

**APPLICATION FOR AN
 INCENTIVE PLAN AGREEMENT (IPA) AND
 LIST OF IPA PARTICIPANTS**

U.S. Dept. of Commerce/NOAA
 National Marine Fisheries Service (NMFS)
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TYPE OF APPLICATION

Indicate whether this application is for

- New IPA Amended IPA Change IPA Participant List

NOTE: Attach Incentive Plan Agreement.

BLOCK A - IPA INFORMATION

1. Name of IPA: Chinook Salmon Bycatch Reduction Plan and Agreement	2. IPA Number:
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BLOCK B - IPA CONTACT INFORMATION

1. Name of IPA's Representative: Stephanie Madsen	2. Name of Agent for Service of Process, if different from representative	
3. Permanent Business Mailing Address: Box 32817 Juneau, Alaska 99801	4. Temporary Business Mailing Address (if applicable):	
5. Business Telephone No.: 907 523-0970	6. Business Fax No.: 907 523-0798	7. E-mail address: smadsen@atsea.org

BLOCK C - AFFIRMATION

(Check if Applicable)

I claim, swear, and affirm that each eligible vessel owner or CDQ group, from whom I received written notification, requesting to join this IPA has been allowed to join this IPA subject to the same terms and conditions that have been agreed on by, and are applicable to, all other parties to the IPA.

BLOCK D - CERTIFICATION

Under penalty of perjury, I certify by my signature below that I have examined the information and the claims provided on this application and, to the best of my knowledge and belief, the information presented here is true, correct, and complete.

1. Printed Name of Representative: Stephanie Madsen	2. Signature of Representative: <i>Stephanie Madsen</i>	3. Date Signed: October 1, 2010
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RECEIVED

OCT - 1 2010

BLOCK E – VESSEL IDENTIFICATION

Attach additional sheet if necessary.

Name of vessel	ADF&G No.	Federal Fisheries Permit No.
Northern Hawk	60795	3760
Pacific Glacier	56991	3367
Northern Glacier	48075	661
Alaska Ocean	60407	3794
Neahkahnne	32858	424
Sea Storm	40969	420
Arctic Fjord	57450	3396
Arctic Storm	54886	2943
Island Enterprise	59503	3870
Kodiak Enterprise	59170	3671
Seattle Enterprise	56789	3245
Ocean Harvester	00101	5130
Starbound	57621	3414
American Dynasty	59378	3681
American Triumph	60660	4055
Ocean Rover	56987	3442
Northern Eagle	56618	3261
Northern Jaeger	60202	3896
Katie Ann	55301	1996

BLOCK E - VESSEL IDENTIFICATION

Attach additional sheet if necessary.

Name of vessel	ADF&G No.	Federal Fisheries Permit No.
Forum Star	59687	4245
American Challenger	62152	4120
Tracy Anne	54654	2823
Highland Light	56974	3348
Muir Milach	41021	480
APICDA		
BBEDC		
CBSFA		
CVRF		
NSEDC		
YDFDA		

**Chinook Salmon Bycatch Reduction
Incentive Plan and Agreement**

NMFS IPA No. 2

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Chinook Salmon Bycatch Reduction Incentive Plan and Agreement

Overview

Amendment 91 to the Bering Sea/Aleutian Islands Groundfish Fishery Management Plan (BSAI FMP) limits Chinook salmon bycatch in the pollock fishery in the eastern Bering Sea (EBS). Amendment 91 is an innovative approach to managing Chinook salmon bycatch that combines a prohibited species catch (PSC) limit on the amount of Chinook salmon that may be caught incidentally by the fishery with an incentive plan agreement (IPA) and performance standard requirement designed to minimize bycatch to the extent practicable in all years. The approach is designed to motivate fishery participants to avoid Chinook salmon bycatch under any condition of pollock and Chinook salmon abundance in all years. These vessel-level incentives are created through contracts among the participants.

Under Amendment 91, Chinook salmon PSC is governed by a set of annual limits. The annual limits depend on whether fishery participants develop IPAs. If IPAs are developed, then the annual limit is 60,000 Chinook during any two-out-of-seven years, and 47,591 Chinook in other years. If no IPAs are developed, the annual limit is 47,591 Chinook in all years. A vessel that chooses not to join an IPA is managed separately under an “opt out” annual limit. The annual limits will be further allocated among two fishery seasons and the vessels that participate in the fishery.

National Marine Fisheries Service (NMFS) approval of the IPA is required. To be approved, an IPA must meet several criteria. The IPA must provide rewards for avoiding Chinook salmon and penalties for failure to avoid Chinook salmon at the vessel level under any condition of pollock and Chinook salmon abundance and in all years. The IPA must also describe how incentives will change the behavior of the operator of each vessel such that Chinook salmon bycatch is avoided, and indicate how the incentives will promote reductions in vessel bycatch rates relative to what would have occurred in absence of the agreement.

The Chinook Salmon Bycatch Reduction Incentive Plan described below is designed to provide the incentives necessary to accomplish the goals and objectives of Amendment 91 (Exhibit A). The plan is implemented through the Chinook Salmon Bycatch Reduction Incentive Plan Agreement that follows (Exhibit B).

Exhibit A

Chinook Salmon Bycatch Reduction Incentive Plan

Introduction

The Chinook Salmon Bycatch Reduction Incentive Plan is designed to provide the incentives necessary to accomplish the goals and objectives of Amendment 91 to the Bering Sea and Aleutian Islands Fishery Management Plan (BSAI FMP). The plan builds on experience gained in the development and refinement of time-and-area-based “rolling hot-spot” salmon bycatch avoidance programs. The plan creates incentives to avoid salmon bycatch by restricting the pollock fishing opportunities of vessels with poor Chinook salmon bycatch performance while allowing vessels with good bycatch performance less restricted access to pollock fishing grounds. Losing access to good pollock fishing grounds increases vessel operating costs and reduces product values while avoiding these costs and producing more high-value products increases vessel profits.

The plan is designed to work in concert with a set of annual Chinook bycatch limits specified in Amendment 91. The IPA will be implemented in the context of the lower annual limit allocation. The primary plan components include: (1) data gathering, monitoring, reporting, and information sharing; (2) identification of bycatch avoidance areas; and (3) pollock fishing prohibitions for vessels with poor bycatch performance. The plan components and their relationship to the requirements of Amendment 91 are described in detail below.

Plan Components

1. Data Gathering, Monitoring, Reporting, and Information Sharing.

The foundation of the plan is an industry program of data gathering, reporting, and information sharing that allows plan participants to identify areas of relatively higher salmon bycatch on the pollock grounds in near real time. To implement the program, plan participants must direct the NMFS to release all vessel observer reports and official landing records to the Technical Representative as soon as the information is made available by NMFS. Each participant must also require its vessels to obtain and maintain an operational vessel monitoring system (VMS), and each vessel must provide the Technical Representative access to its VMS tracking data. VMS tracking data allows the Technical Representative to monitor the precise location and general activities of all plan vessels in real time.

2. Identification of Bycatch Avoidance Areas.

The first step in creating a program of incentives for pollock vessels to avoid Chinook salmon bycatch is to employ data gathering, reporting, and information sharing to identify local areas of relatively higher Chinook salmon abundance on the pollock grounds. Within these areas, relatively higher Chinook bycatch is likely to occur, especially when the amount of Chinook bycatch is evaluated in a way that also reflects the amount of pollock harvest. To accomplish this, the plan requires the Technical Representative to gather, compile, analyze, and evaluate pollock catch and Chinook bycatch records from all pollock fishery participants for each week during which a plan vessel harvests pollock. Within the plan, areas of relatively higher Chinook bycatch are called bycatch avoidance areas (BAA).

About a decade of industry experience has shown that the most effective way to create incentives for vessels to avoid salmon bycatch is to focus the program on those areas where Chinook salmon bycatch is highest when compared to the amount of pollock harvested. So the BAA are identified using an index of relative salmon abundance that also reflects the amount of pollock harvested within an area. In general, the abundance index is constructed as a ratio of Chinook bycatch in numbers to pollock catch in metric tons within an area during some period of interest. The calculated value is often referred to as a Chinook salmon bycatch rate.

To identify the BAA, the plan first requires the Technical Representative to calculate an index of relative salmon abundance using information from all vessels that fished for pollock during the prior three weeks. The rationale here is that such a calculation provides a useful fishery and grounds-wide index of salmon abundance on the grounds during the recent past. The three-week period comports with what has been learned about Chinook feeding migrations and the general persistence of Chinook concentrations on the grounds, and provides a convenient “yardstick” against which to compare similar indices of salmon concentrations within smaller, “local” areas more recently, e.g., during the prior week. This “baseline” index of relative salmon abundance during the recent past is called the base rate.

The next step requires that the Technical Representative evaluate relative Chinook abundance more recently and locally. To accomplish this, Alaska Department of Fish and Game (ADFG) statistical areas are used to provide a spatial framework within which recent Chinook abundance from a set of small areas can be evaluated and then compared to the base rate. These local-area-specific indices of relative Chinook abundance are called area bycatch rates (ABR). The ABR are calculated by dividing the number of Chinook caught incidentally by the fishery during the prior week within an individual ADFG statistical area by the metric tons of pollock harvested by the fishery during the prior week from the area. ABR are produced for all ADFG statistical areas from which the Technical Representative receives a NMFS catch report.

The final step in the identification of the BAA is to compare the ABR for those ADFG areas within which a substantial amount of pollock was harvested to the base rate. A substantial amount of pollock is generally considered to be more than two percent of the total fishery harvest during the prior week. If the ABR is greater than the base rate, then the area qualifies for designation as a BAA. After the set of ADFG statistical areas with ABR greater than the base rate is identified, the Technical Representative is required to develop a bycatch avoidance area boundary using a series of latitude and longitude coordinates appropriate to reduce Chinook salmon bycatch. A map of the pollock grounds showing the BAA boundaries is then produced and distributed to all plan vessels via e-mail.

As noted, experience has shown that the most effective way to create incentives for vessels to avoid salmon bycatch is to focus the program on those areas where Chinook salmon bycatch is highest when compared to the amount of pollock harvested. Experience has also shown that in most years such areas are located along the outermost portion of the EBS continental shelf, and during any particular week are generally less than 1,500 miles in extent. In addition, during most weeks most areas with relatively higher Chinook bycatch are located east of 168 degrees west longitude. Consequently, the plan includes some limits on the size and location of the BAA. For example, the maximum size of all BAA west of 168 degrees West longitude is 500 square miles, the maximum size of all BAA together is 1,500 square miles, and at most two BAA may be identified during any week both east and west of 168 degrees west longitude (i.e., there can be at most four distinct BAA during any week, and their combined size will be at most 1,500 square miles).

