



PREMIER PACIFIC SEAFOODS, INC., 333 FIRST AVENUE WEST - SEATTLE, WA. 98119 USA TEL: (206) 286 8584 FAX: (206) 286 8810

November 16, 2016

To: Regional Administrator, NMFS
P.O. Box 21668
Juneau, AK 99802-1668
FAX: 907-586-7131

Re: Application for Incentive Plan Agreement (IPA) Amendment
Mothership Salmon Savings Incentive Plan

Dear Mr. Balsiger:

The Members of the Mothership Fleet Cooperative (MFC) recently adopted changes to the Mothership Fleet Cooperative Membership Agreement (MFC Agreement) in order to address changes to its salmon bycatch management provisions consistent with the implementation of Amendment 110 to the Bering Sea Groundfish Fishery Management Plan. In addition, the Board of Directors (MFC Board) approved several provisions to incorporate into the Mothership Salmon Savings Incentive Plan (MSSIP), outlined below. We respectfully submit the attached application for amendment of the IPA, as set forth in regulations at 50 CFR § 679.21(f)(v)(C).

1. Consistency with 50 CFR § 679.21(f)(12)(i) through (iv)

This proposed Amendment does not change any of the minimum participation requirements: the parties to the MSSIP remain unchanged, represent at least 9 percent of the BS pollock quota, and represent two or more unaffiliated AFA entities. The proposed Amendment does not change any membership requirements: no vessel owner or CDQ group is required to join, and participating vessel owners are members of the entity representing the sector. The information required to be submitted in a request for approval are provided in the attached application and Amended MSSIP. Changes to the MSSIP are briefly summarized below. There is no change to the duration of the MSSIP or to the list of IPA participants.

2. Summary of Changes

Changes to the MFC Agreement address the change from prior Amendment 84 management of chum salmon bycatch and incorporate necessary provisions in order to allow chum and Chinook salmon bycatch provisions in the MSSIP to work effectively. Changes to the

MSSIP include specific measures to incorporate chum salmon protections into the IPA, further strengthen Chinook salmon bycatch measures, and technical edits.

a. Changes to the MFC Agreement

The MFC Agreement provides for individual release of vessel-specific information regarding salmon PSC catch and target species (pollock) catch, maintenance of Vessel Monitoring Systems (VMS), employment of a data monitor, and data sharing with other participants in the pollock fishery. These provisions had previously been incorporated under the industry-wide rolling hotspot closure program for chum salmon under Amendment 84. Since Amendment 110 superseded Amendment 84, these provisions needed to be revised accordingly. The Salmon Bycatch Addendum to the MFC Agreement does this.

b. Chum Salmon Provisions

The MSSIP already includes measures designed to reduce all salmon bycatch, not just Chinook salmon. All vessels participating in the MSSIP agree to use responsible fishing practices at all times when fishing pollock. These responsible fishing practices are set forth in a suite of Best Management Practices in Appendix F to the MSSIP. Provisions include required test tow protocols, mandatory use of a salmon excluder at all times when fishing in the MSSIP (with recognition of contingencies), monitoring of codend size and tow duration and their potential impact on bycatch, fleet communication protocols that ensure information about bycatch events is disseminated rapidly, and an annual adaptive management review to allow improvements to the practices and measures used in the MSSIP. These practices benefit both Chinook and also chum salmon.

Consistent with the Council recommendation under Amendment 110 and implementing regulations, the MFC Board has incorporated additional chum salmon protections into the MSSIP. This amended MSSIP includes further chum salmon protection measures within the existing, full-time Rolling Hotspot Closure (RHC) Program. These closures are designed to not conflict with triggered Chinook salmon closures, which are prioritized. Another provision to prevent conflict with Chinook salmon bycatch measures is the increase in chum salmon base rates (rates that trigger chum salmon closures) throughout the B season, in recognition of the consistent historical patterns of salmon bycatch, where chum salmon is more often encountered early in B season while Chinook salmon bycatch rates are highest in October. Chum salmon originating from Western Alaska is prioritized as the Data Monitor is required to take into account relevant information of the origin of chum salmon encountered when setting closures.

c. Additional Chinook Salmon Provisions

Many of the required provisions for an IPA under Amendment 110 were already a component of the MSSIP. For instance, the MSSIP has since day one had a rolling hot spot program for salmon bycatch avoidance that operates throughout the entire A season and B season and a requirement that salmon savings credits are limited to a maximum of three years. The vessels in the mothership sector have also agreed for years to use salmon excluder devices at all times, with recognition of contingencies, and included this requirement in the 2014 amendment to the IPA. Because of these measures and because of the nature of mothership fishery operations, as described in presentations before the Council during the development of

Amendment 110, the participants in the MSSIP has not had the emergence of any vessels that have consistently higher bycatch than other vessels fishing at the same time (aka "outliers"), however, should any such vessels emerge, the proposed amendment addresses penalties and restrictions applicable to those vessels at Appendix G. Data sharing has always been a part of the MSSIP as a part of the RHC Program; this revision makes such provisions explicit at Appendix H. As discussed at the Council during the development of Amendment 110, the MSSIP employs the RHC Program and its Chinook salmon priority provisions as the main measure to ensure that Chinook salmon PSC rates in October are not significantly higher than those achieved in the preceding months.

d. Description and Additional Clauses

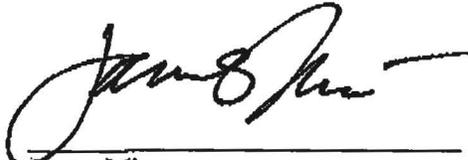
The regulations implementing Amendment 110 revised requirements for the Description section of an IPA at 50 CFR 679.21(f)(12)(iii)(E) and included requirements for explicit identification of and contact details for the IPA Representative, and inclusion of an affidavit stating that all members requesting to join are able to do so under the same terms and conditions as other members. The MSSIP has been expanded to address each required description in turn and to include the required clauses.

e. Technical Edits

The revisions under Amendment 110 are significant, thus the entire MSSIP was reviewed for consistency with the revised regulations. At the same time, the MSSIP was restructured to improve readability, put defined terms in alphabetical order, and compile general provisions in a section separate from the MSSIP Rules.

Should you have any questions about the enclosed, please contact me.

Respectfully submitted,



James Mize
MSSIP IPA Representative

Enclosures:

1. Application for Proposed Incentive Plan Agreement (IPA) and List of Participant
2. Salmon Bycatch Addendum to the Mothership Fleet Cooperative Membership Agreement, dated November 15, 2016
3. Amended Mothership Salmon Savings Incentive Plan Agreement (Revision 5, dated November 15, 2016)

Revised: 9/25/2015

OMB Control No. 0648-0401 Expiration Date: 01/31/2018

	<p>Application For PROPOSED INCENTIVE PLAN AGREEMENT (IPA) AND LIST OF PARTICIPANTS</p>	<p>U.S. Dept. of Commerce NOAA/National Marine Fisheries Service (NMFS) Sustainable Fisheries Division P.O. Box 21668 Juneau, AK 99802-1668 Fax: 907-586-7131 Telephone: 907-596-7228</p> 
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This application and the IPA must be received by NMFS by October 1

TYPE OF APPLICATION		
Indicate whether this application is for		
<input type="checkbox"/> New IPA	<input checked="" type="checkbox"/> Amended IPA	<input type="checkbox"/> Change IPA Participant List
NOTE: Attach Incentive Plan Agreement.		

BLOCK A - IPA INFORMATION	
1. Name of IPA: Mothership Salmon Savings Incentive Plan	2. IPA Number: 3

BLOCK B - IPA CONTACT INFORMATION		
1. Name of IPA's Representative: James Mize		2. Name of Agent for Service of Process, if different from representative Mundt MacGregor, L.L.P.
3. Permanent Business Mailing Address: 333 First Avenue West Seattle, WA 98119		4. Temporary Business Mailing Address (if applicable):
5. Business Telephone No.: 206-286-8584	6. Business Fax No.: 206-286-8810	7. E-mail address: james@prempac.com

BLOCK C - VESSEL IDENTIFICATION

Attach additional sheet if necessary.

Name of vessel	ADF&G No.	Federal Fisheries Permit No.
American Beauty - Mothership	24255	1688
Pacific Challenger - Mothership	06931	657
Nordic Fury - Mothership	00200	1094
Pacific Fury - Mothership	00033	421
Margaret Lyn - Mothership	31672	723
Misty Dawn	68858	5946
Vanguard - Mothership	39946	519
California Horizon	33697	412
Oceanic - Mothership	03404	1667
Mar-Gun - Mothership	12110	524
Mark 1 - Mothership	06440	1242
Aleutian Challenger	62152	1687
Ocean Leader - Mothership	00032	1229
Popado II	55512	2087
Morning Star	41009	7270
Traveler - Mothership	58821	3404
Vesteraalen	38342	517
Alyeska - Mothership	00045	395
Western Dawn - Mothership	22294	134

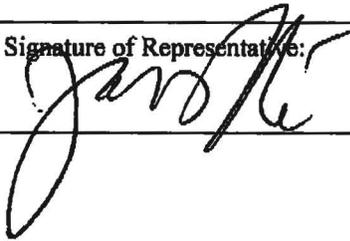
BLOCK D- AFFIRMATION

(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 E- 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:	2. Signature of Representative:	3. Date Signed:
James Mize		11/16/2016

PUBLIC REPORTING BURDEN STATEMENT

Public reporting burden for this collection-of-information is estimated to average 40 hours per response, including the time for reviewing the instructions, searching the existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Assistant Regional Administrator, Sustainable Fisheries Division, NOAA National Marine Fisheries Service, P.O. Box 21668, Juneau, AK 99802-1668.

ADDITIONAL INFORMATION

Before completing this form, please note the following: 1) Notwithstanding any other provision of law, no person is required to respond to, nor shall any person be subject to a penalty for failure to comply with, a collection-of-information subject to the requirements of the Paperwork Reduction Act, unless that collection-of-information displays a currently valid OMB Control Number; 2) This information is mandatory and is required to manage commercial fishing efforts under 50 CFR part 679 and under section 402(a) of the Magnuson-Stevens Act (16 U.S.C. 1801, *et seq.*) as amended in 2006; 3) Responses to this information request are confidential under section 402(b) of the Magnuson-Stevens Act as revised in 2006. They are also confidential under NOAA Administrative Order 216-100, which sets forth procedures to protect confidentiality of fishery statistics.

