

Amendment 110
Inshore Pollock Sector
Incentive Plan Agreement

ISSIP

Inshore Salmon Savings Incentive Plan

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United Catcher Boats

Pollock Fishery Chinook Limits

- Pollock Fishery Limits (Hard Caps)
 - Upper Limit – 60,000
 - Lower Limit – 45,000
- Pollock Fishery Performance Standards
 - Upper Performance Standard – 47,591
 - Lower Performance Standard – 33,318
- Split between 4 Sectors
 - Catcher Processor Vessels
 - Inshore Catcher Vessels
 - Mothership Catcher Vessels
 - CDQ Groups

Inshore Sector Chinook Limits

- Inshore Sector Limits (Hard Caps)
 - Share of Upper Limit – 33,390
 - Share of Lower Limit – 25,020
- Inshore Sector Performance Standards
 - Share of Upper Performance Standard – 26,485
 - Share of Lower Performance Standard – 18,525
- Lower Limit are implemented in years following an ADF&G determination that less than 250,000 Chinook returned to the Upper Yukon, Kuskokwim, and Unalakleet rivers; the Three River Index.
- 2022 is a “Lower Limit” year, as was 2019 & 2021

Inshore Sector Salmon IPA

The Inshore Salmon Savings Incentive Plan

-ISSIP-

- All 6 AFA Inshore Cooperatives Participate in the ISSIP
 - 6 Inshore Cooperatives
 - Akutan Northern Victor
 - Peter Pan Unalaska
 - Uni Sea Westward
- A total of 87 Catcher Vessels

ISSIP Chinook Program

- ISSIP operates at the individual vessel level
- Vessel Allocations
 - Vessels receive a share of the Inshore Performance Standard, not the Sector Limit, after reserving 500 Chinook to an insurance pool.
 - Allocations made pro rata to a vessel's pollock percentage of inshore sector pollock allocation
 - Allocations made seasonally
 - A Season allocations are a vessel limit not to be exceeded
 - B season initial allocation may only be exceeded if vessel if a vessel has earned Savings Credits by staying under previous seasons' allocations

ISSIP Chinook Program

- Savings Credits
 - Catcher vessels may not catch Chinook over their initial allocation of the Performance Standard without having the Savings Credits to do so.
 - A vessel earns 1 Savings Credit for every 3 Chinook not caught of its initial allocation in the previous 3 years
 - Savings Credits are held in a vessel's Savings Account and expire after 3 years

ISSIP Chinook Program

- Example of a 2022 catcher vessel that has 1% of inshore pollock
 - 2022 Inshore Sector Pollock TAC = 475,200 metric tons
 - CV with 1% of the pollock TAC has an annual pollock allocation of 4,752 mt (10,476,369 pounds)
 - Same CV receives 1% of 2022 Chinook Performance Standard after a 500 fish insurance pool “off the top” reduction.
 - $18,525 - 500 = 18,025 \times .01 = 180$ annual Chinook allocation
 - Annual allocation rate = 0.0379 Chinook per metric ton of pollock

ISSIP Chinook Program

- 2022 Catcher Vessel Example (continued)
 - 1% CV's 2022 Hard Cap Limit. $.01 \times 25,020 = 250$
 - Difference between initial allocation and Hard Cap requires having a minimum of 70 Savings Credits in the CVs Savings Account to fish up to the annual hard cap limit
 - To have earned 70 Savings Credits, the CV must have come in under its initial annual allocation by 210 Chinook over the past 3 years.
 - An average of 70 Chinook avoided per year.
 - The example vessel must have left an average of 70 initially allocated Chinook per year in the water to maintain a fully funded Savings Account

ISSIP Chinook Program

- This “Incentivizes” CVs to minimize Chinook bycatch at all times.
 - Effectively reduces the CV’s annual allocation from 180 to 110 Chinook just to acquire the **minimum** amount of Savings Credits a CV needs to have in its Savings Account.
 - CVs have a strong desire to maximize Savings Credits as they never know how many may be needed in upcoming years.
 - CVs are always incentivized to minimize Chinook bycatch.

