon Bycatch Reduction Plan and Agreement (HSCC only) | 0 | 0 |
| | (No HSCC vessels fished pollock in 2018) | |

Section 3. Sideboard Fishery Management

The American Fisheries Act directed the North Pacific Fisheries Management Council (NPFMC) to provide regulations aimed at protecting non-AFA vessels participating in other groundfish and crab fisheries from adverse impacts that may occur due to the rationalization of Bering Sea pollock fishery. This mandate brought about the implementation of groundfish, crab, and prohibited species catch (PSC) sideboard limits by the NPFMC for the AFA fleet.

Vessels with less than 1,700 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 sideboard and/or GOA groundfish and PSC sideboards. All catcher vessels in the Mothership cooperative become exempt to BSAI cod sideboard limits after March 1. Note that exemptions to BSAI cod sideboards only apply to the directed cod fishery; all AFA BSAI cod catcher vessels are subject to the PSC sideboard limits associated with the fishery.

NMFS restricts the non-exempt AFA catcher vessel fishing by an aggregate sideboard cap for each groundfish species category, and an associated PSC bycatch limit. In turn, the AFA Catcher Vessel Intercoop Agreement manages the initial distribution, and re-distribution via intercoop transfers, of the aggregate sideboard caps and associated PSC among the eight 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. BSAI cod exempt vessels must meet PSC bycatch standards or face losing their exempt status (see section 3.a. and 3.b. of the Catcher Vessel Intercoop Agreement in Appendix 1.)

3.1 Groundfish Sideboards

The following tables provide aggregate information regarding the allocation and directed harvest of BSAI and GOA sideboard species by AFA non-exempt catcher vessels.

Table 3.1a

Source - Sea State, Inc.

| 2018 BSAI AFA CATCHER VESSEL AGGREGATE GROUND FISH SIDEBOARD CATCH | | | | |
|---------------------------------------------------------------------------|---------------------|-----------------|----------------------------------------|--------------------------------|
| Species | Fishery | Sideboard Limit | Aggregate Catch; Directed & Non-Direct | Over / (Under) Sideboard Limit |
| Pacific Cod | Jig Gear | 0 | 0 | 0 |
| | Hook & Line | 0 | 0 | 0 |
| | Pot Gear | 9 | 0 | (9) |
| | CV < 60' H&L or Pot | 20 | 0 | (20) |
| | Trawl Gear CV | 34,631 | 23,112 | (11,519) |
| Sablefish | BS Trawl | 56 | 355 | 299 |
| | AI Trawl | 27 | 0 | (27) |
| Atka Mackerel | Eastern AI&BS | 104 | 534 | 430 |
| | Central AI | 2 | 0 | (2) |
| | Western AI | 0 | 0 | 0 |
| Yellowfin Sole | BSAI | n/a* | 224 | |
| Rock Sole | BSAI | 1,434 | 452 | (982) |
| Greenland Turbot | BS | 281 | 0 | (281) |
| | AI | 3 | 0 | (3) |
| Arrowtooth | BSAI | 799 | 152 | (647) |
| Kamchatka Flounder | BSAI | 293 | 2 | (291) |
| Alaska Plaice | BSAI | 604 | 10 | (594) |
| Other Flatfish | BSAI | 150 | 137 | (13) |
| Flathead Sole | BS | 654 | 439 | (215) |
| POP | BS | 1,008 | 1,420 | 412 |
| | Eastern AI | 62 | 1 | (61) |
| | Central AI | 17 | 0 | (17) |
| | Western AI | 0 | 0 | 0 |
| Northern rockfish | BSAI | 44 | 34 | (10) |
| Shorthead | BSAI | 1 | 1 | 0 |
| Blackspotted/ Rougheye | EBA/EAI | 0 | 1 | 1 |
| | CAI/WAI | 1 | 0 | (1) |
| Other Rockfish | BS | 1 | 10 | 9 |
| | AI | 5 | 2 | (3) |

*no YFS sideboard limit in 2018

Table 3.1a (continued)

| | | | | |
|-----------|------|-------|-------|-------|
| Squid | BSAI | 390 | 1,114 | 724 |
| Skates | BSAI | 1,242 | 411 | (831) |
| Sharks | BSAI | 10 | 38 | 28 |
| Octopuses | BSAI | 14 | 4 | (10) |
| Sculpins | BSAI | 230 | 151 | (79) |