**SALMON BYCATCH MANAGEMENT ADDENDUM
TO THE
MOTHERSHIP FLEET COOPERATIVE MEMBERSHIP AGREEMENT**

This SALMON BYCATCH MANAGEMENT ADDENDUM TO THE MOTHERSHIP FLEET COOPERATIVE MEMBERSHIP AGREEMENT (this "Addendum") is entered into by and among the members of the Mothership Fleet Cooperative (the "Members") and the Mothership Fleet Cooperative (the "Cooperative") as of November 15, 2016, with reference to the following facts:

RECITALS

A. The Members employ fishing vessels in the mothership sector of the Bering Sea directed pollock fishery (the "Fishery"), and have organized their fishing activities pursuant to the Mothership Fleet Cooperative Membership Agreement dated as of January 6, 2000, as amended by that First Amendment to Membership Agreement entered into as of May 31, 2001, that Second Amendment to Membership Agreement entered into as of January 22, 2002, that Third Amendment to Membership Agreement entered into as of January 6, 2004, that Fourth Amendment to Membership Agreement entered into as of January 4, 2005, and that Fifth Amendment to Membership Agreement entered into as of January 3, 2007 (the "Membership Agreement").

B. The Members from time to time catch Chinook and non-Chinook salmon incidentally in connection with their pollock fishing activity in the Fishery.

C. In conjunction with earlier regulations regarding salmon bycatch management, the then members of the Cooperative entered into a Membership Agreement Addendum dated January 2006 (the "2006 Addendum"), which has not been updated to reflect changes in the applicable regulations.

D. Amendment 91 to the Bering Sea/Aleutian Islands Groundfish Fishery Management Plan ("BSAI Groundfish FMP") and its implementing regulations at 50 CFR 679.21(f) imposed a hard cap on the amount of Chinook salmon that may be caught incidentally by the mothership sector and encouraged the formulation of an incentive plan agreement that incentivizes mothership sector participants to minimize their Chinook salmon bycatch.

E. In response to Amendment 91, the Cooperative entered into an incentive plan agreement dated January 5, 2011 on behalf of all of the Members (as amended from time to time, including without limitation in response to Amendment 110, the "MSSIP").

F. In order to memorialize the Members' agreement to abide by the MSSIP and to cause their vessels to operate in accordance with its terms, the Members entered into an Amendment to the Mothership Fleet Cooperative dated September 29, 2010, and

an Amendment to the September 29, 2010 Amendment dated January 6, 2014 (collectively, the "MSSIP-related Amendment").

G. Amendment 110 to the BSAI Groundfish FMP and its implementing regulations at 50 CFR 679.21(f) established further requirements for incentive plan agreements including provisions related to bycatch of both Chinook and non-Chinook (chum) salmon, which has resulted in additional amendments to the MSSIP.

H. The Members are entering into this Addendum to supersede the 2006 Addendum and the MSSIP-related Amendment, to respond to regulatory changes with respect to Chinook and non-Chinook salmon bycatch management, to have the Members adhere to the current regulations and MSSIP, and for other purposes described herein.

Now, therefore, the parties agree as follows:

AGREEMENT

1. **Effect of This Addendum.** This Addendum supplements the Membership Agreement. The terms of this Addendum shall prevail over any inconsistent terms of the Membership Agreement. This Addendum supersedes and replaces in their entirety both the 2006 Addendum and the MSSIP-related Amendment, both of which are henceforth null and void and of no further force and effect.
2. **Adherence to MSSIP.** Each of the Members hereby approves the MSSIP in all respects, authorizes the Representative to execute the same on its behalf, and agrees to be bound by and to comply with terms of the MSSIP. The Members intend that execution of this Addendum be deemed for all purposes to have the same legal effect as direct execution of the MSSIP. Each Member acknowledges that it has received a copy of the MSSIP, and is familiar with its terms. Each Member agrees to cause such Member's vessels to comply with the terms and conditions of the MSSIP, and to exercise best efforts to operate its vessels in such a manner as to cause the Cooperative to comply with the same. Each Member agrees that the MSSIP and the Membership Agreement shall be construed together to give full force and effect to the MSSIP.
3. **Implementation of MSSIP.** Each Member acknowledges that the Cooperative must take certain actions from time to time to give effect to the MSSIP, to obtain the benefit of the bycatch reduction exemption from the regulatory Chum Salmon Savings Area closures described at 50 CFR 679.21(f)(14), and to ensure that the MSSIP continues to comply with applicable law as such changes from time to time; accordingly, each Member hereby authorizes the Cooperative to take all such actions and execute all such documents that the Cooperative's Board of Directors reasonably deems necessary for such purposes including without limitation adopting amendments to the MSSIP as necessary from time to time to ensure the MSSIP complies with applicable law.

- 4 **Cooperative as Mothership Sector Entity.** The Members hereby designate the Cooperative as the entity to receive an allocation of Chinook salmon PSC on behalf of the mothership sector.
- 5 **IPA Representative.** The Members hereby appoint James Mize as the Cooperative's IPA Representative ("Representative").
- 6 **Registered Agent.** The Members hereby appoint Mundt MacGregor L.L.P. as the Cooperative's agent for purposes of service of process (the "Agent").
- 7 **Authorization to Act on Behalf of Members with Respect to Salmon Bycatch Management.** The Members hereby authorize each of the Cooperative, Representative, and Agent, acting individually, to act on behalf of the Members and the mothership sector with respect to all matters relating to Chinook and non-Chinook salmon PSC, including without limitation applying for, receiving, managing, and transferring Chinook salmon PSC allocations, and performing any acts, and executing and delivering any documents, instruments, applications, and agreements that such party reasonably deems necessary or appropriate to fulfil the purposes of this Addendum and the MSSIP and to achieve the maximum possible benefit to the Members and the mothership sector associated with Chinook and non-Chinook salmon PSC.
- 8 **Data Monitoring and Waiver of Confidentiality.** The Members acknowledge that the effectiveness of the bycatch management program being implemented under this Agreement depends on rapidly gathering, analyzing and disseminating accurate data concerning salmon bycatch in the Fishery. The Members therefore agree as follows.
 - 8.1 **Data Sharing Agreement.** Each Member hereby approves that certain Bering Sea Salmon Bycatch Data Sharing Agreement among the mothership, inshore, and catcher/processor sector IPA representatives, authorizes the Representative to enter into such data sharing agreement on behalf of the Members and to take any other actions necessary or appropriate to ensure the mothership sector complies with the requirements of Amendment 110 and associated regulations with respect to a fishery-wide in-season salmon PSC data sharing agreement. Each Member hereby agrees to abide by each and every term of such data sharing agreement and authorizes and approves the disclosures described therein.
 - 8.2 **Maintenance of an Approved and Operational Vessel Monitoring System.** Each Member shall at all times maintain an operational vessel monitoring system ("VMS") unit approved by the Cooperative's quota harvest monitoring service (the "Data Monitor") on all of its vessels at all times that its vessels participate in the Fishery.
 - 8.3 **Release of Confidential Data.** Each Member agrees to cause its vessels' VMS tracking data, State and Federal landing reports, and observer data to be

released to the Data Monitor as promptly as commercially practicable and on a basis that enables the Data Monitor to determine whether such Member's vessels have operated in compliance with the MSSIP. Each Member agrees that in the event that the Data Monitor concludes that its vessels may have violated the MSSIP, the Data Monitor may release such data as the Data Monitor in its sole discretion determines appropriate to facilitate enforcement of the MSSIP.

- 9 Enforcement of MSSIP. Each Member hereby authorizes the Cooperative to take any and all actions reasonably necessary to enforce the MSSIP in accordance with its terms.

9.1 Records Presumed Accurate for Determining Compliance. Each Member agrees that the information contained in the records identified in Section 8.1, above, shall be presumed accurate absent a clear and compelling demonstration of manifest error, and shall be presumed sufficient to determine its compliance with the terms and conditions of the MSSIP.

9.2 Attorneys' Fees. Notwithstanding anything to the contrary herein, each Member agrees that in connection with any action taken to enforce the MSSIP, the prevailing party shall be entitled to the costs and fees it incurs in connection with such action, including attorneys' fees.

- 10 Withdrawal from MSSIP. A Member may withdraw from the MSSIP effective as of December 31 of a given year, by providing written notice to the Cooperative and all other Members on or before the preceding September 1. Upon withdrawal from the MSSIP, the terms of this Addendum shall have no application as regarding events occurring on or after the date of withdrawal.

- 11 Release and Waiver of All Claims Against Data Monitor and Representative; Indemnification and Hold Harmless. The Members acknowledge that the effectiveness of the MSSIP depends to a significant extent on the discretion and judgment exercised by principals and employees of the Data Monitor and by the Representative in, among other things, designating and defining Bycatch Avoidance Areas, determining each Fleet's salmon bycatch tier status, monitoring compliance with area closures, initiating and supporting enforcement actions under circumstances where a Member appears to have violated the MSSIP, and reporting on the performance of the Fishery to the North Pacific Fishery Management Council and regulatory bodies. The Members further acknowledge that if the Data Monitor or Representative were potentially liable for simple negligence in connection with such actions, it would be necessary for the Data Monitor and Representative to charge a substantially larger fee for the services they provide in connection with the MSSIP to offset that potential liability. It is therefore in the Members' interest to limit the Data Monitor's and Representative's potential liability with respect to the MSSIP. Therefore, each Member hereby waives and releases any and all claims against the Data Monitor or the Representative arising out of or relating to the Data Monitor's or

Representative's services in connection with the MSSIP, other than those arising out of gross negligence or willful misconduct by the Data Monitor or Representative.

12 Miscellaneous.

- 12.1 No amendment to this Addendum shall be effective against a party hereto unless in writing and duly executed by such party. The parties agree to amend this Addendum as reasonably necessary to maintain the effectiveness of this Addendum and the MSSIP in response to changes in law or circumstances.
- 12.2 This Addendum shall be governed by and construed in accordance with applicable federal law and the laws of the State of Washington.
- 12.3 This Addendum may be executed in counterparts which, when taken together, shall have the same effect as a fully executed original. Delivery of a signed copy of this Addendum by telefacsimile shall have the same effect as delivering a signed original.
- 12.4 The parties agree to execute any further documents that may be necessary or convenient to give effect to the intents and purposes of this Addendum.
- 12.5 All notices given under this Addendum shall be given in accordance with the procedures specified in the Membership Agreement.
- 12.6 In the event that any provision of this Addendum is held to be invalid or unenforceable, such provision shall be deemed to be severed from this Addendum, and such holding shall not affect in any respect whatsoever the validity of the remainder of this Addendum.
- 12.7 Disputes arising under this Addendum shall be resolved pursuant to the procedures described in the Membership Agreement.