Also, because it is well known that areas of relatively higher Chinook salmon bycatch occur along the outermost portion of the continental shelf, and because the Amendment 91 regulations now provide a limit on the amount of Chinook salmon that may be taken incidentally in the pollock fishery, it is anticipated that vessel fishing habits will change somewhat such that vessels will be less inclined to fish in areas where Chinook bycatch has often been relatively high during prior seasons. In the plan, these areas of historically higher bycatch are called core areas. If this turns out to be the case, then it is possible that the program may identify BAA outside of the areas where Chinook bycatch has been high historically, and vessels that purposefully avoid fishing in the BAA could end up fishing in areas with higher relative bycatch. To guard against this possibility, the plan includes a provision that restricts the designation of BAA during the A-season (winter fishery) to within about 13,000 square miles of areas along the outer shelf, and to within about 33,000 square miles along the outer shelf during the B-season (summer fishery). Maps of the core areas and the latitude and longitude coordinates of their boundaries are provided in Exhibit B, Attachment D.

The plan also limits the extent of the BAA by including a minimum value for the base rate. The minimum base rate value is 0.035 Chinook salmon per metric ton of pollock harvest. Given past experience, the minimum value is anticipated to apply only during

years when Chinook abundance on the grounds is very low, and even during these years, it is likely to apply only during some fraction of the fishing weeks in a season.

The plan includes a minimum value for the base rate for practical reasons. Based on analysis of more than a decade of catcher-processor catch records, during past years of low salmon abundance (e.g., 1997 through 2001), concentrations of Chinook were often encountered at locations along the outermost areas of the shelf, and during many weeks substantial areas were identified with ABR greater than 0.040 Chinook per metric ton of pollock harvest. However, it appears that the most salient difference in the distribution of Chinook during years of low versus medium-to-high abundance is that during the low years the “patchiness” of the Chinook is increased. On the grounds, this results in large areas within which Chinook abundance is uniformly very low. For vessels fishing within these areas, the odds of reducing Chinook bycatch by moving to different locations within these areas are also very low.

The main reason for this is that where Chinook abundance is uniformly low, vessel bycatch is mainly determined by random factors associated with changes in weather, winds, water temperatures, and currents. In practice, prohibiting a vessel from fishing within local areas of relatively low Chinook abundance typically increases vessel operating costs and reduces the value of the products produced without reducing salmon bycatch. Such outcomes essentially undermine the objectives of the incentive program because where Chinook abundance is low, vessel bycatch performance is determined largely by random changes in factors that are not under the direct control of the vessel. A minimum value for the base rate of 0.035 Chinook per metric ton of pollock is anticipated to reduce somewhat the number and extent of bycatch avoidance areas during years of low Chinook abundance on the grounds. But this reduction is expected to occur only for grounds areas with relatively uniform and low abundance, and this should improve the overall effectiveness of the plan.

3. Pollock Fishing Prohibitions.

One of the most practical and direct methods to create incentives for a vessel to avoid Chinook salmon bycatch is to limit the pollock fishing opportunities of the vessel if the vessel bycatch rate is high. This simple approach works especially well for catcher-processor vessels because efficient processing of pollock requires an uninterrupted flow of fish to the factory, and this can be most often achieved when the vessel has nearly unrestricted access to the pollock grounds. Because experience has shown that high concentrations of pollock are often found within the same local areas where high concentrations of Chinook salmon are encountered, limiting fishing opportunities in local areas of relatively higher Chinook bycatch provides an efficient means to create a financial incentive for an individual vessel to avoid Chinook salmon bycatch. Losing access to good pollock fishing grounds increases vessel operating costs and reduces the amount of products that can be produced during a day of fishing. A vessel that retains nearly

unrestricted access to good pollock fishing opportunities avoids costs associated with moving and finding pollock in other areas, and the vessel can produce a greater amount of products each day.

Except for short periods at the beginning of the winter and summer fishing seasons, the plan requires that the Technical Representative evaluate both the current and past (cumulative) bycatch performance of each plan vessel during every week that a plan vessel harvests pollock. These short program “start-up” periods are used to gather and evaluate fishery catch and bycatch information and assess the baseline abundance of Chinook on the grounds.

To evaluate current vessel bycatch performance, the Technical Representative is required to measure the relative bycatch performance of each plan vessel during the prior two weeks, and then compare the performance of each vessel to a standard that represents better than average performance. The measure of current vessel bycatch performance is called the vessel bycatch rate (VBR). The VBR is calculated by dividing the number of Chinook caught incidentally by the vessel during the prior two weeks by the metric tons of pollock harvested by the vessel during the prior two weeks. A two week period is used because experience has shown that day-to-day vessel bycatch performance is influenced by random factors associated with changes in weather, winds, water temperatures, and currents, and measuring performance over a two-week period “dampens” the effects of these random influences, so increasing the usefulness of this measure of performance in the creation of an incentive for the individual vessel to avoid bycatch.

If the current bycatch performance of a plan vessel is not better than average, then the vessel is prohibited from fishing in the BAA for a week. Because the base rate is calculated by aggregating pollock catch and bycatch data from all vessels fishing for pollock, the base rate provides a measure of the average bycatch performance of the vessels fishing for pollock. The plan establishes the better-than-average-performance standard at 75 percent of the base rate. So every plan vessel with current bycatch performance higher than 75 percent of the base rate is prohibited from fishing within the BAA for seven days (i.e., the following week). If during the following week the current bycatch performance of a vessel operating under a fishing prohibition remains higher than 75 percent of the base rate, then the vessel is prohibited again from fishing in the bycatch avoidance areas for an additional seven days. In the plan, a seven-day fishing prohibition is called a weekly fishing prohibition.

As noted, the plan also requires the Technical Representative to evaluate the cumulative bycatch performance of each plan vessel each week. The cumulative bycatch performance of a vessel is measured as the total amount (number) of Chinook salmon bycatch by the vessel during the fishing year relative to the pollock allocation assigned to that vessel. So the measure of cumulative vessel performance accumulates from the first day of fishing through to the last. Vessel cumulative bycatch performance is evaluated

against a standard designed to magnify the incentive to avoid salmon bycatch during years when the baseline abundance of Chinook is medium and high. Based on analysis of more than a decade of catcher-processor catch records, it seems that an annual bycatch of 8,500 Chinook indicates a year of medium Chinook abundance on the grounds traditionally fished by catcher-processors.

Cumulative bycatch performance is evaluated only for those plan vessels that receive a weekly fishing prohibition. For these vessels, if its cumulative Chinook bycatch rate is higher than the medium-abundance standard, then the vessel is prohibited from fishing in the BAA for two weeks. For the catcher-processor sector, 8,500 Chinook represents about 63 percent of the annual threshold amount (ATA). For an individual plan vessel, a standard that represents 63 percent of the sector ATA can be developed if both the vessel pollock allocation and the sector directed fishing allowance are known. With the sector directed fishing allowance known, a bycatch rate can be calculated that produces the sector ATA (sector annual threshold rate). So for an individual plan vessel, which may fish pollock allocations from multiple sectors, the medium-abundance standard is obtained by multiplying its pollock allocation from a sector by 63 percent of the appropriate sector annual threshold rate. In the plan, this standard is called the vessel cumulative amount, and a fourteen-day fishing prohibition is called an extended fishing prohibition. Simply put, when a vessel exceeds 63 percent of its assigned salmon as a pro-rata ratio to its assigned pollock, it is subject to the extended fishing prohibition.

4. Chinook Salmon Conservation Areas.

As noted, Chinook salmon feeding migrations produce concentrations of Chinook salmon and many of these areas are well known to pollock fishermen. These areas are well known to pollock fishermen because more often than not high concentrations of pollock are also found in these areas. However, the precise times during which pollock and Chinook may be concentrated in any local area depends on a host of environmental and physical-oceanographic conditions that change with the seasons and the weather, such that it is not generally possible to know precisely the locations of concentrations of pollock and Chinook before going fishing for pollock.

Analysis of catch records over a decade or more has revealed the existence of one area along the outer continental shelf within which it seems that high concentrations of Chinook salmon are found almost every year during the winter fishery. Based on this analysis, an A-season fishing prohibition within this approximately 735 square mile area is included in the plan (A-season Chinook Salmon Conservation Area).

Additional analysis of B season catch records over two decades shows that when migrating Chinook arrive on the outer continental shelf in sufficient numbers during September the odds that high concentrations of Chinook will be encountered by the fishery in October appear to increase.

To better manage any future late-season fishing, the plan includes a B-season “triggered” fishing prohibition for three areas of approximately 1,295 square miles along the outermost shelf (B-season Chinook Salmon Savings Area). All plan vessels are prohibited from fishing in the B-season areas, beginning on October 15th and continuing through to the end of the season, during years when the aggregate bycatch rate for all plan vessels during the month of September exceeds 0.015 Chinook per metric ton of pollock harvest. Maps of the Chinook Salmon Conservation Areas and the latitude and longitude coordinates of their boundaries are in Exhibit B, Attachments B and C.

5. Management of Vessel Allocations.

As noted in the introduction, the plan is designed to work in concert with the bycatch allocation management activities of the entities authorized within Amendment 91 to perform this task. For example, the plan includes a requirement for the constitution of a limit buffer to ensure that the sector bycatch limits established by Amendment 91 are conserved. The buffer is made up of contributions from all plan vessels in amounts equal to at least two-thirds of one percent of the vessel Chinook allocation. Because the limit buffer is planned to address some unexpected, unknown event, it is anticipated that the Chinook salmon allocations in the buffer will not be needed to harvest the pollock allocation.

The plan also includes a requirement that the Technical Representative notify the allocation management entity when the Chinook bycatch of any plan vessel reaches 95 percent of its Chinook allocation. This requirement was added to the plan to ensure that the entities managing the bycatch allocations of plan vessels have sufficient time to assess the need for and-or timing of stop fishing orders.

It is anticipated that most of the Chinook salmon allocations managed under this plan will be from the catcher-processor and CDQ sectors. The entities managing the allocations from these sectors have agreed to provide plan vessels only allocations of the sector annual threshold amount at the start of each fishing year. After the start of the fishery, these entities may decide to allocate the high annual limit to their plan vessels, but such allocation of the 60,000 Chinook limit will require affirmative action by these entities.

6. Communication.

The primary weekly communication between the Technical Representative and the plan vessels is called the weekly prohibition notice. The notice is distributed via e-mail before 6 pm Pacific time on Thursday every week during which a plan vessel harvests pollock. Each notice includes: (a) an avoidance area map, including tables with latitude and longitude coordinates of bycatch avoidance areas; (b) a list of the vessels subject to a weekly fishing prohibition; (c) a list of vessels subject to an extended fishing prohibition; (d) any Chinook Salmon Conservation Areas; and (e) any additional information agreed to

by the plan Agreement Group. BAA fishing prohibitions included in the notice become effective at 6:00 pm Pacific time on the Friday following their announcement in the notice.

7. Plan Management.

An Agreement Group is established by the plan. The responsibilities of the group include interpreting the contract that implements the plan, resolving disputes among the fishery participants that manage pollock allocations under the plan, verifying penalties, and recommending modifications to the plan.