Table 3.1b

Harvest data supplied by Annual Coop Reports & Sea State, Inc.

| 2018 GOA AFA CATCHER VESSEL AGGREGATE GROUND FISH SIDEBOARD CATCH | | | | |
|--------------------------------------------------------------------------|------------------------|-----------------|----------------------------------------|--------------------------------|
| Species | Fishery | Sideboard Limit | Aggregate Catch; Directed & Non-Direct | Over / (Under) Sideboard Limit |
| Pollock | WYK | 2,388 | 392 | (1,996) |
| | SEO | 3,066 | 0 | (3,066) |
| | 610 A | 796 | 0 | (796) |
| | 610 B | 796 | 0 | (796) |
| | 610 C | 8,331 | 0 | (8,331) |
| | 610 D | 8,331 | 0 | (8,331) |
| | 620 A | 3,188 | 1,506 | (1,682) |
| | 620 B | 3,752 | 2,941 | (811) |
| | 620 C | 1,169 | 783 | (386) |
| | 620 D | 1,169 | 1,264 | 95 |
| | 630 A | 1,830 | 0 | (1,830) |
| | 630 B | 848 | 0 | (848) |
| | 630 C | 2,812 | 1,105 | (1,707) |
| | 630 D | 2,812 | 1,544 | (1,268) |
| Pacific Cod | WGOA A | 452 | 0 | (452) |
| | WGOA B | 301 | 0 | (301) |
| | CGOA A | 253 | 15 | (238) |
| | CGOA B | 169 | 25 | (144) |
| | EGOA Inshore (annual) | 10 | 0 | (10) |
| | EGOA Offshore (annual) | 1 | 0 | (1) |
| Deep-water Flatfish | WGOA | 0 | 0 | 0 |
| | CGOA | 220 | 13 | (207) |
| | EGOA | 71 | 0 | (71) |
| Rex Sole | WGOA | 2 | 0 | (2) |
| | CGOA | 336 | 45 | (291) |
| | EGOA | 10 | 0 | (10) |

Table 3.1b continued

| 2018 GOA AFA CATCHER VESSEL AGGREGATE GROUND FISH SIDEBOARD CATCH | | | | |
|--------------------------------------------------------------------------|------------|-------|-----|---------|
| Flathead Sole | WGOA | 31 | 0 | (31) |
| | CGOA | 328 | 72 | (256) |
| | EGOA | 2 | 0 | (2) |
| Shallow-water Flatfish | WGOA | 207 | 0 | (207) |
| | CGOA | 1,486 | 13 | (1,473) |
| | EGOA | 53 | 0 | (53) |
| Arrowtooth Flounder | WGOA | 30 | 0 | (30) |
| | CGOA | 1,344 | 539 | (805) |
| | EGOA | 3 | 0 | (3) |
| Sablefish | WGOA Trawl | 0 | 0 | 0 |
| | CGOA Trawl | 66 | 36 | (30) |
| | EGOA Trawl | 10 | 0 | (10) |
| POP | WGOA | 8 | 0 | (8) |
| | CGOA | 1,504 | 163 | (1,341) |
| | EGOA | 271 | 5 | (266) |
| Shortraker | WGOA | 0 | 0 | 0 |
| | CGOA | 7 | 1 | (6) |
| | EGOA | 6 | 0 | (6) |
| Rougheye | WGOA | 0 | 0 | 0 |
| | CGOA | 13 | 9 | (4) |
| | EGOA | 9 | 0 | (9) |
| Other Rockfish | CGOA | 295 | 0 | (295) |
| | EGOA | 0 | 0 | 0 |
| Northern Rockfish | WGOA | 0 | 0 | 0 |
| | CGOA | 90 | 1 | (89) |
| Dusky Rockfish | WGOA | 0 | 0 | 0 |
| | CGOA | 0 | 0 | 0 |
| | EGOA | 2 | 0 | (2) |
| Thornyhead Rockfish | WGOA | 6 | 0 | (6) |
| | CGOA | 28 | 1 | (27) |
| | EGOA | 19 | 0 | (19) |
| Big Skates | WGOA | 3 | 0 | (3) |
| | CGOA | 11 | 21 | 10 |
| | EGOA | 4 | 0 | (4) |
| Longnose Skates | WGOA | 1 | 0 | (1) |
| | CGOA | 18 | 11 | (7) |
| | EGOA | 4 | 0 | (4) |
| Other Skates | Gulfwide | 9 | 3 | (6) |
| DSR | SEO | 1 | 0 | (1) |
| Atka Mackerel | Gulfwide | 93 | 0 | (93) |
| Squids | Gulfwide | 7 | 0 | (7) |
| Sharks | Gulfwide | 28 | 12 | (16) |
| Octopuses | Gulfwide | 6 | 0 | (6) |
| Sculpins | Gulfwide | 33 | 1 | (32) |