[Signature page follows]

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**AMENDED MOTHERSHIP SALMON SAVINGS
INCENTIVE PLAN AGREEMENT**

This MOTHERSHIP SALMON SAVINGS INCENTIVE PLAN AGREEMENT (MSSIP or Agreement) is entered into as of January 5, 2011 by and among the vessels and entities listed on Exhibits A and B hereto, and any other members admitted pursuant to this Agreement (together, the “Members”).

I. RECITALS

A. Amendment 91 to the Fishery Management Plan for Groundfish of the Bering Sea and Aleutian Islands Fishery (BSAI Groundfish FMP) combines a hard cap on the amount of Chinook salmon that may be caught incidentally with an Incentive Plan Agreement (“IPA”) and a Performance Standard designed to minimize Chinook salmon bycatch to the extent practicable in all years and prevent Chinook salmon bycatch from reaching the limit in most years.

B. Amendment 110 to the BSAI Groundfish FMP establishes additional criteria for an IPA, including incorporation of chum salmon bycatch measures, additional incentives, penalties, and other restrictions or performance criteria relative to Chinook salmon bycatch, requirement for an industrywide data sharing agreement, and provisions to address a lowered Chinook salmon Performance Standard during years of low Chinook salmon abundance in Western Alaska.

C. The Members of this Agreement believe that an incentive plan that creates incentives for Chinook salmon avoidance at all rate of encounters is a more effective means of reducing Chinook salmon bycatch than a lower hard cap without incentive measures, and that incentives and measures for the reduction of bycatch of Chum salmon of Western Alaskan origin must be designed to avoid conflicting with Chinook salmon bycatch reduction measures.

D. Mothership fishing operations are uniquely dependent upon individual fishermen’s ability to work cooperatively. Under a Chinook salmon Incentive Plan Agreement, incentives to avoid bycatch of Chinook salmon at all rates of encounter and Chum salmon of western Alaskan origin must not only exist at the individual vessel level but also at the Fleet level such that individual incentives are carefully balanced with the need to maintain cohesive and efficient Fleets. Since many decisions related to salmon avoidance strategies must be made collectively by the Vessels and processor (Fleet), it is at that level where the incentive to avoid Chinook salmon at all rates of encounter is most appropriately directed.

E. In order to qualify for approval, an IPA must represent at least nine percent (9%) of the annual BSAI directed pollock allocation and must be composed of two or more unaffiliated entities as defined in 50 CFR 679.2.

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F. The Members, which represent nine percent of the BSAI directed pollock fishery, desire to form an IPA meeting all requirements for approval under the regulations implementing Amendments 91 and 110.

G. The name of this Incentive Plan Agreement shall be the **Mothership Salmon Savings Incentive Plan (MSSIP)**.

Now, therefore, the parties agree as follows:

II. AGREEMENT

A. DEFINITIONS

1. **Annual Allocation** – The mothership sector’s annual threshold amount is the annual number of Chinook salmon allocated to the mothership sector under the 60,000 Chinook salmon PSC limit, as shown in the table in 50 CFR 679.21 (f)(3)(iii)(A)(2), or the 45,000 Chinook salmon PSC limit in low Chinook salmon abundance years, as shown in 50 CFR 679.21 (f)(3)(iii)(B)(2). The Annual Allocation for the Mothership Sector under the 60,000 Chinook PSC limit is 4,674 Chinook salmon, and under the 45,000 Chinook salmon PSC limit in low Chinook salmon abundance years is 3,510 Chinook salmon, assuming participation of all Mothership Sector AFA catcher vessels in an approved IPA. In the instance that one or more mothership catcher vessels “opt-out” of participating in an IPA, the Annual Allocation is reduced by the number of Chinook salmon associated with the opt-out vessels per CFR 679 Table 47b.
2. **Annual Threshold** – The mothership sector’s annual threshold amount is the annual number of Chinook salmon allocated to the mothership sector under the 47,591 Chinook salmon PSC limit, as shown in the table in 50 CFR 679.21 (f)(3)(iii)(C)(2), or the 33,318 Chinook salmon PSC limit in low Chinook salmon abundance years, as shown in 50 CFR 679.21 (f)(3)(iii)(D)(2). The Annual Threshold for the Mothership Sector under the 47,591 Chinook PSC limit is 3,707 Chinook salmon, and under the 33,318 Chinook salmon PSC limit in low Chinook salmon abundance years is 2,599 Chinook salmon, assuming participation of all Mothership Sector AFA catcher vessels in an approved IPA. In the instance that one or more mother mothership catcher vessels “opt-out” of participating in an IPA, the Annual Threshold is reduced by the number of Chinook salmon associated with the opt-out vessels per CFR 679 Table 47b.
3. **Available Cap** – The sum of a Vessel’s Base Cap Allocation and Salmon Savings Credits (up to the amount required to achieve the Use Cap Limit) is the Available Cap. In any given year, Available Cap may not exceed the Use Cap Limit.
4. **Base Cap Allocation** – As applied to the mothership sector, under MSSIP A, each Vessel in the IPA receives a share of the Annual Threshold (less the buffer), pro-rata to its Mothership

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Fleet Cooperative (MFC) share of pollock. Under MSSIP B, each Vessel in the IPA receives a share of not less than 85% of the Mothership Sector Annual Threshold (less the buffer), pro-rata to its MFC share of pollock. MFC pollock percentages are provided in Appendix A. For Catcher Processors, Inshore Catcher vessels, or CDQ groups, Base Cap Allocation refers to the respective allocation of Chinook salmon PSC.

5. **Best Management Practices** – Responsible fishing practices designed to minimize the incidental catch of Chinook and Non-Chinook Salmon Species including a process for annual review of the MSSIP in order to consider new information and to modify provisions of the MSSIP if appropriate, as set forth in Appendix F.
6. **Bycatch Avoidance Areas** - Specific areas designated on the pollock fishing grounds of relatively high encounters of Chum salmon during the times when those of Western Alaska origin are more prevalent or Chinook salmon at any time, as described in the Rolling Hotspot Closure Program (in Appendix D).
7. **Fishery** – The Bering Sea pollock fishery including the Mothership, Catcher Processor Sector, and Inshore Catcher vessel sectors, and CDQ Groups.
8. **Fleet** – A group of Vessels intending to land some or all of their MFC share of pollock to a particular mothership processor. There are three eligible AFA mothership processors.
9. **Member** – A participant in this Agreement is considered a Member. In addition to Mothership Fleet Cooperative catcher vessels (listed in Appendix A), American Fisheries Act (AFA) Catcher Processors, AFA Inshore Catcher-vessels, and CDQ Groups are eligible to be Members. A list of Member AFA Catcher Processors, AFA Inshore Catcher vessels, and CDQ groups is provided as Appendix B.
10. **MSSIP A** – In MSSIP A the Chinook salmon Use Cap Limit for the Mothership Sector is equal to the Mothership Sector's Annual Allocation. MSSIP A refers to the Rules in place when the sector's Annual Threshold has not been exceeded twice in six or fewer years.
11. **MSSIP B** – In MSSIP B the Chinook salmon Use Cap Limit for the Mothership Sector is equal to the Mothership Sector's Annual Threshold. MSSIP B refers to the Rules in place when the Mothership Sector's Annual Threshold has been exceeded twice in six years or less or upon voluntary adoption by the Mothership Fleet Cooperative Board of Directors.
12. **Paired Transfer** – The Transfer from one Fleet to another of Base Cap Allocation along with pollock such that the ratio of Base Cap Allocation to metric tons of pollock associated with the Transfer does not exceed the ratio of the Fleet's aggregated Base Cap Allocation to the Fleet's aggregated MFC metric tons of pollock is considered a Paired Transfer.
13. **Performance Standard** – If a sector (mothership, catcher processor, inshore, or CDQ) exceeds its Annual Threshold more than two times in seven years, then it is no longer allowed to operate under an IPA or IPAs and the Annual Threshold becomes a hard cap for that sector. In order to avoid exceeding the Performance Standard, the IPA treats the Annual Threshold

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as a hard cap if the Annual Threshold has been exceeded twice in six or fewer years (See Definition of MSSIP B)

14. Rolling Hotspot Closure (RHC) Program – A program throughout the entire pollock “A” season (January 20 through June 10) and “B” season (June 10 through November 1) that establishes the incentive to maintain low bycatch rates in order to have access to all productive fishing grounds (the RHC Program is described in Appendix D).
15. Salmon Savings – The difference between a Fleet’s aggregated Base Cap Allocation and its total annual aggregated Chinook salmon bycatch is its annual Salmon Savings. For example, if a Fleet has an annual aggregated Base Cap Allocation of 1,000 Chinook salmon and takes 300 Chinook salmon as bycatch, that Fleet has saved 700 Chinook salmon. If a Fleet reaches or exceeds its aggregated Base Cap Allocation (through use of Salmon Savings Credits), then no savings are achieved in that year.
16. Salmon Savings Credit – A Fleet receives Salmon Savings Credits based on a ratio to its Salmon Savings. The ratio of Salmon Savings to Salmon Savings Credits shall be reviewed by the Mothership Fleet Cooperative Board of Directors from time to time, but in no case will be less than 2.29 to 1. A Salmon Savings Credit may not be transferred from one Fleet to another or from the Mothership Sector to another sector. A Salmon Savings Credit may be used once in the three years following the year in which it was earned.
17. Season – The term Season refers to the pollock “A” season or the pollock “B” season.
18. Seasonal Limit – The portion of the Annual Allocation available to the Mothership Sector during “A” season and “B” season is the Seasonal Limit. In a year that NMFS does not determine to be a low Chinook salmon abundance year, the “A” season limit is 3,360 Chinook salmon (assuming no “opt-out” vessels) and the “B” season limit is 1,314 Chinook salmon plus any unused “A” season Chinook salmon. In a year that NMFS determines to be a low Chinook salmon abundance year, the “A” season limit is 2,520 Chinook salmon (assuming no “opt-out” vessels) and the “B” season limit is 987 Chinook salmon plus any unused “A” season Chinook salmon.
19. Transfer – Subject to the limitation set forth herein, some or all of a Base Cap Allocation may be conveyed from one Fleet (or pooled Fleet) to another Fleet (or pooled Fleet), or to or from another sector by means of a Transfer.
20. Transfer Discount – In order to encourage the transfer of pollock to “clean” fishermen, Unpaired Transfers are taxed so that the transferee receives a number of Chinook salmon that is smaller than the number of Chinook salmon conveyed by the transferor. This is the Transfer Discount. Transfers required during periods of low Chinook salmon encounters are discounted at a higher rate than Transfers occurring during periods of high Chinook salmon encounters. A Transfer Discount Table, which is used to determine the appropriate discount for a specific Transfer, is included as Appendix C.