8. Penalties.

The plan includes financial penalties for: (1) violations of bycatch avoidance area fishing prohibitions; (2) fishing in a Chinook Salmon Conservation Area; and (3) failing to meet plan requirements for VMS operation. For violations of a fishing prohibition and for fishing in a conservation area, the penalty is \$10,000 for the first annual violation, \$15,000 for the second annual violation, and \$20,000 for the third and subsequent annual violations. In the plan, each tow is considered a separate violation for the purpose of penalty calculation. The penalty for violating the VMS requirements is \$1000 per day for every day over thirty consecutive days of violation.

Regulatory Compliance

The Amendment 91 bycatch limits and the IPA components together provide a constellation of vessel-level financial and operational incentives to avoid Chinook bycatch under any condition of salmon and pollock abundance on the grounds in all years. The sections below provide the descriptions of the IPA as required by NMFS regulations. Several plan components are responsive to more than one compliance criteria and so may be referenced repeatedly below.

- a. **The incentive(s) that will be implemented under the IPA by the operator of each vessel participating in the IPA to avoid Chinook salmon bycatch under any condition of pollock and Chinook salmon abundance in all years.**

The plan contains incentives to avoid Chinook salmon bycatch under any condition of pollock and Chinook salmon abundance. The weekly evaluations of current vessel bycatch performance are expected to create incentives for the individual vessel to avoid Chinook bycatch during seasons of low to moderate salmon abundance on the grounds. This is achieved by allowing the vessel bycatch standard to vary with the baseline abundance of Chinook on the grounds, such that during seasons of low abundance, the standard will “float” down to levels as low as 2.6 salmon per 100 tons of pollock catch.

Even with the minimum base-rate value, past experience shows that BAA will be identified during years of low Chinook abundance. For example, during 2000, which was a year of very low Chinook abundance on the grounds, over half of the bycatch caught incidentally by the catcher-processor sector was taken during weeks when several ADFG statistical areas showed an ABR higher than 0.035 Chinook per metric ton of pollock harvest. Past experience supports our conclusion that, at least over the range of salmon abundance experienced by the catcher-processor sector over the last 10 years, a weekly evaluation of the bycatch performance of each plan vessel that harvests pollock will provide an effective incentive to avoid Chinook bycatch for the individual level.

As noted, the weekly evaluations of cumulative vessel bycatch performance compare vessel Chinook bycatch to a standard intended to magnify the incentive to avoid Chinook when Chinook abundance on the grounds is medium to high. As pollock and salmon abundance on the grounds increases, the evaluations of over the year, will be increasingly difficult to meet for plan vessels that are not able to avoid Chinook bycatch beginning on the first day of the season. Because the standard against which cumulative vessel bycatch performance is judged is based on a fixed fraction of each sector annual threshold amount, plan vessels must always be “on guard” against the possibility that baseline abundance may increase to moderate or high levels. The only sure way prepare for this possibility is to maintain vessel Chinook bycatch at a low level. Finally, during years of high Chinook salmon abundance it is clear that the threat of the receipt of a stop fishing order, with its concomitant lost revenue, will provide a strong incentive to avoid salmon bycatch for the individual vessel.

b. The rewards for avoiding Chinook salmon, penalties for failure to avoid Chinook salmon at the vessel level, or both.

The IPA creates both rewards for avoiding Chinook salmon and penalties for failure to avoid Chinook salmon at the individual vessel level. Penalties for failure to avoid salmon bycatch are imposed by restricting the pollock fishing opportunities. Rewards for avoiding salmon are created by allowing vessels with good bycatch performance nearly unrestricted access to the pollock grounds. Losing access to pollock grounds where high concentrations of Chinook are found creates an incentive to avoid Chinook bycatch because high Chinook bycatch often occurs at times and places where pollock fishing is economically very efficient. Losing access to good fishing grounds increases vessel operational costs and reduces the value of the products. Vessels with good bycatch performance are rewarded with nearly unrestricted access to the pollock grounds, and experience has shown that these vessels will produce more revenue at lower operating costs than vessels which are prohibited from preferred pollock fishing locations.

The threat of higher production costs due to reduced access to preferred pollock fishing grounds exists at the vessel level because the weekly bycatch performance evaluations and the fishing prohibitions that may result are imposed at the vessel level.

Because the operator of the vessel is responsible for the bycatch performance of the vessel, and because the consequences of poor bycatch performance must be borne by the vessel (e.g., higher fishing costs due to movement away from preferred fishing locations or reduced roe recovery), this plan will create incentives to avoid salmon bycatch for the individual vessel.

c. How the incentive measures in the IPA are expected to promote reductions in a vessel's Chinook salmon bycatch rates relative to what would have occurred in absence of the incentive program.

The structure of the incentives to avoid Chinook bycatch contained in the IPA is based on a decade of industry experience developing and refining time-and-area-based "rolling hot spot" (RHS) programs. Beginning in 2006, a RHS program developed and implemented by the pollock-industry was adopted by the North Pacific Fishery Management Council (NPFMC) to reduce salmon bycatch in the eastern Bering Sea pollock fishery. The rules implementing the RHS programs required that they be evaluated annually. *However, an important difference between prior RHS programs and this plan is that the incentives to avoid salmon bycatch contained in the plan are vessel-level incentives while those of the RHS programs operated at the level of the pollock-fishery cooperative.* The anticipated effect of this difference is discussed below.

In the RHS report for the 2006 B-season, Figures 1-3 show the sequence during which bycatch avoidance areas are identified, pollock fishing prohibitions are established, and salmon bycatch is reduced (Bering Sea Pollock Intercooperative Salmon Avoidance Agreement Report, NPFMC, 605 West 4th Ave. Suite 306, Anchorage, Alaska). These events unfold because high salmon bycatch often occurs at times and places where pollock fishing is economically very efficient, because salmon abundance on the grounds is "patchy" over periods of several weeks and areas of 500-1,500 square miles, and because areas of relatively higher salmon abundance can be identified by industry in near real time. Experience also confirms that the fishing locations of vessels which may not have fished in bycatch avoidance areas during a particular week are also influenced by the locations of these areas, although the precise effects of the programs on these vessels is difficult to measure.

The RHS evaluations were designed to estimate likely differences in vessel salmon bycatch rates relative to what would have occurred in the absence of the program. The 2006-2009 results indicate that during the A-season the program likely has reduced Chinook bycatch by 70 percent or more while for the B-season the estimated percentage reductions are more variable and often much lower, ranging from negative to at most 70 percent. Even with the documented uncertainties about the complete extent of fishing location changes due to the incentives to avoid salmon bycatch in the RHS programs, the evaluations provide strong evidence that the program have promoted reductions in vessel

Chinook salmon bycatch rates relative to what would have occurred in absence of the program.

As noted above, while the RHS programs contain incentives that depend on bycatch by a pollock fishery cooperative, the plan contains incentives to avoid salmon at the individual vessel level. On the grounds, with all else equal, vessel-level incentives to avoid salmon bycatch are expected to produce greater reductions in Chinook bycatch than the cooperative-level incentives contained in the RHS programs. The reason for this is that under certain conditions of cooperative bycatch performance, incentives for the individual vessel to avoid salmon bycatch are weak or disappear entirely. For example, under the RHS program, during weeks when most all cooperative vessels experience poor bycatch performance, the incentive for an individual vessel to improve bycatch performance disappears as it is generally not possible for a single vessel to greatly influence the bycatch performance of the cooperative as a whole. In this case the actions of a single vessel to improve bycatch performance will not allow the vessel to escape a fishing prohibition. For weeks during which the bycatch performance of most vessels is very good, the incentive for the individual vessel to avoid salmon bycatch is weakened as poor bycatch performance by a single vessel, or a small group of vessels, may not worsen the bycatch performance of the cooperative sufficiently to warrant the sanction of a fishing prohibition. In both of these circumstances, the individual vessel incentives in this plan are expected to be superior to those of the prior RHS programs, so it may be anticipated that the IPA will promote reductions in vessel Chinook salmon bycatch rates relative to what would have occurred in absence of the plan.

d. How the incentive measures in the IPA promote Chinook salmon savings in any condition of pollock abundance or Chinook salmon abundance in a manner that is expected to influence operational decisions by vessel operators to avoid Chinook salmon.

As described above, the threat of higher production costs due to reduced access to preferred pollock fishing grounds exists for the individual vessel because the bycatch performance tests and the fishing prohibitions that result from failing the tests are for individual vessels. Because the operator of the vessel is responsible for the bycatch performance of the vessel, and because the consequences of poor bycatch performance must be borne by the vessel (e.g., higher fishing costs due to movement away from preferred fishing locations or reduced roe recovery), the IPA will create incentives to avoid salmon bycatch performance by the individual vessel. Vessels with good bycatch are rewarded with nearly unrestricted access to the pollock grounds, and experience has shown that these vessels will produce more revenue at lower operating costs than vessels which are prohibited from preferred pollock fishing locations.

Should salmon abundance on the grounds decrease, either year-to-year or during a pollock season, vessel bycatch performance is measured against a standard that also

decreases. To meet a lower standard and maintain access to preferred fishing grounds, a vessel must reduce its salmon bycatch per ton of pollock. And because the standard is substantially lower than the “average” pollock fishing vessel, the incentive programs are expected to create a “race to lower and lower bycatch” during periods of low salmon abundance on the grounds.

As pollock and salmon abundance on the grounds increases, the vessel bycatch performance evaluations are increasingly difficult to satisfy even with better-than-average performance because the standard employed to determine whether an extended fishing prohibition is imposed is based on cumulative vessel bycatch performance from the first day of fishing through to the last day of fishing, and because the performance benchmark is based on a fixed fraction of a each sector’s annual threshold amount. As such, in years of moderate salmon abundance, vessel incentives to avoid salmon bycatch increase because failure to avoid a weekly prohibition exposes the vessel to an evaluation based on its cumulative Chinook bycatch over all previous weeks. So if a vessel begins a year with poor bycatch performance during a year when salmon abundance on the grounds is moderate to high, it must continue to improve its performance such that it avoids weekly fishing prohibitions because receipt of a weekly fishing prohibition brings with it exposure to an extended prohibition based on its bycatch performance since the start of the fishing year.

e. How the IPA ensures that the operator of each vessel governed by the IPA will manage his or her Chinook salmon bycatch to keep total bycatch below the performance standard for the sector in which the vessel participates.

The plan contains A-season and B-season Chinook Conservation Areas fishing prohibitions that will limit bycatch in all conditions of pollock and Chinook abundance. In particular, the B-season prohibition is designed to reduce the late-season high Chinook bycatch that has occurred in past years when the Chinook feeding migration moves on to outer shelf in August. This plan component will serve to keep total bycatch below the performance standard.

Each plan vessel will also make its operation decisions within the constraints of the Chinook allocations available to the vessel. As noted previously, the entities that will manage the Chinook allocations of most if not all plan vessels have agreed to allocate only the amount of Chinook PSC consistent with the relevant sector annual threshold amount at the start of each fishing year. After the start of the fishery, these entities may decide to allocate the high annual limit to their plan vessels, but such allocation of the 60,000 Chinook limit will require affirmative action by these entities which can be safely assumed that this process will not violate the Performance Standard.