In 2018 the only directed Bering Sea Aleutian sideboard fishery in which AFA catcher vessels participated was the BSAI cod fishery. Below Table 3.1c covers the initial cod sideboard limits, intercooperative transfers of those limits, and each coops' non-exempt vessels' harvest in the directed BSAI cod fishery.

**Table 3.1c. 2018 BSAI DIRECTED PCOD
SIDEBOARD Fishery**

Source: Sea State & Annual AFA
Coop Reports

| Coop | Coop Sideboard Percentage | Annual Sideboard Limits (mt) | Sideboard Limit Transfers | Final Sideboard Limits | Directed Catch | Unharvested Sideboard Limits |
|-----------------------|---------------------------|------------------------------|---------------------------|------------------------|----------------|------------------------------|
| Akutan CV Assoc. | 31.25% | 10,041 | -62.00 | 9,979.00 | 7,799.00 | 2,180.00 |
| HSCC | 10.57% | 3,396 | 1,202.20 | 4,598.20 | 2,555.00 | 2,043.20 |
| MS Fleet Cooperative | 14.99% | 4,816 | 0.00 | 4,816.00 | 2,104.00 | 2,712.00 |
| N. Victor Cooperative | 13.32% | 4,280 | 0.00 | 4,280.00 | 3,614.00 | 666.00 |
| Peter Pan Coop | 0.50% | 160 | 290.80 | 450.80 | 437.00 | 13.80 |
| Unalaska Fleet Coop | 8.13% | 2,611 | -960.00 | 1,651.00 | 0.00 | 1,651.00 |
| UniSea Fleet Coop | 10.76% | 3,457 | 160.00 | 3,617.00 | 3,320.00 | 297.00 |
| Westward Fleet Coop | 8.49% | 2,726 | -631.00 | 2,095.00 | 944.00 | 1,151.00 |
| Intercoop Totals* | 98.01% | 31,487 | 0.00 | 31,487 | 20,773 | 10,714 |

*Note: Inshore Open Access cod catch history = 1.99%

A total of eight non-exempt catcher vessels participated in seven GOA fisheries in 2018. The following Table 3.1d covers the GOA sideboarded fisheries in which there was directed harvest. The table includes each participating coops' harvest, aggregated exempt vessel harvest, total annual sideboard limit, and the remaining unharvested sideboard limit for each of the seven fisheries.

Table 3.1d - 2018 GOA Directed Sideboard Harvests and Limits

| Fishery | Coops with Harvest | Coop Harvest | Total AFA Non-Exempt Harvest | 2018 Total AFA CV Sideboard Limit | (Under) / Over Sideboard Limit |
|-------------------------------------|--------------------|--------------|------------------------------|-----------------------------------|--------------------------------|
| 620 Pollock | Akutan | 2,291 | 5,896 | 9,278 | (3,382) |
| | Northern Victor | 2,133 | | | |
| | Unalaska | 1,472 | | | |
| 630 Pollock | Akutan | 370 | 2,945 | 8,302 | (5,357) |
| | Northern Victor | 1,253 | | | |
| | Peter Pan | 396 | | | |
| | Unalaska | 926 | | | |
| 640 Pollock | Unalaska | 392 | 392 | 2,388 | (1,996) |
| Central Gulf Cod | Unalaska | 5 | 5 | 422 | (417) |
| Central Gulf Shallow Water Flatfish | Unalaska | 24 | 24 | 1,468 | (1,444) |
| Central Gulf Arrowtooth | Unalaska | 671 | 973 | 1,344 | (371) |
| | Peter Pan | 302 | | | |
| Central Gulf Rex Sole | Unalaska | 34 | 34.00 | 336 | (302) |