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21. Unpaired Transfer – The Transfer from one Fleet to another of Base Cap such that the ratio of Base Cap to pollock associated with the Transfer exceeds the ratio of the Fleet's aggregated Base Cap Allocation to the Fleet's aggregated MFC metric tons of pollock is considered an Unpaired Transfer.
22. Use Cap Limit – Under MSSIP A, each Vessel's Use Cap Limit is their share of the Mothership Sector Annual Allocation (less the buffer) pro-rata to its MFC share of pollock. Under MSSIP B, a Vessel's Use Cap Limit is their share of the Mothership Sector's Annual Threshold (less the buffer), but that share of the Annual Threshold is determined by the ratio of Salmon Savings Credits (see Definition) and Base Cap Allocation and by the number of Salmon Savings Credits available to that Vessel.
23. Vessel – A member of the Mothership Fleet Cooperative ("MFC") and a Member in this IPA. A list of Vessels is provided as Appendix A.

B. DESCRIPTION

The Mothership Salmon Savings Incentive Plan (MSSIP) is a dynamic Incentive Plan Agreement that prioritizes Chinook salmon bycatch avoidance while preventing high chum salmon bycatch and allowing the flexibility to harvest pollock in times and places that best support those goals. As such, the MSSIP is responsive to changing environmental conditions, the status of Chinook salmon abundance, and rates of salmon bycatch encounters in the mothership pollock fishery. Through active review of Fleet performance, the MSSIP is able to respond to changing conditions more quickly than Council or regulatory processes by adjusting provisions as warranted in order to carefully balance incentives and penalties under any condition of pollock and Chinook salmon abundance in all years.

The MSSIP consists of three elements designed to result in reduced bycatch of chum salmon of Western Alaska origin and Chinook salmon avoidance at all levels of encounters. First, the MSSIP creates incentives for Fleets to "earn" Salmon Savings Credits in order to provide the ability in future years to exceed their share of the Annual Threshold up to but not exceeding the Annual Allocation, by keeping Chinook salmon bycatch considerably below the Annual Threshold in most years. Second, a Rolling Hotspot Closure (RHC) Program insures that MSSIP participants avoid areas with relatively higher salmon bycatch rates even when actual salmon bycatch encounters are low and when the Annual Threshold is not likely to be an influence on behavior. Third, the MSSIP requires that Vessels conduct fishing operations consistent with Best Management Practices designed to minimize salmon encounters and reduce salmon bycatch.

1. Incentives – Each operator of a Vessel participating in the MSSIP is motivated to avoid Chinook salmon in order to earn credits as a means to establish "insurance" against years when encounter rates are particularly high and salmon bycatch amounts, even after best efforts of avoidance are taken operating under Best Management Practices, are large. It is that "insurance", the ability to exceed the Annual Threshold in years of high encounters, that likely offers the ability to harvest all, or at least more, of one's annual pollock allocation than a Vessel

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or Fleet could if it was limited to their share of the Annual Threshold. In short, the primary incentive in the MSSIP is to insure the ability to harvest one's pollock allocation without violating the Chinook salmon Performance Standard. This incentive is further supported by the provisions of MSSIP B, which retains the value of credits in years when the fishery is managed to a lower cap, whether due to bycatch above the Annual Threshold in two out of six years or if voluntarily adopted by the Mothership Fleet Cooperative Board of Directors.

The RHC Program establishes the incentive to maintain low bycatch rates in order to have access to all productive fishing grounds. Fleets achieving relatively low bycatch rates of chum salmon of Western Alaska origin and of Chinook salmon are not constrained by hotspot closures, while Fleets with average or higher rates are. The RHC Program creates the incentive to find ways and means to harvest pollock while avoiding Chum salmon bycatch during the times when those of Western Alaska origin are more prevalent and Chinook salmon bycatch at all times. Additionally, the RHC Program insures that Fleets failing to meet that standard will be excluded from the fishing areas with the highest bycatch rates.

2. Incentives to Avoid Chum Salmon Do Not Increase Chinook Salmon Bycatch – The MSSIP maintains measures to prevent the incentives to avoid chum salmon bycatch from increasing Chinook salmon bycatch. There are no credits earned for avoiding chum salmon, thus the primary incentive, earning credits as a means of establishing “insurance” assures the priority of avoiding Chinook salmon bycatch. The RHC Program also maintains provisions to prioritize Chinook salmon avoidance over chum salmon avoidance in establishing closure areas.

3. Rewards and Penalties – The MSSIP is designed to create rewards and penalties for bycatch performance relative to the Annual Threshold. If the Vessels in a Fleet are successful in keeping their Chinook salmon bycatch considerably below the Annual Threshold in most years, those Vessels will be rewarded with Salmon Savings Credits that allow them to exceed their Annual Threshold in years of high Chinook salmon bycatch encounters. On the other hand, Fleets of Vessels which are unable to maintain bycatch levels significantly below their Annual Threshold will be penalized by not receiving Salmon Savings Credits, therefore making it unlikely that those Vessels will have a sufficient Available Cap in years of high Chinook salmon bycatch encounters.

It is important to note that in the Mothership Sector, these rewards and penalties are in play at both the individual Vessel and at the Fleet level. Each Fleet will start the fishing season with the aggregated Available Cap of its Vessels. While this pooling is necessary to insure that the Fleet is able to work cooperatively throughout the year, each Vessel has a responsibility to the Fleet to avoid Chinook, and each Vessel has a stake in the performance of all of the other Vessels in the Fleet because the rewards (and penalties) of each Fleet's performance are “disaggregated” back to the individual Vessels at the end of the season. The process of disaggregating Available Cap in the MSSIP is designed to insure that the rewards and penalties are distributed back to Vessels in proportion to their initial contribution of Available Cap.

The RHC Program, which is also administered at the Fleet level in the Mothership Sector, provides additional rewards and penalties. Fleets with higher salmon bycatch are penalized by being excluded from Bycatch Avoidance Areas. Fleet earn the reward of fishing without the

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constraint of Bycatch Avoidance Areas when they achieve lower than average Chum salmon bycatch, especially during times when those of Western Alaska origin are more prevalent, and lower than average Chinook bycatch rates at all times.

4. Expected Reductions in Chinook Salmon and Chum Salmon Bycatch – Fishing under a Chinook salmon hard cap without MSSIP incentive measures would likely take the form of a pure “cap and trade” model. Absent a compelling incentive to do otherwise, Fleets would likely incur only as much Chinook salmon avoidance “cost” as was necessary to harvest their entire pollock allocation without exceeding the cap. So, in any given year in which the Chinook salmon cap did not appear to be constraining, there would be virtually no incentive to avoid Chinook salmon.

The incentives established in the MSSIP override the pure “profit” motive in two ways. First, they create significant rewards for keeping Chinook salmon bycatch far below the “constraining” level by creating the need for the “insurance” of Salmon Savings Credits against years when Chinook salmon bycatch encounters are high. Basically, a Fleet that chose to fish up to the Annual Threshold in most years in order to reduce its cost of Chinook salmon avoidance would find its ability to harvest its entire pollock quota at great risk in years of high Chinook salmon bycatch encounters.

The RHC Program insures that when Chinook salmon bycatch encounters are so low that sufficient Salmon Savings Credits can be created without much avoidance effort, a Fleet that might not otherwise be responsive to the need to avoid Chinook salmon bycatch when encounter levels are low would be closed out of the Bycatch Avoidance Areas. Similarly, the chum salmon provisions of the RHC Program are designed to close Bycatch Avoidance Areas during times when it is likely that chum salmon from Western Alaska are present. These measures are anticipated to reduce salmon bycatch rates overall as compared to what would occur in the absence of the MSSIP.

5. Incentive Measures in Various Conditions of Pollock and Chinook Abundance – Since pollock and Chinook salmon abundance and encounter rates of Chinook and chum salmon bycatch vary annually; fishermen cannot predict their future need for Salmon Savings Credits (which could be driven by high Chinook salmon bycatch encounters, a very large pollock quota, or some combination thereof). As well, since Salmon Savings Credits generated in the MSSIP expire after three years, there is a significant incentive to keep Chinook salmon bycatch considerably below the Annual Threshold in all years so that expiring Salmon Savings Credits are replenished with new credits. Incentives are further supported by the Mothership Fleet Cooperative Board of Directors retaining discretion to voluntarily adopt more stringent measures when circumstances warrant. The ability to recalibrate how Salmon Savings Credits are earned and used strengthens the MSSIP and allows it to be more responsive to changes in abundance of Chinook salmon and encounter rates of Chinook salmon bycatch.

While the MSSIP encourages Chinook salmon avoidance in the present in order to establish insurance against future high encounters, the RHC Program component of the Agreement is a real-time mechanism to insure that Vessels achieving average or higher-than-average bycatch rates of Chinook salmon or chum salmon of Western Alaska origin are

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prevented from fishing in areas where bycatch rates are believed to be highest. The RHC Program is in place from start to finish of each fishing season, regardless of pollock quota or Chinook salmon abundance.

In addition, the MSSIP includes operational standards that Vessels agree to abide by in any condition of pollock or salmon abundance. These standards influence operational decisions by vessel operators and are set forth in the Best Management Practices in Appendix F.

6. Managing Chinook Salmon Bycatch To Stay Below the Performance Standard – Under MSSIP B, which is in effect when the Mothership Sector has exceeded its Annual Threshold twice in six or fewer years or upon voluntary adoption by the Mothership Fleet Cooperative Board of Directors, the Annual Threshold becomes a hard cap and a lower, “artificial” threshold is established. This Rule, in addition to a one percent buffer, insures that the Mothership Sector does not exceed the Performance Standard. For MSSIP participants from other sectors, those participants must operate under the Rules of MSSIP B when and if their respective sector exceeds its Annual Threshold twice in six or fewer years. While the Rules of the MSSIP do not control the actions of vessels in other sectors that belong to a different IPA, the MSSIP Rules insure that participating Catcher Processors, Inshore Catcher Vessels, and CDQ Groups do not exceed their pro-rata “share” of their respective sector’s Annual Threshold in years when the Performance Standard is vulnerable.