The plan contains a limit buffer, the purpose of which is to conserve the Performance Standard in the case of an unexpected, unknown event. The limit buffer provides insurance against an unexpected, high-bycatch tow near the end of the season

that is sufficiently large as to put all the vessels from a sector over the Performance Standard. The plan also includes a requirement that the Technical Representative notify the allocation management entity when the Chinook bycatch of any plan vessel reaches 95 percent of its Chinook allocation. The purpose of this plan component is to ensure that the entities managing the bycatch allocations of plan vessels have sufficient time to assess the need for and-or timing of stop fishing orders to all vessels with a Chinook bycatch amount that is approaching their allocation.

Each plan participant must also provide the Technical Representative its initial vessel allocations of Chinook salmon. If the allocations are greater than the participant share of the annual threshold amount as calculated from information provided in the Final Rule implementing Amendment 91, then the entity managing the Chinook allocation(s) of the participant must certify to the Technical Representative that the relevant sector will not violate the Performance Standard if the allocations reported by the participant are harvested in full.

Exhibit B

Chinook Salmon Bycatch Reduction Incentive Plan Agreement

This **Chinook Salmon Bycatch Reduction Incentive Plan Agreement** is entered into by and between those Eligible Parties that signed the signature page(s) attached hereto ("**Agreement**").

RECITALS

- A. The North Pacific Fishery Management Council adopted, and the National Marine Fisheries Service approved, Amendment 91 to the Fishery Management Plan for Groundfish of the Bering Sea and Aleutian Islands Management Area to manage Chinook salmon bycatch in the eastern Bering Sea pollock fishery ("**Fishery**").
- B. The Parties desire to establish an incentive program to avoid the bycatch of Chinook salmon in the Bering Sea pollock fishery under any condition of pollock and Chinook salmon abundance in all years. The program implemented by this Agreement is further described in the document Chinook Salmon Bycatch Reduction Incentive Plan.
- C. The program establishes a system of real-time information sharing that allows the identification of areas of high Chinook salmon abundance on the fishing grounds. Using this information, vessel bycatch performance is evaluated weekly, and only vessels with better than average performance gain nearly unrestricted access to the pollock fishing grounds. Vessels that do not achieve this level of performance are prohibited from fishing in local areas of higher Chinook salmon abundance.
- D. Each Party intends to exercise all commercially reasonable efforts to implement the program.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each Party independently agrees as follows:

1. Eligible Parties.

1.1. IPA Party. Any owner of an AFA-permitted vessel where the owner is also a member of an inshore cooperative, the catcher-processor sector entity, or the mother-ship sector entity, may join this Agreement as an IPA Party.

1.2. CDQ Group. Any CDQ Group may join this Agreement as a CDQ Group, provided that the owner(s) of the vessel(s) that harvest its CDQ pollock is an IPA Party.

1.3. IPA Representative. The IPA Representative shall become a Party to this Agreement.

1.4. Technical Representative. The Technical Representative shall become a Party to this Agreement.

2. Effective Date of Joining. Participation requires that an Eligible Party complete and execute the addendum to this Agreement entitled "**Joining Addendum**," as set forth in Attachment A. The fully executed Joining Addendum shall be effective on January 1st, unless NMFS approves a different effective date. The Joining Addendum shall be attached to and incorporated by this reference in this Agreement.

3. Responsibilities of IPA Parties. Each IPA Party shall comply with the obligations of sections 3.1 through 3.7 below.

3.1. Weekly Bycatch Avoidance Area Fishing Prohibition. Each IPA Party receiving a Weekly Prohibition Notice shall prohibit the vessel(s) subject to a Weekly Fishing Prohibition from fishing within the Bycatch Avoidance Areas depicted on the latest Avoidance Area Map for one week ("**Weekly Fishing Prohibition**").

3.2. Extended Bycatch Avoidance Area Fishing Prohibition. Each IPA Party receiving a Weekly Prohibition Notice shall prohibit the vessel(s) subject to an Extended Fishing Prohibition from fishing in the Bycatch Avoidance Areas depicted on the latest Avoidance Area Map for an additional consecutive week ("**Extended Fishing Prohibition**").

3.3. Chinook Salmon Conservation Areas. Each IPA Party shall prohibit the vessels included in this Agreement from fishing in the "A" season Chinook Salmon Conservation Area. Additionally, each IPA Party shall prohibit the vessels included in this Agreement from fishing in the B season Chinook Salmon Conservation Areas, beginning on October 15th and for the remainder of the season, in years when the aggregate bycatch rate of the IPA parties for the month of September exceeds 0.015 Chinook salmon per metric ton of pollock harvest. A map of the Chinook Salmon Conservation Areas and the latitude and longitude coordinates of their boundaries during the "A" and "B" seasons are provided in Attachments B and C, respectively.

3.4. Data Gathering. Each IPA Party acknowledges that the effectiveness of this Agreement depends upon rapidly gathering, analyzing and disseminating accurate data concerning Chinook salmon bycatch in the Fishery. Each IPA Party shall approve and direct NMFS to release the observer reports and official landing records of its vessels to the Technical Representative as soon as commercially practicable after such documents are completed.

3.5. Reporting. Each IPA Party shall provide the Technical Representative documentation from the Entity or Entities responsible for receiving and managing Chinook salmon prohibited species catch allocations, to verify the amount of its annual Chinook Allocation in numbers of Chinook to be managed under the Agreement (“**Chinook Allocation**”). Each IPA Party shall also provide a list of vessels authorized to harvest its pollock allocation, the initial allocations of Chinook salmon prohibited species catch and pollock by Fishery sector of each vessel (“**Pollock Allocation**”), and information about the amounts of Pollock Allocation and Chinook Allocation subsequently transferred or received by its vessels.

3.6. VMS Requirement. Each IPA Party shall require its vessel(s) to obtain and maintain an operational VMS unit approved by the Technical Representative, provided that such units are available on a commercially reasonable basis. Each IPA Party shall require its vessel(s) to release its VMS tracking data to the Technical Representative. The Technical Representative shall not disclose any such information, other than as specifically authorized under this Agreement, as necessary to fulfill the intents and purposes of this Agreement, or after prior consent from the relevant IPA Party.

3.7. Limit Buffer. Each IPA Party shall advise the Technical Representative of the size of its contribution to the limit buffer, provided that such contribution is at least two-thirds of one percent of its Chinook Allocation.

4. Responsibilities of CDQ Groups. Each CDQ Group shall comply with the obligations of sections 4.1 and 4.2 below.

4.1 Reporting. Each CDQ Group shall provide the Technical Representative documentation to verify the amount of its Chinook Allocation in numbers of Chinook and Pollock Allocation in metric tons to be managed under the Agreement. Each CDQ Group shall also provide to the Technical Representative a list of vessels authorized to harvest its Pollock Allocation, and the initial Pollock Allocation and Chinook Allocation of each vessel.

4.2. Limit Buffer. Each CDQ Group shall advise the Technical Representative of the size of its contribution to the limit buffer, provided that such contribution is at least two-thirds of one percent of its Chinook Allocation.

5. Responsibilities of the Technical Representative. The Technical Representative shall comply with the obligations of sections 5.1 through 5.9 below.

5.1. Bycatch Avoidance Area(s) Designations. The Technical Representative shall designate local areas of relatively higher salmon abundance on the pollock grounds each week during which pollock is harvested by an IPA Party (“**Bycatch Avoidance Area**”). The

Technical Representative shall designate Bycatch Avoidance Areas in accordance with subsections (i) through (iv) below.

(i). Bycatch Avoidance Area Designation Criteria. An area shall qualify for designation as a Bycatch Avoidance Area if it satisfies the following requirements:

- (a) the Technical Representative must determine that a substantial amount of pollock was harvested from within the area during the prior week, or that the area was designated a Bycatch Avoidance Area during the prior week and evidence satisfactory to the Technical Representative suggests that the Area Bycatch Rate (See section 5.3) is not likely to have changed; and
- (b) the Area Bycatch Rate is greater than the Base Rate (See section 5.2).

The Technical Representative shall consider a pollock harvest in a single Alaska Department of Fish and Game statistical area of two percent (2%) of the total amount of pollock harvested by the Fishery during a week to be indicative of, but not dispositive of, whether a substantial amount of pollock is harvested in an area during a week.

(ii). Bycatch Avoidance Area Boundaries and Limits. The Technical Representative shall define Bycatch Avoidance Area boundaries using a series of latitude and longitude coordinates considered appropriate to reduce Chinook salmon bycatch. The following limits shall apply to all Bycatch Avoidance Area designations:

- (a) Bycatch Avoidance Area(s) West of 168 degrees West longitude shall not exceed five hundred (500) square miles;
- (b) the total area of all Bycatch Avoidance Areas shall not exceed one thousand and five hundred (1,500) square miles;
- (c) there shall be no more than two (2) distinct Bycatch Avoidance Areas West of 168 degrees West longitude,
- (d) there shall be no more than two (2) distinct Bycatch Avoidance Areas East of 168 degrees West longitude; and
- (e) Bycatch Avoidance Areas shall be designated only within Core Areas unless evidence satisfactory to the Technical Representative suggests that historic areas of relatively higher rates of Chinook salmon bycatch are likely to have changed.

(iii). Core Areas. Relatively higher rates of Chinook salmon bycatch historically occur within areas along the eastern Bering Sea outer continental shelf, including within approximately 11,000 square miles of areas during the “A” season and 32,000 square miles of areas during the “B” season (“**Core Areas**”). The Core Areas are identified in Attachment D to this Agreement.

(iv). Bycatch Avoidance Area Map. The Technical Representative shall create a map depicting the Bycatch Avoidance Areas (“**Avoidance Area Map**”) each week during which pollock is harvested by an IPA Party vessel.

5.2. Base Rate Calculations. The Technical Representative shall calculate the Base Rate each week beginning on or about January 28th during the “A” season, and on or about July 1 during the “B” season, and each week thereafter during which an IPA Party vessel harvests pollock. Except during the periods indicated by subsections (i) and (ii) below, the Base Rate shall be calculated as the ratio of the total number of Chinook salmon taken incidentally by the Fishery during the prior three (3) weeks to the total number of metric tons of pollock harvested by the Fishery during the prior three (3) weeks (“**Base Rate**”), provided that the Base Rate shall have a minimum value of 0.035 Chinook salmon per metric ton of pollock harvest.

(i). Initial “A” Season Base Rate Calculation. Prior to February 14th, the Base Rate shall be calculated by dividing the total number of Chinook salmon taken incidentally by the Fishery during the “A” season of the prior year by the total number of metric tons of pollock harvested by the Fishery during the “A” season of the prior year, provided that:

(a) if the initial “A” season Base Rate is less than 0.040 Chinook salmon per metric ton of pollock harvest, then the initial Base Rate shall be 0.040 Chinook salmon per metric ton of pollock harvest; and

(b) if the initial “A” season Base Rate is greater than 0.060 Chinook salmon per metric ton of pollock harvest, then the initial Base Rate shall be 0.060 Chinook salmon per metric ton of pollock harvest.