3.2 PSC Catch

Tables 3.2a, 3.2b, 3.2c, and 3.2d cover prohibited species bycatch amounts taken by AFA catcher vessels participating in BSAI and GOA groundfish fisheries. Due to across the board reductions in the BSAI halibut cap under Amendment 80, the BSAI AFA CV halibut sideboard now exceeds the total halibut available to non-Amendment 80 trawl fleets. The result is that the BSAI halibut sideboard does not restrict the AFA CV cod fishery. However, the catcher vessel coops continue to allocate halibut PSC limits to each of the catcher vessel cooperatives based on the annual halibut limit for the BSAI cod fishery in an effort to minimize halibut bycatch.

Table 3.2a

Data supplied by Sea State and Annual Coop Reports

| 2018 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 | 113 | (774) |
| | Yellowfin Sole | 101 | 0 | (101) |
| | Pollock/A.Mack/O.Species | 5 | 11 | 6 |
| Red King Crab, Zone 1 | All AFA CV BSAI Fisheries (except pollock) | 25,900 | 10 | (25,890) |
| C.Opilio, COBLZ | All AFA CV BSAI Fisheries (except pollock) | 1,368,300 | 318 | (1,367,982) |
| C.Bairdi, Zone 1 | All AFA CV BSAI Fisheries (except pollock) | 244,593 | 418 | (244,175) |
| C.Bairdi, Zone 2 | All AFA CV BSAI Fisheries (except pollock) | 418,567 | 0 | (418,567) |

Table 3.2b

Data supplied by IPA Reports and Sea State, Inc.

| 2018 BSAI AFA CATCHER VESSEL PSC CATCH - POLLOCK FISHERY | | |
|-----------------------------------------------------------------|----------------|-------------------|
| PSC Species | Target Fishery | Aggregate Bycatch |
| Herring | Pollock | 421 |
| Halibut | Pollock | 11 |
| Chinook Salmon | Pollock | 7,674 |
| Other Salmon | Pollock | 168,750 |

Table 3.2c

Data supplied by Sea State

| 2018 GOA NON-EXEMPT AFA CATCHER VESSEL 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 | 131 | 0 | (131) |
| | Deep water Targets | 6 | 13 | 7 |
| | Trawl, 2nd Season Allowance | | | |
| | Shallow water Targets | 29 | 0 | (29) |
| | Deep water Targets | 18 | 18 | 0 |
| | Trawl, 3rd Season Allowance | | | |
| | Shallow water Targets | 58 | 0 | (58) |
| | Deep water Targets | 24 | 0 | (24) |
| | Trawl, 4th Season Allowance | | | |
| | Shallow water Targets | 44 | 0 | (44) |
| | Deep water Targets | 0 | 0 | 0 |
| | Trawl, 5th Season Allowance | | | |
| | All Targets | 52 | 1 | (51) |
| Shallow water Targets | Pollock, cod, shallow-water flatfish, flathead sole, atka mackerel, and "other species". | | | |
| Deep water Targets | Sablefish, rockfish, deep-water flatfish, rex sole, and arrowtooth flounder. | | | |

Table 3.2d

Data supplied by Sea State

| 2018 GOA AFA CATCHER VESSEL CHINOOK PSC CATCH (Pollock Fishery, Exempt and Non-Exempt) | | |
|---------------------------------------------------------------------------------------------------|---------------|--------------|
| Area | Fishery Limit | AFA CV Catch |
| CGOA | 18,316 | 3808 |
| WGOA | 6,684 | 105 |

Appendix I

2018 AFA Catcher Vessel Intercooperative Agreement

2018 INTERCOOPERATIVE AGREEMENT

This 2018 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 January 16, 2018, 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 Amended and Restated Cod Allocation Agreement among the Coops dated as of January 19, 2017 (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 2018 shall not have transferred any amount of such Vessel's BS/AI pollock allocation for 2018 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 2018 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 2018 sunset and sunrise times for Akutan, Alaska is attached as Exhibit A.

(iii) Minimum Codend Mesh Size. For the 2018 season, the Coops shall require 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. 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 rebuttable 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, 2018. 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, 2018. The Coops agree to meet in good faith negotiations concerning modification of this Agreement and extension of its term not later than October 1, 2018, with the express intent of replacing or extending this Agreement prior to November 30, 2018.

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.