7. Managing Chum Salmon Bycatch to Avoid Areas and Times Where Chum Salmon Are Likely to Return to Western Alaska – The RHC Program is the main measure to ensure that Vessel operators avoid chum salmon likely to return to Western Alaska. The RHC Program establishes Bycatch Avoidance Areas based on reports of high chum salmon bycatch and prioritizes chum salmon closures during times when chum salmon of Western Alaskan origin are believed to be on the grounds as determined by review of genetic stock identification reports to the North Pacific Fishery Management Council, in-season information, and other information developed under the Adaptive Management provisions of the MSSIP Best Management Practices. Closure restrictions of Bycatch Avoidance Areas serve as an incentive for reduced chum salmon bycatch, and also serve as an information-sharing protocol to further ensure that Fleets are able to avoid chum salmon bycatch. Details of the RHC Program are in Appendix D.

8. Bycatch Avoidance Area Closures – The MSSIP includes a Rolling Hot Spot Closure (RHC) Program that operates throughout the entire pollock “A” season (January 20 through June 10) and “B” season (June 10 through November 1). The RHC Program establishes the incentive to maintain low bycatch rates in order to have access to all productive fishing grounds. Notifications of closure areas and any violations are provided to a third party group consistent with the terms of the RHC Program and regulation. In addition, the MSSIP maintains a closure during the entire “A” season, the Chinook Salmon Conservation Area (see Rule 16). Details of the RHC Program and the Chinook Salmon Conservation Area are in Appendix D.

9. Outlier Penalties – The MSSIP maintains restrictions or penalties targeted at vessels that consistently have significantly higher Chinook salmon PSC rates relative to other

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vessels fishing at the same time (aka “Outlier Penalties”). Outlier penalties are specified in the next section, “MSSIP rules” and at Appendix G.

10. Salmon PSC Data Sharing Agreement – As a requirement of participation in the MSSIP, all Vessels agree to share in-season data regarding salmon PSC with participants in other incentive plan agreements in the pollock fishery. Vessels release their confidential data to the Data Monitor and authorize the IPA Representative to enter into salmon PSC data-sharing agreements on their behalf, a copy of which is attached at Appendix H.

11. Salmon Excluder Devices – Under the MSSIP Best Management Practices, all Vessels agree to use commercially reasonable efforts to use a salmon excluder at all times when fishing for pollock. Vessels agree to report to the IPA Representative any instances of non-use, such as when contingencies arise.

12. Duration of Salmon Savings Credits – The maximum duration of Salmon Savings Credits is three years after the year in which they are earned.

13. Restrictions or Performance Criteria Used to Ensure that Chinook Bycatch Rates in October are Not Significantly Higher Than Preceding Months – The RHC Program is designed to restrict each Fleet based on its salmon bycatch performance relative to the entire pollock fishery. In recognition of historic data demonstrating that Chinook salmon bycatch typically increases in September and October, the RHC Program includes provisions that adjust the threshold for chum salmon closures as the season progresses and suspends chum salmon closures when Chinook salmon bycatch triggers closures. These provisions emphasize Chinook salmon bycatch avoidance and serve to ensure that Chinook salmon bycatch rates will not be significantly higher in October.

C. MSSIP RULES

1. Assignment of Available Cap – No later than January 15 of every year, each Vessel shall declare to the IPA Representative the Fleet or Fleets to which it intends to allocate its MFC pollock allocation during the following year and each Vessel’s Available Cap shall be assigned to its declared Fleet. If a Vessel declares that it will allocate its MFC share to two or more Fleets, then that Vessel shall designate the percentage of its MFC pollock share to be allocated in each declared Fleet and its Available Cap shall be assigned to each declared Fleet pro-rata to the designation of pollock. This Rule shall not apply to Catcher Processors, Inshore Catcher vessels, or CDQ groups.

2. Management Buffer Adjustment – When operating under the Rules of MSSIP A and MSSIP B, each Vessel’s Base Cap Allocation shall be reduced, pro-rata to the Vessel’s corresponding MFC pollock share, to establish a one percent (47 Chinook salmon) management buffer. The purpose of this buffer is to prevent the Mothership Sector from exceeding the Annual Threshold and/or Annual Allocation as the result of unexpected Chinook salmon bycatch or data corrections. For Catcher Processors, Inshore Catcher vessels, or CDQ groups, the buffer shall be one percent of the Member’s Annual Allocation.

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3. Aggregation of Available Cap – Except as provided by Rules 9 and 11 of this Agreement and for the duration of the fishing year, Available Cap assigned by each Vessel to a Fleet or Fleets shall be aggregated at the Fleet level, except that each Vessel has the option of independently transferring up to five of the Fleet's Chinook salmon to another Fleet per the conditions described in Rule 9 of this Agreement. The Available Cap of a Fleet or pooled Fleet under Rule 11 may never exceed the Mothership Sector's Annual Allocation multiplied by the aggregated percentage of annual MFC pollock shares assigned to that Fleet or pooled Fleet. This Rule shall not apply to Catcher Processors, Inshore Catcher vessels, or CDQ groups.

4. Accounting of Chinook Salmon Bycatch – All Chinook salmon bycatch occurring in pollock deliveries to a particular mothership processor shall be counted against the aggregated Available Cap of the Fleet or pooled Fleet associated with that processor. Once a Fleet or pooled Fleet has reached its proportionate share of the Seasonal Limit or its annual aggregated Available Cap, it must cease fishing unless and until it obtains additional Base Cap Allocation through a Transfer from another Vessel, Fleet or pooled Fleet, or Sector as allowed per Rules 8 and 9 of this Agreement. This Rule shall apply to Catcher Processors and Inshore Catcher vessels at the vessel level and to CDQ groups at the CDQ group level.

5. Salmon Savings Credits – Salmon Savings Credits are earned by a Fleet or pooled Fleet under Rule 11 by taking fewer Chinook salmon as bycatch than its aggregated Annual Threshold. A Fleet receives Salmon Savings Credits based on a ratio to its Salmon Savings. The ratio of Salmon Savings to Salmon Savings Credits shall be determined by the Mothership Fleet Cooperative Board of Directors, but in no case will be less than 2.29 to 1. For instance, if the ratio is determined to be 2.29, for every 2.29 Base Cap Chinook salmon left unused by the Fleet or pooled Fleet, that Fleet or pooled Fleet shall receive one Salmon Savings Credit. Salmon Savings Credits shall be calculated by the IPA Representative each year following the completion of directed pollock fishing by all Fleets. Salmon Savings Credits earned that year shall be distributed to all Vessels in each Fleet or pooled Fleet pro-rata to the pollock quota assigned to that Fleet or pooled Fleet by each Vessel in that year for use in one of the following three years. This Rule shall apply to Catcher Processors and Inshore Catcher vessels at the vessel level and to CDQ groups at the CDQ group level.

6. Duration of Salmon Savings Credits – A Salmon Savings Credit may be used once in the three years following the year in which it was earned. Salmon Savings Credits shall be accounted for on a "first-in, first out" basis such that all three-year-old aggregated Salmon Savings Credits are used first, then all two-year-old credits, then all one-year-old credits. This rule shall apply to Catcher Processors and Inshore Catcher vessels at the vessel level and to CDQ groups at the CDQ group level.

7. End-of-Season Disaggregation of Remaining Available Cap – When a Fleet or pooled Fleet under Rule 11 has harvested all of the pollock it has designated to a particular mothership processor or on November 1, whichever comes first, all remaining Available Cap shall be disaggregated and made available to all Vessels in each Fleet or pooled Fleet pro-rata to the Available Cap assigned to that Fleet or pooled Fleet by each Vessel in that year. Each Vessel shall receive a proportionate number of remaining two-year-old and one-year old Salmon

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Savings Credits regardless of the age of the credits contributed by that Vessel when its Available Cap was assigned to a Fleet or Fleets. The IPA Representative shall be responsible to notify each Vessel of its end-of-season remaining Available Cap. This Rule shall not apply to Catcher Processors, Inshore Catcher vessels, or CDQ groups.

8. Fleet-Level Transfers – Prior to the disaggregation of remaining Available Cap and subject to the restrictions described herein, one Fleet (or pooled Fleet) may, with the agreement of all member Vessels in that Fleet, transfer some or all of its unused Base Cap Allocation to another Fleet, the Catcher Processor Sector, an AFA Inshore Cooperative, or a CDQ Group, or may acquire through Transfer additional Chinook salmon from another Sector or Inshore Cooperative. Paired Transfers from one Fleet to another Fleet are not subject to the Transfer Discount. All Unpaired Transfers and Fleet-level Transfers to the Catcher Processor Sector, an AFA Inshore Cooperative, or a CDQ Group are subject to the Transfer Discount. Salmon Savings Credits may not be transferred in-season under any circumstances. Base Cap Allocation transferred to a Fleet will be assigned and accounted for in the same manner as the initially assigned Available Cap. A Fleet that makes Unpaired Transfers of unused Base Cap Allocation to another Fleet is prohibited from using any available Salmon Savings Credits in the year of that Transfer, and a Fleet may not use Unpaired Transfers of Base Cap Allocation until it has used all of its original Available Cap. A Fleet is prohibited from transferring Base Cap Allocation from another Sector unless the Mothership Sector has already exceeded its Annual Threshold in the same year. At the time of a Fleet-Level Transfer, the members of the transferring Fleet shall be responsible to provide the IPA Representative with a signed MSSIP Transfer Notice (see Appendix E). This Rule shall apply to all Transfers made by Catcher Processors, Inshore Catcher vessels, and CDQ groups participating in this Agreement.

9. Vessel-Level Transfers – Once a Fleet (or pooled Fleet) has harvested at least 75% of its annual aggregated MFC pollock share and provided that at least 25% of the Fleet's or pooled Fleet's Base Cap Allocation remains unused, but prior to disaggregation of Available Cap, each Vessel shall have the annual right to Transfer independently to another Fleet, without need of consent by the Fleet's remaining Vessels, up to five Base Cap Allocation Chinook salmon from that Fleet's aggregated Base Cap Allocation. Such a Transfer is not subject to the Transfer Discount. Following the end-of-season disaggregation of a Fleet's or pooled Fleet's remaining Available Cap to that Fleet's Vessels, those Vessels may Transfer any amount of their remaining Base Cap Allocation to another Fleet, subject to the Transfer Discount. Following the end-of-season disaggregation of all Fleets' Available Caps, any Vessel may transfer any of its remaining Base Cap Allocation to the Catcher Processor sector or to an AFA Inshore Cooperative, subject to the Transfer Discount. At the time of any Vessel-Level Transfer, the transferring Vessel shall be responsible to provide the IPA Representative with a signed MSSIP Transfer Notice (see Appendix E). This Rule shall not apply to Catcher Processors, Inshore Catcher vessels, or CDQ groups, except in regards to receipt of Vessel-Level Transfers as described in this Rule.