(ii). Initial “B” Season Base Rate Calculation. Prior to July 15th, the Base Rate shall be calculated by dividing the total number of Chinook salmon taken incidentally by the Fishery during the “B” season of the prior year by the total number of metric tons of pollock harvested by the Fishery during the “B” season of the prior year.

5.3. Area Bycatch Rate Calculations. The Technical Representative shall calculate Area Bycatch Rates each week during which pollock is harvested by an IPA Party. The

Technical Representative shall make Area Bycatch Rate calculations for each Alaska Department of Fish and Game (“**ADFG**”) statistical area for which the Technical Representative receives a salmon bycatch report. The Technical Representative shall calculate the Area Bycatch Rate by dividing the total number of Chinook salmon taken incidentally by the Fishery within the area during the prior week by the total number of metric tons of pollock harvested within the area by the Fishery during the prior week (“**Area Bycatch Rate**”).

5.4. Vessel Bycatch Rate Calculations. The Technical Representative shall calculate the Vessel Bycatch Rate each week for each vessel beginning on or about January 28th during the Fishery “A” season, and on or about July 1 during the Fishery “B” season, and each week thereafter during which an IPA Party vessel harvests pollock. The Technical Representative shall calculate the Vessel Bycatch Rate by dividing the number of Chinook salmon taken incidentally by the vessel during the prior two (2) weeks by the number of metric tons of pollock harvested by the vessel during the prior two (2) weeks (“**Vessel Bycatch Rate**”).

5.5. Vessel Cumulative Amount Calculations. The Technical Representative shall calculate the Vessel Cumulative Amount each week for each vessel beginning on or about January 28th during the Fishery “A” season, and on or about July 1 during the Fishery “B” season, and each week thereafter during which an IPA Party vessel harvests pollock. The Technical Representative shall calculate the Vessel Cumulative Amount in accordance with subsections (i) through (iv) below.

(i) Sector Cumulative Amount. Sector cumulative amounts shall be calculated for each vessel by multiplying the pollock allocation in metric tons of each vessel from each Fishery sector by 63 percent (63%) of the corresponding Sector Annual Threshold Rate (“**SATR**”).

(ii). Sector Annual Threshold Rate. For each Fishery sector, the SATR is calculated by dividing the Chinook allocation in numbers by the pollock directed fishing allocation in metric tons. For the CP sector, the Chinook allocation is 13,516 Chinook and the pollock allocation is 36 percent of the annual Fishery directed fishing allocation. For the CDQ sector, the Chinook allocation is 3,883 Chinook and the pollock allocation is 10 percent of the annual Fishery directed fishing allocation. For the shore-plant CV sector, the Chinook allocation is 26,485 Chinook and the pollock allocation is 45 percent of the annual Fishery directed fishing allocation. For the mother-ship CV sector, the Chinook allocation is 3,707 Chinook and the pollock allocation is 9 percent of the annual Fishery directed fishing allocation.

(iii). Vessel Cumulative Amount. The Vessel Cumulative Amount is obtained by adding together all of the sector cumulative amounts of the vessel.

(iv). Adjustment for Pollock Transfers. Vessel Cumulative Amounts shall be adjusted to compensate for pollock transfers among IPA Party vessels. The adjustment amount is calculated by multiplying the amount in metric tons of the pollock transfer by 63 percent (63%) of the corresponding SATR. Where a transfer reduces a vessel pollock allocation, the adjustment amount is subtracted from the Vessel Cumulative Amount. Where a transfer increases a vessel pollock allocation, the adjustment amount is added to the Vessel Cumulative Amount. Adjustments shall be recorded at 6:00 pm Pacific time on the Friday following the day the transfer is reported to the Technical Representative.

5.6. Weekly Bycatch Avoidance Area Fishing Prohibitions. The Technical Representative shall determine and announce weekly bycatch avoidance area fishing prohibitions each week beginning on or about January 28th during the Fishery "A" season, and on or about July 1 during the Fishery "B" season, and each week thereafter during which an IPA Party vessel harvests pollock. The Technical Representative shall make a weekly bycatch avoidance area fishing prohibition determination for each IPA Party vessel. A vessel shall receive a weekly bycatch avoidance area fishing prohibition if the Vessel Bycatch Rate is greater than 75 percent (75%) of the Base Rate. The duration of a weekly fishing prohibition is seven (7) days, and each weekly prohibition shall come into force at 6:00 p.m. Pacific time on the Friday following its announcement in a Weekly Prohibition Notice. The content of the Weekly Prohibition Notice and its distribution schedule is set forth in Section 5.8 below.

5.7. Extended Bycatch Avoidance Area Fishing Prohibitions. The Technical Representative shall determine and announce extended bycatch avoidance area fishing prohibitions beginning on or about January 28th during the Fishery "A" season, and on or about July 1 during the Fishery "B" season, and each week thereafter during which an IPA Party vessel harvests pollock. The Technical Representative shall make an extended bycatch avoidance area fishing prohibition determination for each vessel that receives a weekly bycatch avoidance area fishing prohibition. A vessel shall receive an extended bycatch avoidance area fishing prohibition if the Chinook salmon bycatch of the vessel is greater than the Vessel Cumulative Amount. The duration of an extended fishing prohibition is fourteen (14) day (7 days for the Bycatch Avoidance Area Prohibition Notice and 7 days for the Extended Bycatch Avoidance Area Fishing Prohibition.) Each extended prohibition shall come be come effective at 6:00 p.m. Pacific time on the Friday following its announcement in a Weekly Prohibition Notice.

5.8. Weekly Prohibition Notice. The Technical Representative shall provide a weekly prohibition notice to the IPA Parties and CDQ Groups each week on Thursday before 6:00 PM via email ("**Weekly Prohibition Notice**"). The Technical Representative shall provide the Weekly Prohibition Notice in accordance with subsections (i) and (ii) below.

(i). Contents of Notice. Each notice shall include the following information: (a) an Avoidance Area Map, including tables with latitude and longitude coordinates of Bycatch Avoidance Areas; (b) a list of the vessels subject to a Weekly Fishing Prohibition, (c) a list of vessels subject to an Extended Fishing Prohibition, (d) any Chinook Salmon Conservation Areas; and (e) any additional information agreed to by the Agreement Group.

(ii). Website Posting. The Technical Representative shall provide the information contained in the Weekly Prohibition Notice, as well as any additional information agreed to by the Agreement Group, to each IPA Party and each CDQ Group via a password-protected Internet address (website).

5.9. Stop Fishing Advisories. The Technical Representative shall notify the Entity or Entities responsible for receiving and managing the Chinook salmon prohibited species catch allocations of an IPA Party vessel when the Chinook bycatch of the vessel reaches ninety-five percent (95%) of its Chinook Allocation.

6. Responsibilities of the IPA Representative. The IPA Representative shall comply with the obligations of sections 6.1 through 6.4 below.

6.1. Submittal of IPA Application and Amendments. On behalf of all IPA Parties, the IPA Representative shall timely submit this Agreement and all amendments to NMFS, along with any required application form. The requirements for submission of the Agreement and amendments are set forth in NMFS regulations.

6.2. Annual Report. On behalf of all IPA Parties, the IPA Representative shall timely submit all annual reports required by NMFS regulations. Submission requirements are set forth in NMFS regulations.

6.3. Breach of Minimum Participation Requirement. In the event the Minimum Participation Requirements are no longer satisfied after this Agreement has been accepted by NMFS, the IPA Representative shall notify NMFS.

6.4. Records. The IPA Representative shall maintain a record of the pollock allocations of each IPA Party and CDQ Group for the purpose of determining the outcome of Agreement Group voting.

7. Effective Date, Regulatory Approval, Duration.

7.1. Effective Date. This Agreement shall be effective as of the date the last of the following events occurs: (a) the Minimum Participation Requirements are achieved, and (b) this Agreement is approved by NMFS without changes that are unacceptable to the Parties.

7.2. Regulatory Approval. An order from NMFS approving this Agreement for filing shall be considered accepted by each Party unless a Party provides notice to all other Parties and NMFS of its objection within five (5) business days of the date of the NMFS order ("**Notice of Objection**"). If a notice stating that an objection has been resolved has not been provided to all other Parties and NMFS within five (5) business days of the date of the Notice of Objection, this Agreement shall immediately terminate with respect to the objecting Party.

7.3. Duration of Agreement. This Agreement shall continue so long as the Minimum Participation Requirements are satisfied, and terminate automatically on December 31 of the year in which the Minimum Participation Requirements are no longer satisfied, unless the Parties and NMFS agree otherwise.

8. Termination by an individual Party. Each Party may independently terminate its participation in this Agreement after giving the other Parties advance notice by October 1st. Such termination shall be effective on the following January 1st, unless NMFS approves a different effective date.

9. Agreement Group.

9.1. Composition. Each IPA Party and CDQ Group may designate a representative and an alternate to serve on the Agreement Group. The Agreement Group shall select from its representatives a chair. The IPA Representative or the Technical Representative shall attend Agreement Group meetings upon the request of the chair.

9.2. Authority. The Agreement Group is authorized and commanded to:

- (i). Appoint the IPA Representative and the Technical Representative;
- (ii). Monitor the IPA Representative and the Technical Representative, and as necessary, remove the IPA Representative or the Technical Representative, provided, that a replacement is simultaneously appointed and becomes a Party to this Agreement upon the effective date of the removal;
- (iii). Adopt, and modify as necessary, the annual budgets of the IPA Representative and Technical Representative;
- (iv). Interpret the Agreement;
- (v). Establish management procedures that are consistent with the provisions of this Agreement;

- (vi). Resolve disputes;
- (vii). Verify Penalties; and
- (viii). Recommend modifications of the Agreement to the Parties.

9.3. Meeting Notice and Quorum. The Agreement Group shall meet on call of the Agreement Group chair or any representative. The Agreement Group chair shall provide the Agreement Group representatives advance notice of each meeting of not less than three (3) business days. Notice shall be provided by email unless the Agreement Group authorizes an alternate method of providing notice. A quorum of two thirds (2/3) of the Agreement Group representatives is required to hold a meeting of the Agreement Group.

9.4. Voting. Agreement Group representatives have equal voting power. The Agreement Group shall strive to act unanimously but, if unanimity cannot be achieved, action occurs upon the affirmative vote of the representatives representing sixty (60) percent of the pollock quota attributable to the IPA Parties and CDQ Groups. The Agreement Group chair shall provide the Parties with timely written notification of all decisions.

9.5. Proxies. Agreement Group representatives may vote either in person or by proxy executed in writing by the representative, or its duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided for in the proxy.

10. Penalties.

10.1. Levy of Penalties. Violations of Bycatch Avoidance Area Fishing Prohibitions, a Chinook Salmon Conservation Area, and the VMS requirements shall be determined by the Technical Representative. The Technical Representative shall notify the IPA Parties and the Agreement Group of each apparent violation. Each IPA Party agrees that each tow by an IPA Party vessel that occurs within a Bycatch Avoidance Area while the vessel is under a fishing prohibition, or that occurs within a Chinook Salmon Conservation Area in violation of this Agreement, shall constitute a separate violation for the purpose of Penalty calculation.