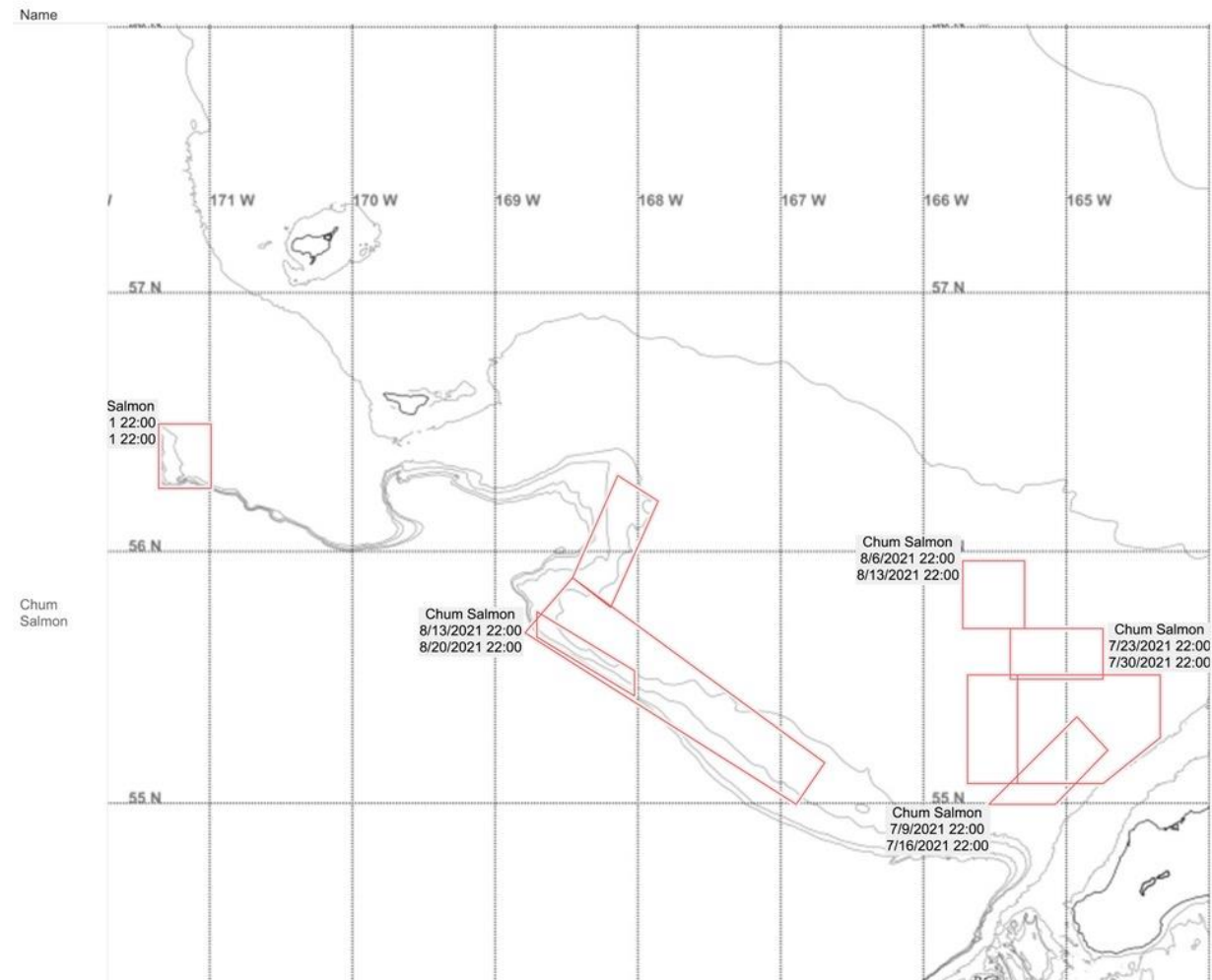
ISSIP Rolling Hot Spot Program

- The ISSIP includes Rolling Hot Spot Program
 - Chinook RHSs in the A season
 - Chinook and Chum salmon RHSs in the B season with a priority to protect Chinook
 - Hot spots are managed weekly, starting on a Friday and updated the following Thursday for implementation on Friday.
- Areas with a Chinook bycatch rate of 0.035 Chinook per mt of pollock harvest are eligible for hot spot closures; both A and B seasons
- Areas with Chum bycatch rates over the seasonal threshold rate are eligible for hot spot closures provided there are no Chinook hot spot closures triggered for the same week; the “Chinook priority”.

ISSIP Rolling Hot Spot Program

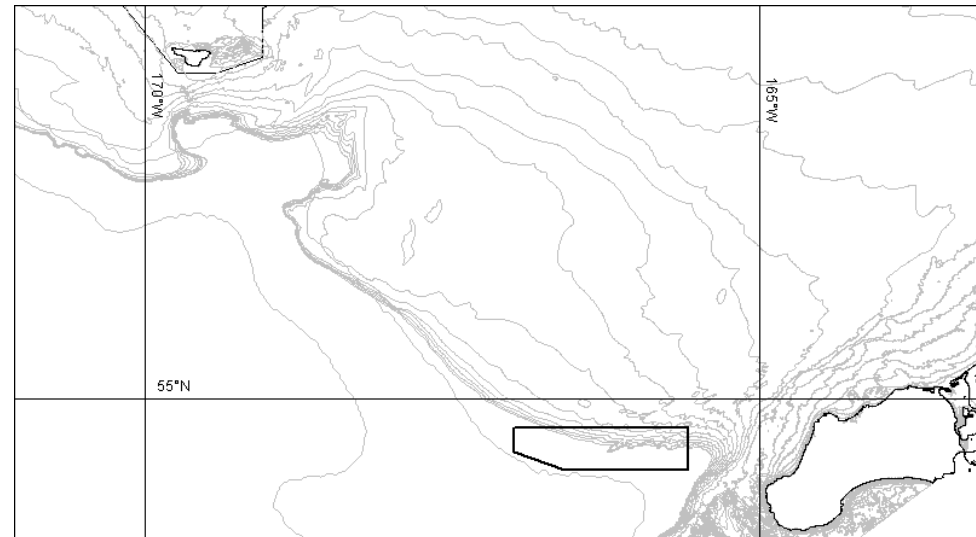
Hot Spot Closure Example; 2021 B season chum salmon hotspot closures:

Map of bycatch avoidance areas



Additional ISSIP Requirements

- Salmon Excluder Use Requirement
 - CVs must have a salmon excluder installed in their net for entire A season.
 - CVs must have a salmon excluder installed after August 31st in B season.
- October Fishing Restrictions
 - A CV must maintain a Chinook bycatch rate below 0.103 Chinook per mt of pollock harvest to fish in October regardless of having available Chinook in its account.
- Chinook Conservation Area Closure
 - Closed in A season
 - Area known to have continually high Chinook presence



Enforcement

- Allocation Overages
 - Future allocation(s) are reduced by overage plus additional penalty deduction
- Hot Spot Closure Incursions
 - Monetary penalty
 - 1st incursion fine \$1,000
 - 2nd incursion fine \$5,000
 - 3rd and subsequent incursions \$10,000 each
- Chinook Conservation Area Closure Incursions
 - Monetary penalty
 - 1st incursion fine \$10,000
 - 2nd incursion fine \$15,000
 - 3rd and subsequent incursions \$20,000 each

Fleet Bycatch Communications

- Weekly bycatch summary each Thursday with Rolling Hot Spot announcements
- Coop Managers forward salmon bycatch information to their vessels as well as other species
 - Herring
 - Sablefish
 - Other non-target species as incidents occur.
- Fleet actively shares “on grounds” tow-by-tow information on salmon, and other bycatch species as well.
 - Radio and phone
 - Social Media – WhatsApp