10. Use-Cap Limit Transfer – A Transfer to a Fleet or pooled Fleet from another sector that results in that Fleet's or pooled Fleet's Use Cap Limit being exceeded is permitted in the sole instance in which the Mothership Sector has exceeded its Annual Allocation and the Transfer is required to bring the Mothership Fleet Cooperative Entity into regulatory compliance.

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Under no other circumstances may the Available Cap exceed the Use Cap Limit. This Rule shall apply to Catcher Processors and Inshore Catcher vessels at the vessel level and to CDQ groups at the CDQ group level.

11. Pooled Fleets – Two Fleets may elect to pool their Available Cap. Under this option, Available Cap and uncaught pollock quota is pooled and is not considered a Transfer. Nothing in this Rule precludes the option of a Fleet to make Paired Transfers or Unpaired Transfers subject to all other Rules herein. This Rule shall not apply to Catcher Processors, Inshore Catcher vessels, or CDQ groups.

12. MSSIP B – Whenever the Mothership Sector has exceeded its Annual Threshold two times in six years or less, or upon voluntary adoption by the Mothership Fleet Cooperative Board of Directors, the sector shall operate in MSSIP B. The hard cap under MSSIP B shall be equal to the sector's Annual Threshold. The Base Cap Allocation shall be the sector's Annual Threshold minus the number of Salmon Savings Credits available for use in that year by the sector. In no event, however, shall the Base Cap Allocation be less than 85% of the Mothership Sector's Annual Threshold minus the one percent Chinook salmon buffer deduction. MSSIP B Base Cap Allocation shall be apportioned, assigned, and disaggregated in the same way that MSSIP A Base Cap Allocation is apportioned, assigned, and disaggregated. MSSIP B Salmon Savings Credits shall be aggregated and disaggregated in the same manner that MSSIP A Salmon Savings Credits are aggregated and disaggregated. No Chinook salmon may be transferred into the Mothership Sector from another sector under MSSIP B. All other MSSIP provisions apply under MSSIP B as per MSSIP A. This Rule shall apply to Catcher Processors and Inshore Catcher vessels at the vessel level and to CDQ groups at the CDQ group level.

13. Best Management Practices – The Members acknowledge that fishing practices may affect the rates and amounts of incidental catch of Chinook and Non-Chinook salmon species. The Members therefore commit to exercise reasonable efforts to conduct their fishing practices while fishing in the Mothership directed pollock fishery to minimize the incidental catch of Chinook and Non-Chinook Salmon Species by employing the fishing practices described in Best Management Practices described in Appendix F.

14. Rolling Hotspot Closure (RHC) Program – All Members of this Agreement shall participate in the RHC Program described in Appendix D. This Rule shall apply to Vessels at the Fleet level, to Catcher Processors and Inshore Catcher vessels at the vessel level, and to CDQ groups at the CDQ group level.

15. Chinook Salmon Conservation Area Agreement – All Members of this Agreement shall participate in the Chinook Salmon Conservation Area Agreement.

16. Outlier Penalties and Restrictions – Additional restrictions and penalties applicable to Vessels that have consistently higher Chinook salmon bycatch than other vessels fishing at the same time are included in Appendix G.

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1. Compliance Agreement – Each Vessel listed as a Member of this Agreement agrees to comply with all of the Rules and obligations of the Mothership Salmon Savings Incentive Plan described herein to ensure that all requirements in 50 CFR 679 related to the implementation of BSAI Groundfish Amendments 91 and 110 are met in full. Each person who signs this Agreement as an authorized representative of a Cooperative or CDQ group acknowledges that the Cooperative or CDQ group he or she represents is executing this Agreement on behalf of the individuals, entities and vessels that are members of such Cooperative and that have agreed to participate in the MSSIP.

2. Affidavit – Each eligible vessel owner or CDQ group, from whom the IPA representative received written notification requesting to join the IPA, has been allowed to join the IPA subject to the same terms and conditions that have been agreed on by, and are applicable to, all other parties to the IPA.

3. Remedies for Breach: Penalties; Waiver of Monetary Damages; Limitation of Remedies and Authorization of Injunctive Relief – The Members acknowledge that the consequences associated with a breach of this Agreement by one or more Members could include extremely large financial losses associated with forgone pollock fishing opportunities, and if the breach results in the mothership sector exceeding its Performance Standard under Amendment 91, could result in a permanent reduction of the annual Bering Sea Chinook salmon PSC limit for the mothership sector, which could result in extremely large financial losses associated with forgone pollock fishing opportunities over a period of many years. The damages associated with these consequences are difficult to quantify and could be so large that the Member(s) whose breach of this Agreement caused the damages to be suffered by others would not be capable of paying them within any reasonable period of time. Under these circumstances, the parties to this Agreement have concluded that, other than as specifically and explicitly provided in this Agreement, damages are not an effective remedy for breach of this Agreement. The Members have therefore elected instead to waive any rights to monetary damages, other than the penalties specifically and explicitly authorized under this Agreement, and instead to adopt specific performance as the sole remedy for all other breaches of this Agreement by a Member, as set forth in this Section D.2.

3.1 Penalties – Notwithstanding the limitation of remedies, in the event that a Fleet or pooled Fleet under Rule 11 exceeds its share of the sector's "A" season Seasonal Limit, that Fleet shall pay an amount equal to \$2,000 per metric ton of pollock overage to the North Pacific Fisheries Research Foundation and a deduction shall be made to that Fleet's or pooled Fleet's remaining Base Cap Allocation for the "B" season equal to the overage. In the event that a Fleet or pooled Fleet exceeds its Available Cap, that Fleet or pooled Fleet shall pay an amount equal to the \$2,000 per metric ton of pollock harvested in association with the Chinook salmon overage. This Rule shall apply to Catcher Processors and Inshore Catcher-vessels at the vessel level and to CDQ Groups at the CDQ Group level.

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4. Data Monitoring – The Members acknowledge that the effectiveness of the bycatch management program being implemented under this Agreement depends on rapidly gathering, analyzing and disseminating accurate data concerning salmon bycatch in the Fishery. The Members therefore agree to maintain a Data Monitor and enter into a data sharing agreement for purposes of compliance with the requirement of Amendment 110 to enter into a fishery-wide in-season salmon PSC data sharing agreement. A copy of the data-sharing agreement is in Appendix H. The IPA Representative is authorized to sign the data sharing agreement with representatives of other IPAs on behalf of the Members.

5. Third Party Compliance Audit – The Members in this IPA shall, on an annual basis, engage knowledgeable and competent third-parties to conduct compliance audits of the MSSIP Rules and the RHC Program. The results of these audits shall be attached to the Annual IPA report.

6. Changes to this Agreement – Membership in the MSSIP for 2011 shall be indicated by signature of the Amendment to the Mothership Fleet Cooperative Membership Agreement to designate the Mothership Fleet Cooperative as the Entity or by written notice to the IPA Representative from the legal representative of an AFA Catcher Processor, AFA Inshore Catcher Vessel, or CDQ group. Any Member of the MSSIP may discontinue its participation in the IPA by providing written notice to the IPA Representative no later than September 1 prior to the year in which membership in the MSSIP would cease. All other changes to this Agreement shall be submitted to NMFS by the IPA Representative upon approval by the Board of Directors of the Mothership Fleet Cooperative Entity and shall be effective as directed by the Board of Directors.

7. IPA Representative – The IPA representative who submits the proposed IPA on behalf of the parties and who is responsible for submitting proposed amendments to the IPA and the annual report required under 50 CFR 679.21(f)(13) is:

IPA Representative: James Mize
Telephone: (206) 286-8584
Email Address: james@prempac.com

G. Signatures – Signed on Behalf of All Members of the Mothership Fleet Cooperative Entity,



James Mize
Mothership Fleet Cooperative Entity Representative
(IPA Representative)

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Appendix A

Mothership Salmon Savings Incentive Plan Agreement Vessels

Vessel	USCG Document Number	AFA Permit Number	Mothership Co-op Percent	Directed Fishery Percent
American Beauty	613847	1688	6.000	0.54
Pacific Challenger	518937	657	9.671	0.87
Nordic Fury	542651	1094	6.177	0.55
Pacific Fury	561934	421	5.889	0.53
Margaret Lyn	615563	723	5.643	0.51
Misty Dawn	926647	5946	3.569	0.32
Vanguard	617802	519	5.350	0.48
California Horizon	590758	412	3.786	0.34
Oceanic	602279	1667	7.038	0.63
Mar-Gun	525608	524	6.251	0.56
Mark 1	509552	1242	6.251	0.56
Aleutian Challenger	603820	1687	4.926	0.44
Ocean Leader	561518	1229	6.000	0.54
Papado II	536161	2087	2.953	0.27
Morning Star	618797	7270	3.601	0.32
Traveler	929356	3404	4.272	0.38
Vesteraalen	611642	517	6.201	0.56
Alyeska	560237	395	2.272	0.20
Western Dawn	524423	134	4.150	0.37
Total			100.000	9.00

*For vessels that are qualified as both AFA Mothership Sector and AFA Inshore Sector catcher vessels, membership in the Mothership Salmon Savings Incentive Plan applies to Chinook salmon allocated to the Mothership Sector only.

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Appendix B

**Additional Mothership Salmon Savings Incentive Plan Agreement Members –
AFA Catcher Processors, AFA Inshore Catcher Vessels, and CDQ Groups**

Vessel	USCG Document Number	AFA Permit Number	Directed Fishery Percent

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Appendix C

Transfer Discount Table

		Percentage of Sector Annual TAC Harvested				
		50*	60	70	80	90
Percentage of Mothership Sector Annual Threshold Harvested	10	30	35	40	45	50
	20	25	30	35	40	45
	30	20	25	30	35	40
	40	15	20	25	30	35
	50	10	15	20	25	30
	60	0	0	10	20	25
	70	0	0	0	10	15
	80	0	0	0	0	5
	90	0	0	0	0	0

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Appendix D

MSSIP Rolling Hotspot Closure Program

1. Data Monitor – The participants in the Agreement shall designate a Data Monitor to manage the Rolling Hotspot Closure (RHC) Program. The Data Monitor shall be responsible to ensure the timely collection and processing of Chinook salmon and Chum salmon bycatch data, and to provide RHC notices to the participants in the MSSIP as appropriate.

2. Data Sharing – Management of the RHC Program depends on the best information available about the location of salmon bycatch events in the Fishery, regardless of whether such bycatch occurs in the mothership sector or in other sectors. Accordingly, the RHC Program shall use fishery-wide in-season salmon PSC data when calculating closure areas and tier assignments. All Members of the MSSIP agree to enter into a fishery-wide in-season salmon PSC data sharing agreement.