10.2. Penalty Verification. Upon receiving notice of an apparent violation from the Technical Representative, the Agreement Group shall have one hundred and eighty (180) days to evaluate the apparent violation and provide a determination as to whether a violation occurred. The Agreement Group shall provide a copy of the record supporting the determination to all Parties. State and Federal landing reports, observer data, VMS tracking data, vessel log books and plotter data, and catch data produced in conformance with NMFS catch and bycatch accounting standards shall be presumed accurate and

sufficient to determine whether a violation occurred. All Agreement Group decisions are final, not subject to rehearing, and not appealable.

10.3. Penalty Amounts and Payment. The Parties agree that the damages resulting from the non-compliance of an IPA Party with fishing prohibitions for Bycatch Avoidance Areas, the Chinook Salmon Conservation Area, and the VMS requirements of this Agreement are difficult to estimate, and the Parties therefore hereby adopt a uniform penalty that shall be levied by the IPA Representative against the violating IPA Party in accordance with subsections (i) through (iv) below.

(i). Bycatch Avoidance Area Penalties. For the first annual violation of a Bycatch Avoidance Area Fishing Prohibition, Ten Thousand Dollars (\$10,000); for the second annual violation, Fifteen Thousand Dollars (\$15,000); and for the third and each subsequent violation in a year, Twenty Thousand Dollars (\$20,000).

(ii). Chinook Salmon Conservation Area Penalties. For the first annual violation of a Chinook Salmon Conservation Area closure, Ten Thousand Dollars (\$10,000); for the second annual violation, Fifteen Thousand Dollars (\$15,000); and for the third and each subsequent violation in a year, Twenty Thousand Dollars (\$20,000).

(iii). VMS Requirement Penalty. One Thousand Dollars (\$1,000) per day for each consecutive day over thirty (30) consecutive days of violations.

(iv). Payment. An IPA Party shall pay penalties according to the billing provisions set forth in Section 12.

10.4. Use of Penalties. The IPA Representative shall hold the penalties it receives in trust in a bank account that is segregated from all other funds. The IPA Representative shall provide annual accountings to the Agreement Group. The Agreement Group shall use the collected penalties to support research about salmon or such other purposes as determined by the Agreement Group.

11. Public Release. The Parties acknowledge that NMFS shall make public the proposed Agreement, the approved Agreement, and the list of participants in each approved Agreement.

12. Billing and Payments.

12.1. Billing. The IPA Representative shall bill the IPA Parties for (a) the costs of the IPA Representative and the Technical Representative based upon the budget approved by the Agreement Group calculated on a per ton of pollock assessment, and (b) Penalties as determined within Section 10. The IPA Representative shall reconcile costs billed to the

IPA Parties with the actual costs of the IPA Representative and the Technical Representative in carrying out their obligations hereunder on at least an annual basis. If the actual costs differ from the amounts budgeted, the IPA Representatives may bill or refund the difference to the IPA Parties as applicable.

12.2. Payments. The IPA Parties shall pay bills (including penalties) submitted by the IPA Representative pursuant to section 12.1 within forty-five (45) days of receipt. The IPA Representative shall promptly pay to the IPA Parties refunds, if any, established according to section 12.1. All bills shall be timely paid, including any bill or portion thereof that is in dispute.

12.3. Interest. Bills that are not paid in full when due may, at the sole discretion of the IPA Representative, bear interest at the rate of one percent (1%) per month simple interest or the maximum rate of interest allowed by law, whichever is less.

13. Limitation on Remedies.

13.1. No Monetary Damages. EXCEPT AS SET FORTH IN SECTION 10 AND 12, UNDER NO CIRCUMSTANCES SHALL ANY PARTY, ANY OF THEIR SUBSIDIARIES, DIRECTORS, BOARD MEMBERS, COMMISSIONERS, OFFICERS, EMPLOYEES, AGENTS, SUCCESSORS, ASSIGNS OR CONTENT OR SERVICE PROVIDERS, BE LIABLE TO ANY OTHER PARTY FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ANY INTERRUPTION OF BUSINESS, WHETHER RESULTING FROM BREACH OF CONTRACT OR BREACH OF WARRANTY, EVEN IF THE PARTIES HERETO HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

13.2. Specific Performance and Equitable Relief. The Parties agree that monetary damages may not be a sufficient remedy for any breach of this Agreement, and that the alleged harmed Party shall be entitled to specific performance and injunctive or other nonmonetary equitable relief as a remedy for such breach, and the Parties waive any requirement for securing or posting of any bond in connection with such remedy.

13.3. Negotiated Remedies. The Parties agree that the remedy provisions set forth in Section 10 and this Section 13 are mutually negotiated and voluntarily accepted, and will survive the termination or completion of the Agreement, and will remain in full force and effect until satisfied in full. In addition, the Parties agree that the limitations on remedies set forth in this Agreement applies only to this Agreement, and does not limit remedies provided in any other agreement.

13.4. Enforcement Costs. In connection with any legal proceeding related to this Agreement, the non-prevailing party shall pay the reasonable costs and fees of the prevailing party due to the legal proceeding. For purposes of this Agreement, "legal

proceeding” shall include arbitration, administrative, bankruptcy and judicial proceedings, including appeals there from.

14. Uncontrollable Forces. The legal concept sometimes characterized as force majeure and uncontrollable forces does not apply to this Agreement.

15. Notice. Any notice required by this Agreement is properly given if submitted in writing and delivered to a Party as set forth on the signature block of the Party, or by subsequent notice: in person, delivered to a nationally recognized overnight courier service properly addressed and with delivery charges prepaid; delivered to the United States Postal Service properly addressed and with proper postage prepaid; transmitted by facsimile with confirmation of successful transmission; or transmitted by email. A Party may change at any time the individual authorized to receive notice, an address, telephone number, or email address, by providing notice to the other Parties.

16. Applicable Law. The Parties shall comply with all applicable federal, state and local laws and regulations including amendments and changes as they relate to this Agreement. All written instruments, agreements, specifications and other writing of any nature which relate to or are a part of this Agreement shall be construed, for all purposes, solely and exclusively in accordance with and pursuant to the laws of the State of Washington; provided, however, in the event of a conflict between this Agreement and NMFS regulations as set forth at 50 C.F.R. Part 679, as may be amended from time-to-time, the regulations shall control. Venue of any action filed to enforce or interpret the provisions of this Agreement will be exclusively in the Superior Court, County of King, State of Washington, or the United States District Court for the Western District of Washington.

17. Severability and Savings Clause. If any provision of this Agreement is held to be void, voidable, contrary to public policy, or unenforceable, that provision will be deemed severable from the Agreement as to the smallest part so held, and the remainder of the Agreement will continue in full effect as if the severed provision had not been included, in which case the Agreement will be construed and interpreted to implement the objectives of the Parties as stated in this Agreement. The Parties agree that no Party will be deemed the drafter of any term that may subsequently be found to be ambiguous or vague.

18. Waiver. Any waiver at any time by a Party of its rights with respect to the other Parties or with respect to any matter arising in connection with this Agreement shall not be considered a waiver with respect to any subsequent matter.

19. Successors and Assigns. This Agreement shall inure to the benefit of, and be binding upon, the Parties and their respective successors and assigns, and may be assigned by a Party without the consent of the other Parties so long as the assignee becomes a party to this Agreement upon the effective date of the assignment.

20. Complete Agreement. This Agreement (including all of its Attachments) sets forth the entire agreement between the Parties on the subject matter of this Agreement, and supersedes all prior agreements of the Parties with respect to its subject matter.

21. Execution in Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same document.

22. Definitions. Throughout the Agreement and its Attachments capitalized terms have the following meanings:

22.1. **"ADFG"** means the Alaska Department of Fish and Game.

22.2. **"AFA"** means the American Fisheries Act, 16 U.S.C. § 1851.

22.3. **"Agreement"** means this Chinook Salmon Bycatch Reduction Incentive Plan Agreement.

22.4. **"Amendment 91"** means Amendment 91 to the Fishery Management Plan for Groundfish of the Bering Sea and Aleutian Islands Management Area to manage Chinook salmon bycatch in the Fishery.

22.5. **"Bering Sea pollock fishery"** means the pollock (*Theragra chalcogramma*) fishery occurring in the eastern Bering Sea subarea of the Bering Sea and Aleutian Islands Management Area under the Fishery Management Plan for Groundfish of the Bering Sea and Aleutian Islands Management Area prepared by the Council under the authority of the Magnuson-Stevens Fishery Conservation and Management Act, 16 U.S.C. § 1801.

22.6. **"CDQ Group"** means one or more of the six Western Alaska Community Development groups participating in the Fishery.

22.7. **"Chinook Salmon Conservation Area"** during the "A" and "B" seasons is defined in Section 3.3. A map of the Chinook Salmon Conservation Area and the latitude and longitude coordinates of its boundaries during the "A" and "B" seasons are provided in Attachments B and C, respectively.

22.8. **"Eligible Parties"** means an IPA Party, CDQ Group, the IPA Representative and the Technical Representative.

22.9. **"Entity"** means the entity recognized by NMFS that receives and manages transferable Chinook salmon prohibited species catch allocations.

22.10. "**Fishery**" means the eastern Bering Sea pollock fishery.

22.11. "**Fishing**" means all activities of a vessel between the time of initial gear deployment and final gear retrieval. For purposes of this Agreement, "gear deployment" and "gear retrieval" shall have the meanings given them in 50 C.F.R. 679.2 or its successor, as the same may be amended from time to time. Initial gear deployment shall mean setting trawl gear with an empty codend, and final gear retrieval shall mean retrieving trawl gear to either pull a codend aboard the vessel or to deliver the codend to another vessel.

22.12. "**IPA Representative**" means the individual appointed by the IPA Party to carry out the responsibilities of the IPA Representative set forth in this Agreement.

22.13. "**IPA Party**" an individual or entity eligible to join the Agreement as a IPA Party is set out in Section 1.1.

22.14. "**Minimum Participation Requirements**" means this Agreement has been signed by: (a) IPA Parties constituting nine (9) percent of the amount of Bering Sea pollock and (b) any combination of two (2) or more CDQ Groups or corporations, partnerships, or individuals who own AFA permitted vessels and are not affiliated as affiliation is defined for purposes of AFA entities in 50 C.F.R. § 679.2. [50 C.F.R. § 679.21(f)(12)(i)]

22.15. "**Party**" means a signatory of this Agreement.

22.16. "**Parties**" means collectively the signatories of this Agreement.

22.17. "**Technical Representative**" means the individual or entity appointed by the Agreement Group to carry out the responsibilities of the Technical Representative set forth in this Agreement.

IN WITNESS WHEREOF, each Party executes this Agreement on the date set forth
Attachment A

Attachment A
Joining Addendum

The undersigned hereby joins the Chinook Salmon Bycatch Reduction Incentive Plan Agreement (the "Agreement") as a, please check one:

CDQ Group

IPA Party

IPA Representative

Technical Representative

and agrees to all the terms and conditions as set forth in the Agreement. The undersigned shall receive all notices provided pursuant to the Agreement. This Joining Addendum is incorporated by this reference into the Agreement. This Joining Addendum and the Agreement sets forth the entire agreement between the Parties on the subject matter of this Agreement, and supersedes all prior agreements between the joining Party and any of the Parties with respect to its subject matter.