3. Bycatch Avoidance Areas – At all times during the Bering Sea pollock “A” and “B” seasons when one or more Members is engaged in pollock fishing, the Data Monitor shall, on a weekly basis, identify specific areas of relatively high salmon bycatch encounters on the pollock fishing grounds. These areas shall be designated as “Bycatch Avoidance Areas”. Unless overriding evidence indicates that traditional seasonal patterns of salmon bycatch encounters have shifted spatially, Bycatch Avoidance Areas shall be those ADF&G statistical areas where the Area Rate exceeds the Base Rate and shall have a duration of no more than one week. In establish Bycatch Avoidance Areas, the Data Monitor must determine that a substantial amount of pollock was harvested within an area during the prior week (2% of total Fishery harvest for the week). The maximum extent of Bycatch Avoidance Areas is 1,000 square miles. Bycatch Avoidance Areas will be established according to the following criteria:

- a. Chinook Salmon Bycatch Avoidance Areas – At all times during the Bering Sea pollock “A” and “B” seasons when one or more Members is engaged in pollock fishing, the Data Monitor shall, on a weekly basis, identify specific areas of relatively high Chinook salmon bycatch encounters on the pollock fishing grounds.
 - i. Relation to Chum Salmon Bycatch Avoidance Areas – In order to avoid the risk that Chum Salmon Bycatch Avoidance Areas would displace fishing effort to areas with higher Chinook salmon bycatch encounters, the Data Monitor will ensure that Bycatch Avoidance Areas prioritize Chinook salmon protection. Accordingly, Chinook Salmon Bycatch Avoidance Areas take precedence over Chum Salmon Bycatch Avoidance Areas at all times consistent with these criteria.
 - ii. Chinook Salmon Base Rate – The ratio of the three (3) week rolling sum of the total number of Chinook salmon taken incidentally in the Fishery (Mothership Sector, Catcher Processor Sector, Inshore Catcher Vessel Sector, CDQ Group) to the three (3) week rolling sum of the total number of metric tons of pollock caught in the Fishery is defined as an index of relative Chinook salmon bycatch encounters (the “Chinook Salmon Base

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Rate”). The Data Monitor shall update the Chinook Salmon Base Rate each week during the “A” and “B” pollock seasons to reflect changes in relative Chinook salmon bycatch encounters on the fishing grounds. The Chinook Salmon Base Rate shall have a minimum value of 0.035 Chinook salmon per metric ton of pollock catch.

1. Initial “A” Season Chinook Salmon Base Rate Calculation – The initial “A” season Chinook Salmon Base Rate shall be calculated by dividing the total number of Chinook salmon taken incidentally in the Fishery during the prior year’s “A” season by the total number of metric tons of pollock caught in the Fishery during the prior year’s “A” season, provided that if the initial “A” season Chinook Salmon Base Rate for any given year is less than or equal to 0.04 Chinook salmon per metric ton of pollock catch, the initial Chinook Salmon Base Rate shall be 0.04 Chinook salmon per metric ton, and if the initial Chinook Salmon Base Rate for any given year is equal to or greater than 0.06 Chinook salmon per metric ton of pollock catch, the initial Chinook Salmon Base Rate shall be 0.06 Chinook salmon per metric ton.
 2. Initial “B” Season Chinook Salmon Base Rate Calculation – The initial “B” season Chinook Salmon Base Rate shall be calculated by dividing the total number of Chinook salmon taken incidentally in the Fishery during the prior year’s “B” season by the total number of metric tons of pollock caught in Fishery during the prior year’s “B” season.
 3. In-Season Chinook Salmon Base Rate Calculation – On February 14 of each year and each week thereafter, the Data Monitor shall recalculate the Fishery “A” season Chinook Salmon Base Rate to reflect the then-current “A” season. On July 15 of each year and each week thereafter, the Data Monitor shall recalculate the Fishery “B” season Chinook Salmon Base Rate to reflect the then-current “B” season.
- iii. Chinook Salmon Bycatch Area Rate Identification – For each week the Fishery “A” and “B” seasons are open to any of the inshore, catcher/processor or mothership components, and for each ADF&G statistical area for which the Data Monitor receives a salmon bycatch report and in which more than two (2) percent of the total number of metric tons of pollock catches and at least three hundred (300) metric tons of pollock catch occur, the Data Monitor shall calculate the ratio of the prior week sum of total number of Chinook salmon taken incidentally to the prior week sum of the total number of metric tons of pollock caught (“Chinook Salmon Area Rate”).
- b. Chum Salmon Bycatch Avoidance Areas – At all times during the Bering Sea pollock “B” season when one or more Members is engaged in pollock fishing, the

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Data Monitor shall, on a weekly basis, monitor chum salmon bycatch, calculate chum salmon base rates, and establish chum salmon bycatch avoidance areas in accordance with this RHC Program.

- i. Relation to Chinook Salmon Bycatch Avoidance Areas – Chum Salmon Bycatch Avoidance Areas must be designed in such a way as to safeguard provisions for the protection of Chinook salmon. Thus, in order to avoid the risk that Chum Salmon Bycatch Avoidance Areas would displace fishing effort to areas with higher Chinook salmon bycatch encounters, the Data Monitor will ensure that Bycatch Avoidance Areas prioritize Chinook salmon by modifying the applicable Chum Salmon Base Rate consistent with this section and suspending application of Chum Salmon Bycatch Avoidance Areas consistent with this paragraph. Beginning September 1st, whenever a Chinook bycatch rate of at least 0.035 is encountered in any ADF&G stat area, then all Chum Salmon Bycatch Avoidance Areas are exchanged for the Chinook Salmon Bycatch Avoidance Areas.
- ii. Western Alaska Priority – Chum Bycatch Avoidance Areas must be designed as much as possible to protect chum salmon originating from Western Alaska river systems. The Data Monitor shall take into account relevant information of the origin of chum salmon encountered when identifying any Chum Salmon Bycatch Avoidance Areas. Information that may be considered includes numbers of chum salmon encountered, genetic stock of origin information for the spatial and temporal distribution of chum bycatch, size (length and weight), and any other information deemed relevant by the Data Monitor, IPA Representative, and Board of Directors.
- iii. Chum Salmon Base Rate – The ratio of the three (3) week rolling sum of the total number of chum salmon taken incidentally in the Fishery (Mothership Sector, Catcher Processor Sector, Inshore Catcher Vessel Sector, CDQ Group) to the three (3) week rolling sum of the total number of metric tons of pollock caught in the Fishery is defined as an index of relative chum salmon encounters (the “Chum Salmon Base Rate”). Before three (3) weeks of data is available, the Base Rate will be set at 0.19. The Data Monitor shall update the Chum Salmon Base Rate each week during the “B” pollock season to reflect changes in relative chum salmon encounters on the fishing grounds, consistent with these provisions:
 1. Chum Salmon Base Rate Collar – From July 1 through July 31 the Chum Salmon Base Rate shall not increase by more than twenty percent (20%) from one week to the next. Beginning August 1st, and thereafter, the Chum Salmon Base Rate calculation will be the two (2) week rolling average of the actual Fishery bycatch rate.
 2. Chum Salmon Base Rate Floor – For the purpose of determining Chum Salmon Bycatch Avoidance Areas, from July 1 through July 31,

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the Chum Salmon Base Rate may not go below 0.2 (the “Base Rate Floor Limit”). From August 1 through August 31, the Base Rate Floor Limit is raised to 0.5. Beginning September 1, the Base Rate Floor Limit is raised to 1.0.

- iv. Chum Salmon Bycatch Area Rate Identification – For each week the Fishery “B” season is open to any of the inshore, catcher/processor or mothership components, and for each ADF&G statistical area for which the Data Monitor receives a salmon bycatch report and in which more than two (2) percent of the total number of metric tons of pollock catches and at least three hundred (300) metric tons of pollock catch occur, the Data Monitor shall calculate the ratio of the prior week sum of total number of Chum salmon taken incidentally to the prior week sum of the total number of metric tons of pollock caught (“Chum Salmon Area Rate”).

4. Avoidance Area Map – Beginning on the second Thursday of the pollock “A” season and then each week thereafter for the duration of the pollock “A” season, and beginning on the second Thursday of the pollock “B” season and then each week thereafter for the duration of the pollock “B” season, the Data Monitor shall provide all Parties subject to this Agreement with a map depicting the Bycatch Avoidance Areas (“Avoidance Area Map”).

5. Fleet Bycatch Performance – On a weekly basis, for each Fleet subject to this Agreement, the Data Monitor shall calculate the ratio of the prior two (2) week rolling sum of the number of salmon taken incidentally to the prior two (2) week rolling sum of the number of metric tons of pollock caught (“Fleet Bycatch Performance”).

a. Chinook Salmon Bycatch Performance – Assessment of Fleet Bycatch Performance for Chinook salmon shall begin on or about February 1st during the “A” season, and on or about July 1 during the “B” season.

b. Chum Salmon Bycatch Performance – Assessment of Fleet Bycatch Performance for Chum salmon shall begin on or about July 1 during the “B” season.

6. Fleet Bycatch Performance Benchmark – Fleets with salmon bycatch exceeding the Performance Benchmark are prohibited from fishing in the applicable Bycatch Avoidance Area closures for the following week.

a. Chinook Salmon Fleet Bycatch Performance Benchmark – The performance benchmark for Chinook salmon shall be seventy-five (75) percent of the Chinook Salmon Base Rate (“Chinook Salmon Performance Benchmark”). If a Fleet exceeds the Chinook Salmon Performance Benchmark, that Fleet is prohibited from fishing in any designated Chinook Salmon Bycatch Avoidance Area closures for the following week.

a. Chum Salmon Fleet Bycatch Performance Benchmark – The performance benchmark for Chum salmon shall be seventy-five (75) percent of the Chum Salmon Base Rate (“Chum Salmon Performance Benchmark”). If a Fleet exceeds the Chum Salmon Performance Benchmark, that Fleet is prohibited from fishing in any designated Chum Salmon Bycatch Avoidance Area closures for the following week.

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7. **Weekly Bycatch Avoidance Area Fishing Notification** – For each Fleet subject to this Agreement, the Data Monitor shall determine when that Fleet's Fleet Bycatch Performance exceeds the Performance Benchmark for either Chinook salmon or chum salmon. The Data Monitor shall promptly notify the Fleet that it is subject to the respective Bycatch Avoidance Area closures, as applicable.

8. **Third Party Group Notification** – The Data Monitor shall provide notifications of closure areas and any violations of the rolling hot spot program to a third party group representing western Alaskans who depend on salmon and have an interest in salmon bycatch reduction but do not directly fish in a groundfish fishery. The third party group identified in the RHC Program is the Bering Sea Fishermen's Association.

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Appendix E

MSSIP Transfer Notice

Date of Transfer:

Fleet-Level Transfer From:	Excellence Fleet	To:	Excellence Fleet
	Golden Alaska Fleet		Golden Alaska Fleet
	Ocean Phoenix Fleet		Ocean Phoenix Fleet

Post-Disaggregation Transfer From: (Vessel)	To: (Fleet, C/P Sector, Inshore Co-op)
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a. Percentage of Motherhood Annual Pollock Allocation Harvested to Date:	%
b. Percentage of Motherhood Annual Threshold Used to Date:	%
c. Transfer Tax Applied (See Appendix C):	%

d. Number of Chinook Salmon Transferred From:	
e. Transfer Tax Deduction (Chinook Transf. From * c. Transfer Tax Percentage):	-
f. Number of Chinook Salmon Transferred To (d – e):	=

Vessel-Level Transfer (5 or less) from: (Vessel)	To: (Fleet)
Percentage of Fleet's Annual Pollock Allocation Harvested to Date:	%
Percentage of Fleet's Base Cap Used to Date:	%

Fleet Signatures: (Please attach copy of Appendix A signed by all Fleet members)

Vessel Signature: (For 5 or less Vessel Level Transfer)	Sign:	Print:
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IPA Representative	Sign:	Print:
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Appendix F

MOTHERSHIP SALMON SAVINGS INCENTIVE PLAN

BEST MANAGEMENT PRACTICES

The Members acknowledge that fishing practices may affect the rates and amounts of incidental catch of Chinook and Non-Chinook salmon species. The Members therefore commit to exercise reasonable efforts to conduct their fishing practices while fishing in the Mothership directed pollock fishery to minimize the incidental catch of Chinook and Non-Chinook salmon species, by employing the following fishing practices:

1. Test Tows – When a Fleet enters a new fishing area where salmon encounters are not known through current ongoing fishing by catcher vessels, one Vessel in the Fleet shall make a test tow of limited duration to determine whether the Chinook and Non-Chinook salmon bycatch rates in such area are at an acceptable rate before other Vessels in the Fleet set their gear in the same area.
2. Codend Size – Vessels will monitor codend size and consider its impact on salmon bycatch.
3. Tow Time Duration – Vessels will limit tow times to be as short as reasonably possible. Additionally, Vessels agree to closely monitor the effects of short wire time on bycatch and adjust haulback practices to minimize salmon bycatch encounters as much as possible.
4. Use of Salmon Excluders – Each Vessel agrees to use commercially reasonable efforts to use a salmon excluder when fishing in the Bering Sea pollock directed mothership fishery. Salmon excluder technology includes any device or modification to trawl net design incorporated to reduce the bycatch of salmon species that the operator reasonably believes to be effective in minimizing salmon bycatch taking into account the individual operating characteristics of the Vessel from which it is deployed. Each Vessel agrees to report any instances of non-use of a salmon excluder and relevant circumstances during the year within which such instances occur to the IPA Representative.
5. Communication Protocols – Rapid, accurate information sharing is a cornerstone to improved salmon bycatch reduction. Each Vessel agrees to take commercially reasonable actions to obtain as soon as reasonably possible the catch data and other information that may be necessary for effective fishery management. Vessels agree to make such data available to other Vessels within the Fleet and to other active Fleet(s) as soon as reasonably possible after obtaining such data. Fleets shall make the following reports:
 - a. High Salmon Bycatch Notifications – In the event of salmon bycatch in any tow in excess of acceptable rates established by the Board of Directors, each mothership operator will notify all other Vessels within the Fleet and other Fleets as soon as possible and without delay. Such notifications should be made by email, fax or other method of electronic transmission, containing:
 - i. Set and haul time,
 - ii. Set and haul location,

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- iii. Bottom depth and trawl depth,
 - iv. Metric tons of pollock, and
 - v. Salmon bycatch information (species, number, and rate per metric ton).
- b. Daily Salmon Bycatch Performance Reports – Each mothership operator will exercise all commercially reasonable efforts to report production and salmon bycatch information to the Vessels in its Fleet and to other Fleets daily as soon as reasonably possible upon completion of processing and data collection. Daily production information shall be on a calendar day basis, for fish processed from 0000 hours to 2400 hours. Reports should be made by email, fax or other method of electronic transmission, containing:
- i. Date,
 - ii. Round weight of pollock deliveries,
 - iii. Chinook and Non-Chinook salmon bycatch data both in actual numbers and as a rate, and
 - iv. Information of any High Salmon Bycatch Notifications.
6. Adaptive Management / Annual Review – The occurrence of salmon bycatch in the Bering Sea pollock fishery is a dynamic system and improvements in the practices and management measures adopted in the MSSIP may be warranted as additional information is learned or under future conditions of the fishery. Accordingly, the IPA Representative and Board of Directors of the Mothership Fleet Cooperative Entity shall annually conduct a review of the previous year's experience under the MSSIP and consider amendments to improve management and adapt to new information.

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Appendix G

**ADDITIONAL RESTRICTIONS AND PENALTIES APPLICABLE TO
VESSELS THAT HAVE CONSISTENTLY HIGHER CHINOOK SALMON BYCATCH THAN
OTHER VESSELS FISHING AT THE SAME TIME**

1. **Threshold** – Additional penalties and restrictions applicable to vessels that have consistently higher chinook salmon bycatch than other vessels fishing at the same time would be applied once the mothership sector exceeds a threshold of its pro rata share of 30,000 Chinook salmon caught in any given season. The mothership sector threshold would be 2,340 annually, thus, the “A” season threshold would be 1,685 due to the seasonal limit, and the “B” season threshold would be the annual amount minus actual catch in A season.
2. **Identification of Outliers** – If the threshold is exceeded in any season, then bycatch rates of catcher vessels would be reviewed to identify whether any were any *outliers* in that season. The criteria for identification of outliers is a Chinook salmon bycatch rate more than 150% of the standard deviation of the bycatch rate for the sector for that season.
3. **Consistency** – To determine if any identified outlier has consistently higher bycatch rates, the same evaluation would be made for the two prior seasons to determine if the catcher vessel exceeded 150% of the standard deviation of the bycatch rate for the sector in each of the two prior seasons. Thus bycatch performance in three consecutive seasons (either “B-A-B” or “A-B-A”) would be reviewed to determine any vessels that have consistently higher Chinook salmon bycatch than other vessels fishing at the same time.
4. **Additional Penalties** – In the event that a catcher vessel is determined to have consistently higher Chinook salmon bycatch than other vessels fishing at the same time, the Vessel would forfeit 10% of its Salmon Savings Credits earned in that year. The forfeited Salmon Savings Credits shall be redistributed to all other Vessels in the MSSIP.
5. **Additional Restrictions** – The full-time rolling hotspot closure program is the primary mechanism to apply additional restrictions on vessels with higher bycatch than other vessels fishing at the same time.

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Appendix H

BERING SEA SALMON BYCATCH DATA SHARING AGREEMENT

This agreement is entered into by and among the parties to the Inshore Salmon Savings Incentive Plan Agreement, Mothership Salmon Savings Incentive Plan Agreement and the Chinook Salmon Bycatch Reduction Incentive Plan and Agreement (each, an “IPA” and collectively, the “IPAs”) as of _____, in consideration of the following facts:

A. The North Pacific Fishery Management Council and the National Marine Fisheries Service have approved and implemented a revised salmon bycatch management program for the Bering Sea pollock fishery that includes annual bycatch limits for Chinook salmon and incentive plan agreements designed to minimize Chinook and chum salmon bycatch at all levels of salmon and pollock abundance;

B. The inshore, mothership and catcher-processor sectors of the Bering Sea pollock fishery and the western Alaska Community Development Quota groups have developed three different Chinook and chum salmon incentive plan agreements with different components that reflect the different fishing areas and methods employed by the sectors, although each agreement includes some form of incentive based on the identification of bycatch avoidance areas;

C. Under the revised Bering Sea salmon PSC management regulations, each IPA is required to have its vessels enter into a fishery-wide in-season data sharing agreement (per 50 C.F.R. § 679.21 (f)(12)(iii)(E)(10));

Now, therefore, the parties to the three Bering Sea salmon bycatch IPAs agree as follows:

1. Release of Confidential Data. Each IPA vessel’s VMS tracking data, State and Federal landing reports and observer data shall be released to Sea State, Inc. (“Sea State”) as soon as commercially practicable.

2. Data Use and Distribution. Sea State may use all IPA vessel VMS tracking data, landing reports and observer data it receives under this Agreement to implement the provisions of each IPA, but shall not release such data, or calculations made from such data, except as provided in Sections 2.1 through 2.3, below.

2.1 Sea State may release summaries of pollock catch, Chinook and chum bycatch and Chinook and chum bycatch rates to IPA participants to assist them in avoiding Chinook and chum salmon bycatch.

2.2 Sea State may release VMS tracking data from relatively high-bycatch hauls, defined as the top twenty-five percent (25%) of hauls or trips exceeding a specific base rate in a given week, by distributing them directly to IPA participants, and/or making them available on a password-protected web site with access limited to IPA participants.

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2.3 Sea State may release weekly Chinook and chum salmon bycatch avoidance area maps, by distributing them to all IPA participants, and/or by making them available on a password-protected web site with access limited to IPA participants.

3. Indemnification. Any and all claims against Sea State arising out of or relating to services in connection with this Agreement, other than those arising out of gross negligence or willful misconduct, are hereby waived and released. Further, the IPA participants shall jointly and severally indemnify, defend and hold Sea State harmless against any third party claims asserted against Sea State arising out of or relating to services in connection with this Agreement, other than those arising out of gross negligence or willful misconduct by Sea State.

4. Term and Termination. This Agreement shall take effect as of its execution by the authorized representatives of the parties to each of the IPAs. This Agreement shall remain in effect as long as two or more IPAs are in effect.

On behalf of the parties to the Inshore Salmon Savings Incentive Plan Agreement

_____ Date _____
John Gruver
Authorized Representative

On behalf of the parties to the Mothership Salmon Savings Incentive Plan Agreement

_____ Date _____
James Mize
Authorized Representative

On behalf of the parties to the Chinook Salmon Bycatch Reduction Incentive Plan and Agreement

_____ Date _____
Stephanie Madsen
Authorized Representative

Sea State, Inc
By

_____ Date _____
Karl Haflinger, its President