IN WITNESS WHEREOF, the undersigned executes this Joining Addendum on the date set forth below.

By Stephanie Madsen

Date: 9-28-10

Stephanie Madsen

(Print Signature)

Executive Director

Email: smadsen@atsea.org

(Title)

At-sea Processors

Phone: (907) 523-0970

(Name of Company)

Box 32817

Name of Entity: N/A

(Street Address)

Juneau, AK 99801

Vessel Name(s): N/A

(City, State, Zip Code)

Attachment A

Joining Addendum

The undersigned hereby joins the Chinook Salmon Bycatch Reduction Incentive Plan Agreement (the "Agreement") as a, please check one:

CDQ Group

IPA Party

IPA Representative

Technical Representative

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IN WITNESS WHEREOF, the undersigned executes this Joining Addendum on the date set forth below.

By Karl Haefliger
KARL HAEFLIGER
(Print Signature)
PRESIDENT
(Title)
SEA STATE INC.
(Name of Company)
PO. BOX 74
(Street Address)
VASHTON, WA 98070
(City, State, Zip Code)

Date: 9.29.2010

Email: karl@seestateinc.com

Phone: (206) 463-7370

Name of Entity: N/A

Vessel Name(s): N/A

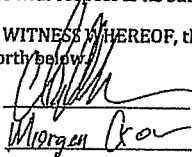
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- IPA Party
- IPA Representative
- Technical Representative

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IN WITNESS WHEREOF, the undersigned executes this Joining Addendum on the date set forth below:

By 
Morgan Crow

(Print Signature)

Manager

(Title)

Coastal Villages Pollock LLC

(Name of Company)

711 H Street, Suite 200

(Street Address)

Anchorage, AK 99501

(City, State, Zip Code)

Date: 10-1-2010

Email: Morgan_c@coastalvillages.org

Phone: 278-5151

Name of Entity: CP Salmon Corporation

Northernhook 3760 60795

Vessel Name FFP# ADFG #

Vessel Name FFP# ADFG #

Vessel Name FFP# ADFG #

Vessel Name FFP# ADFG #

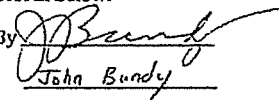
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IN WITNESS WHEREOF, the undersigned executes this Joining Addendum on the date set forth below.

By:  Date: 10/1/2010
John Bundy Email: john@glacierfish.com
 (Print Signature) Phone: 206-278-1200
President Name of Entity: CP Salmon Corporation
 (Title) Pacific Glacier 3367 56991
Glacier Fish Company LLC Vessel Name FFP# ADFG #
 (Name of Company) Northern Glacier 661 48875
1200 Westlake Ave Ste 900 Vessel Name FFP# ADFG #
 (Street Address) Alaska Ocean 3794 60407
Seattle, WA 98109 Vessel Name FFP# ADFG #
 (City, State, Zip Code)

Vessel Name	FFP#	ADFG #
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Attachment A

Joining Addendum

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- IPA Party
- IPA Representative
- Technical Representative

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IN WITNESS WHEREOF, the undersigned executes this Joining Addendum on the date set forth below.

By [Signature]

Date: 9/30/10

DOUG L. CHRISTENSEN

Email: dchristensen@arcticstorm.com

(Print Signature)

Phone: 206-547-6557

CHAIRMAN

Name of Entity: CP Entity

(Title)

Neahkahnie 424 32858

F/V Neahkahnie LLC

Vessel Name FFP# ADFG #

(Name of Company)

2727 Alaskan Way, Pier 89

Vessel Name FFP# ADFG #

(Street Address)

Seattle, WA 98121

Vessel Name FFP# ADFG #

(City, State, Zip Code)

Vessel Name FFP# ADFG #

Attachment A

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IN WITNESS WHEREOF, the undersigned executes this Joining Addendum on the date set forth below:

By *D. L. Christensen* Date: 9/30/10
Doug L. Christensen Email: dchristensen@arcticstorm.com
 (Print Signature) Phone: 206-547-6557
President Name of Entity: CP Entity
 (Title) Sea Storm 420 40969
Sea Storm Fisheries Inc Vessel Name FFP# ADFG #
 (Name of Company) _____
2727 Alaskan Way, Pier 69 Vessel Name FFP# ADFG #
 (Street Address) _____
Seattle, WA 98121 Vessel Name FFP# ADFG #
 (City, State, Zip Code) _____

 Vessel Name FFP# ADFG #

Attachment A

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- IPA Representative
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IN WITNESS WHEREOF, the undersigned executes this Joining Addendum on the date set forth below

By D.L. Christensen Date: 9/30/10
Doug L. Christensen Email: dchristensen@arcticstorm.com
(Print Signature) Phone: 206-547-6557
President Name of Entity: CP Entity
(Title) Arctic Fjord 3396 57450
Arctic Fjord, Inc. Vessel Name FFP# ADFG #
(Name of Company) _____
2727 Alaskan Way, Pier 67 Vessel Name FFP# ADFG #
(Street Address) _____
Seattle, WA 98121 Vessel Name FFP# ADFG #
(City, State, Zip Code) _____
Vessel Name FFP# ADFG #

Attachment A

Joining Addendum

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- IPA Party
- IPA Representative
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IN WITNESS WHEREOF, the undersigned executes this Joining Addendum on the date set forth below

By *D.L. Christensen* Date: 9/30/10
DOUG L. CHRISTENSEN Email: dchristensen@arcticstorm.com
 (Print Signature) Phone: 206-547-6557
President Name of Entity: CA Entity
 (Title) Arctic Storm 2943 54886
Arctic Storm, Inc Vessel Name FFP# ADFG #
 (Name of Company) _____
2727 Alaskan Way, Pier 69 Vessel Name FFP# ADFG #
 (Street Address) _____
Seattle, WA 98121 Vessel Name FFP# ADFG #
 (City, State, Zip Code) _____
 Vessel Name FFP# ADFG #

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Joining Addendum

The undersigned hereby joins the Chinook Salmon Bycatch Reduction Incentive Plan Agreement (the "Agreement") as a, please check one:

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IPA Party

IPA Representative

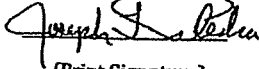
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IN WITNESS WHEREOF, the undersigned executes this Joining Addendum on the date set forth below.

By JOSEPH J. PLESHA

Date: 10/1/10



Email: joep@tridentseafoods.com

(Print Signature)

Phone: 206-783-3816

CHIEF LEGAL OFFICER

Name of Entity: SP Salmon Corporation

(Title)

ISLAND ENTERPRISE 3870 59503

TRIDENTSEAFOODS CO.

Vessel Name FFP# ADFG #

(Name of Company)

KOOIAK ENTERPRISE 3671 59170

5303 SHILSHOLE AVE NW

Vessel Name FFP# ADFG #

(Street Address)

SEATTLE ENTERPRISE 3245 56789

SEATTLE WA 98153

Vessel Name FFP# ADFG #

(City, State, Zip Code)

Vessel Name FFP# ADFG #

Attachment A

Joining Addendum

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- IPA Representative
- Technical Representative

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IN WITNESS WHEREOF, the undersigned executes this Joining Addendum on the date set forth below.

By Leif Mannes
LEIF M MANNES

(Print Signature)

MANAGING PARTNER

(Title)

HARVESTER ENTERPRISES LLC

(Name of Company)

101 NICKERSON #340

(Street Address)

SEA WA 98109

(City, State, Zip Code)

Date: 10-1-10

Email: LEIF.MANNES@FRONTIER.COM

Phone: 206-542-9262

Name of Entity: CP Salmon Corp.

OCEAN HARVESTER 5130 00101

Vessel Name FFP# ADFG #

Vessel Name FFP# ADFG #

Vessel Name FFP# ADFG #

Vessel Name FFP# ADFG #

Attachment A

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IN WITNESS WHEREOF, the undersigned executes this Joining Addendum on the date set forth below.

By Craig Cross

Date: October 1st 2010

Craig Cross

Email: CraigC@Starboats.com

(Print Signature)

Phone: 206-784-5000

Owner Representative

Name of Entity: EP Salmon Corporation

(Title)

Starbound .3414 57621

Starbound LLC

Vessel Name FFP# ADFG #

(Name of Company)

Muir Mubach 480 41021

5470 Shilshole Ave NW #300

Vessel Name FFP# ADFG #

(Street Address)

Seattle, WA 98107

Vessel Name FFP# ADFG #

(City, State, Zip Code)

Vessel Name FFP# ADFG #

Attachment A

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IN WITNESS WHEREOF, the undersigned executes this Joining Addendum on the date set forth below.

By Inge Andreassen

Date: 10/01/2010

Inge Andreassen
(Print Signature)

Email: Inge.Andreassen@americandeafoods.com

President

Phone: 206-448-0300

Name of Entity: AMERICAN SEAFOODS COMPANY (on behalf of individual vessel owning companies) ^{CP Salmon Corp.}

AMERICAN SEAFOODS CO.

Vessel Name FFP# ADFG #

(Name of Company)

Vessel Name FFP# ADFG #

2025 First Ave, Suite 900

Vessel Name FFP# ADFG #

(Street Address)

Seattle, wa. 98121

Vessel Name FFP# ADFG #

(City, State, Zip Code)

FOR LIST OF ALL vessels see attached EXHIBIT

EXHIBIT A

<u>Vessel Name</u>	<u>FFP #</u>	<u>ADF&G #</u>
American Dynasty	3681	59378
American Triumph	4055	60660
Ocean Rover	3442	56987
Northern Eagle	3261	56618
Northern Jaeger	3896	60202
Katie Ann	1996	55301
Forum Star	4245	59687
American Challenger	4120	62152
Tracy Anne	2823	54654
Highland Light	3348	56974

Attachment A

Joining Addendum

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- IPA Representative
- Technical Representative

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IN WITNESS WHEREOF, the undersigned executes this Joining Addendum on the date set forth below.

By Lawrence P. Cotter Date: 10-01-10
Lawrence P. Cotter Email: lcotter@apicda.com
 (Print Signature) Phone: 907-586-0161
CEU Name of Entity: APICDA
 (Title)
APICDA
 (Name of Company)
234 Goid Ct.
 (Street Address)
Tuolumne, CA 95309
 (City, State, Zip Code)

_____	_____	_____
Vessel Name	FFP#	ADFG #
_____	_____	_____
Vessel Name	FFP#	ADFG #
_____	_____	_____
Vessel Name	FFP#	ADFG #
_____	_____	_____
Vessel Name	FFP#	ADFG #

Attachment A

Joining Addendum

The undersigned hereby joins the Chinook Salmon Bycatch Reduction Incentive Plan Agreement (the "**Agreement**") as a, please check one:

- X CDQ Group
- IPA Party
- IPA Representative
- Technical Representative

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IN WITNESS WHEREOF, the undersigned executes this Joining Addendum on the date set forth below.



By

Date: September 30, 2010

H. Robin Samuelson Jr.
(Print Signature)
President/CEO

Email: robin@bbedc.com
Phone: 907-842-4370
Name of Entity: Bristol Bay Economic
Development Corporation

Bristol Bay Economic
Development Corporation
Name of Company
PO Box 1464
Street Address
Dillingham AK 99576
City, State, Zip Code)

_____	_____	_____
Vessel Name	FFP#	ADF&G #
_____	_____	_____
Vessel Name	FFP#	ADF&G #
_____	_____	_____
Vessel Name	FFP#	ADF&G #
_____	_____	_____
Vessel Name	FFP#	ADF&G #

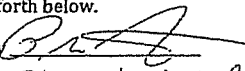
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IN WITNESS WHEREOF, the undersigned executes this Joining Addendum on the date set forth below.

By:  Date: 10-1-10
Phillip Lestoukof Email: plstoukof@cbsfa.com
 (Print Signature) Phone: 907 546-2597
President Name of Entity: CBSFA
 (Title)
CBSFA _____
 (Name of Company) Vessel Name FFP# ADFG #
140 Ellerman Heights _____
 (Street Address) Vessel Name FFP# ADFG #
Saint Paul Is., AK 99660 _____
 (City, State, Zip Code) Vessel Name FFP# ADFG #

Attachment A

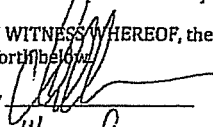
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IN WITNESS WHEREOF, the undersigned executes this Joining Addendum on the date set forth below.

By 
Morgan Crow
 (Print Signature)
executive director

Date: 10-1-2010
 Email: morgan_c@coastalvillages.org
 Phone: 278-5151
 Name of Entity: Coastal Villages Region Fund

(Title)
Coastal Villages Region Fund
 (Name of Company)
711 H Street, Suite 200
 (Street Address)
Anchorage, AK 99501
 (City, State, Zip Code)

Vessel Name	FFP#	ADFG #

Attachment A

Joining Addendum

The undersigned hereby joins the Chinook Salmon Bycatch Reduction Incentive Plan Agreement (the "Agreement") as a, please check one:

CDQ Group

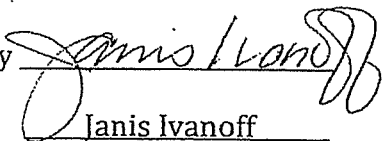
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IPA Representative

Technical Representative

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IN WITNESS WHEREOF, the undersigned executes this Joining Addendum on the date set forth below.

By 

Janis Ivanoff

CEO

NSEDC

420 L Street, Ste. 310

Anchorage, AK 99501

Date: September 30, 2010

Email: janis@nsedc.com

Phone: (907)274-2248

Name of Entity: NSEDC

Vessel Name FFP# ADFG #

Vessel Name FFP# ADFG #

Vessel Name FFP# ADFG #

Vessel Name FFP# ADFG #

Attachment A

Joining Addendum

The undersigned hereby joins the Chinook Salmon Bycatch Reduction Incentive Plan Agreement (the "Agreement") as a, please check one:

CDQ Group

IPA Party

IPA Representative

Technical Representative

and agrees to all the terms and conditions as set forth in the Agreement. The undersigned shall receive all notices provided pursuant to the Agreement. This Joining Addendum is incorporated by this reference into the Agreement. This Joining Addendum and the Agreement sets forth the entire agreement between the Parties on the subject matter of this Agreement, and supersedes all prior agreements between the joining Party and any of the Parties with respect to its subject matter.

IN WITNESS WHEREOF, the undersigned executes this Joining Addendum on the date set forth below.

By RAGNAR ALSTROM
Ragnar Alstrom

Date: 10/11/2010

Email: ragnar.ydf@aol.com

(Print Signature)

Phone: 907-644-0326

Executive Director

Name of Entity: YDFDA

(Title)

YDFDA

Vessel Name FFP# ADFG #

(Name of Company)

1016 WEST 6TH AVE, #301

Vessel Name FFP# ADFG #

(Street Address)

ANCHORAGE, AK 99501

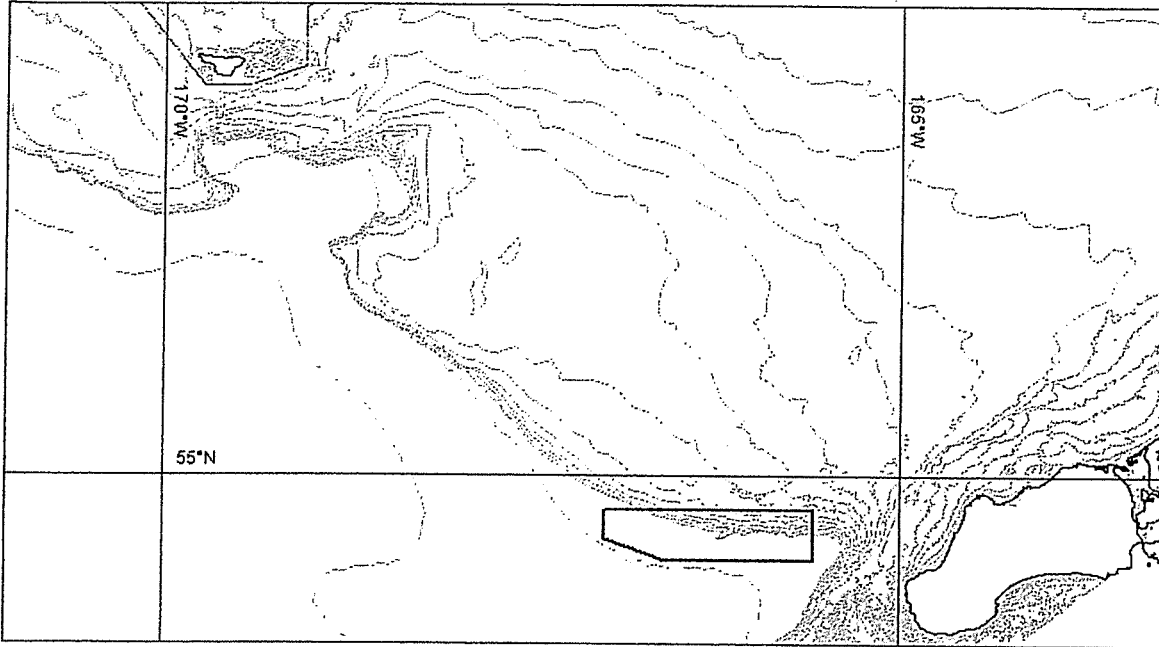
Vessel Name FFP# ADFG #

(City, State, Zip Code)

Vessel Name FFP# ADFG #

Attachment B

Chinook Salmon Conservation Area - "A" Season

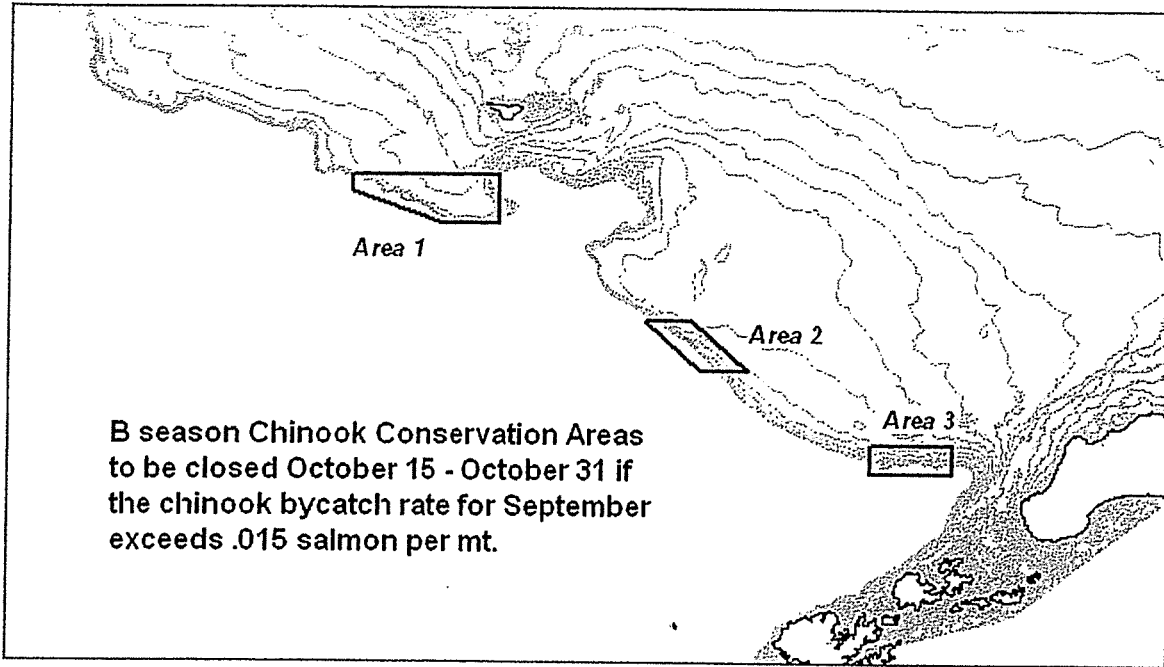


Corner Coordinates:

Latitude		Longitude	
54	40	165	35
54	40	166	35
54	45	167	0
54	52	167	0
54	52	165	35

Attachment C

Chinook Salmon Conservation Areas - "B" Season



B season Chinook Conservation area coordinates - Area 1

Latitude		Longitude	
56	0	169	40
56	0	170	10
56	10	171	0
56	15	171	0
56	15	169	40

B season Chinook Conservation area coordinates - Area 2

Latitude		Longitude	
55	15	167	25
55	15	167	50
55	30	168	20
55	30	167	55

B season Chinook Conservation area coordinates - Area 3

Latitude		Longitude	
54	43	165	35
54	43	166	20
54	52	166	20
54	52	165	35

Attachment D

Core Area Maps A and B Season

Coordinates for the core areas are shown below. "A" season core areas enclose 11,280 sq mi. "B" season core areas enclose 31,655 sq mi.

"A" and "B" seasons, Unimak

Latitude		Longitude	
55	10	167	30
55	10	165	30
55	35	164	30
55	35	163	23
54	35	165	20
54	20	165	20
54	20	166	30

"A" season, Pribilofs

Latitude		Longitude	
56	30	170	0
56	30	167	45
55	25	167	45
55	25	168	20
56	0	170	0

"B" season, Pribilofs

Latitude		Longitude	
56	45	173	0
56	45	167	45
55	25	167	45
55	25	168	20
56	25	173	0

"B" season Zhemchug

Latitude		Longitude	
59	0	176	50
59	0	174	15
58	0	173	0
57	0	173	0
58	30	176	50

"B" season, Pervenets

Latitude		Longitude	
59	55	178	25
59	55	176	50
59	10	176	50
59	10	178	25

