

1 **SUSTAINABLE HARVEST SECTOR III**

2  
3 **MEMBERSHIP CONTRACT**

4  
5 **Fishing Year 2011**

6  
7 (May 1, 2011 – April 30, 2012)

8 *Submitted March 22, 2011*

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12 **ARTICLE I – Definition of the Parties**

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15 This document shall serve as the membership contract between each signatory member and the  
16 Sustainable Harvest Sector III (SHS III). It is paired with the Sector Operations Plan, and all  
17 terms in the Operations Plan are binding to the Members who sign this contract. This contract is  
18 not complete unless accompanied by the Sector Operations Plan.

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21 **Section 1.1 Member’s Organization and Authority**

22 Each Member asserts that, as an entity, it is duly organized, validly existing and in good standing  
23 in its state of organization and has all authority, corporate or otherwise, to enter into this  
24 Agreement on its own behalf and on behalf of the Participating Vessels and Permits that it  
25 represents.

26  
27 This Agreement constitutes a legally valid and binding obligation of each Member, enforceable  
28 against such Member in accordance with both its terms and those of the Sector Operations Plan  
29 as approved by the National Marine Fisheries Service.

30  
31 Each of the Members represent that its Participating Vessel(s) and Permit(s) have no sanctions or  
32 other restrictions against them that would prevent such Participating Vessels and Permits from  
33 enrolling in the Sector and/or complying with the terms of this Agreement.

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36 **Section 1.2 Sector Organization and Authority**

37 The Sustainable Harvest Sector III, hereafter ‘Sector’ or ‘SHS III’ or ‘SHS 3’, is a legal entity  
38 incorporated in the state of Massachusetts and as a nonprofit entity by the IRS, as such, it may be  
39 held liable for the violations committed by its members.

40  
41 The SHS III was approved as one of several sectors operating in the Northeast Multispecies  
42 Fishery under the terms of the federally authorized fishery management plan (FMP or Plan) for  
43 2011 and by submitting this contract and accompanying Operations Plan is requesting approval  
44 for operating in fishing year 2011 as SHS III.

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**ARTICLE II – Membership**

**Section 2.1 Eligibility**

To qualify for becoming a member of the Sector, each member has been issued a limited access multispecies permit which has a ‘potential sector contribution’ (PSC) associated with it. The PSC is based on the permit’s landings history for FY 1996 through 2006 under Amendment 16, (May 1, 1996 – April 30, 2007) and represents the permit’s contribution to the sector’s Annual Catch Entitlement (ACE). However, some limited access multispecies permits were previously part of either the Georges Bank (GB) Cod Hook Sector or the GB Cod Fixed Gear Sector. The psc for GB cod for those permits is based on the permit’s landings history from FY 1996 – FY 2001 (May 1, 1996 through April 30, 2002 (the 1996-2001 fishing years).

Notwithstanding the list of Participating Vessels set forth on the signature pages, for purposes of this Agreement, “Participating Vessel” shall mean the vessel to which a Member’s Permit applies at any given time.

**Section 2.2 Length of Member Commitment**

Each Member hereby agrees that each of its Permits and the related Participating Vessels will remain enrolled in the Sector for the entire fishing year following the date on which such Member enrolled in the Sector (the “Commitment Period”); provided, however, that if NMFS shall not approve the Sector’s Operations Plan and Agreement, as the same may be amended, for any fishing year during a Member’s Commitment Period, then the obligation of such Member shall terminate on the last day of the last fishing year for which the Sector’s Operation Plan and Agreement shall have received approval from NMFS.

**Section 2.4 Proof of Membership**

Upon approval of the Sector’s operations plan for the 2011 fishing year, each sector vessel will be issued a Letter of Authorization (LOA) by the Regional Administrator specifying the exemptions granted. Vessels must comply with all applicable Federal regulations and laws not specifically exempted in the LOA. The LOA with a copy of the approved Operations Plan for 2011 must be carried on board the vessel at all times in the Sector Manual. The LOA shall serve as Proof of Sector Membership and shall be made available to any NMFS or enforcement officials upon request.

**Section 2.5 Member Obligations Apply Only to Participating Vessels**

The obligations of the Members set forth in this Agreement shall only apply to the Permits and Participating Vessels (and not to any other permits or vessels owned by the Members that are not

1 enrolled in this Sector pursuant to the terms hereof) to the extent that such Permits or  
2 Participating Vessels are fishing commercially with gear that is capable of harvesting  
3 multispecies species managed under the Northeast Multispecies Fishery Management Plan.  
4

5 Each Member agrees to ensure that all operators and crew of its Participating Vessels fully  
6 comply with the obligations set forth in this Agreement. Each Member further agrees to accept  
7 full responsibility for the actions of any such operators that result in a violation of this  
8 Agreement.  
9

## 10 **Section 2.6 Additional Member Obligations**

11 NMFS requires that the Operations Plan governing the sector include a list of all state and federal  
12 permits held by the members along with an indication of whether those permits are enrolled in  
13 another state or federally authorized sector. Members agree to provide the Manager with a  
14 comprehensive list of their state and federal permits prior to August 25.  
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17 Additionally, the Operations Plan must include information regarding the activity level in the  
18 sector of Participating Vessel, that is, whether each participating vessel will be active on Sector  
19 trips or not. Members agree to provide the Manager with their best estimation of whether each  
20 Participating Vessel will actively fish on Sector trips during the upcoming fishing year prior to  
21 August 25.  
22

23 Members are required to furnish the Sector Manager with the MRI, federal permit number, PSC  
24 and allocation of each multispecies stock for each permit they are enrolling in the Sector.  
25  
26

## 27 **Section 2.7 Sector and Member Reporting Requirements**

28 The Sector Manager is required to aggregate all participating vessel catch information from  
29 participating vessels' sector trips and report weekly to the National Marine Fisheries Service  
30 (NMFS), up until a certain threshold is reached, at which time reporting to NMFS will be  
31 required on a daily basis. Such threshold is defined as that point when either 80% of the Sector's  
32 allocation for any stock is reached, or when, for two consecutive weekly reporting periods 20%  
33 or more of the remaining portion the Sector's ACE for any stock is harvested, whichever occurs  
34 first. Additionally, the Sector is required to submit an Annual Report of all landings of all  
35 species caught by sector vessels for the entire fishing year within 60 days of the end of the  
36 multispecies fishing year.  
37

38 Weekly reports to NMFS may include a section notifying NMFS of outstanding catch records.  
39 Any resolutions and / or ongoing internal sector investigations may be noted as required.  
40

41 The Manager will develop and submit reports to NMFS by gathering and aggregating data from  
42 all available data sources, including but not limited to:

- 43 1. Vessel Trip Reports (VTRs), (including electronically transmitted VTRs);
- 44 2. Dockside Monitors;

- 1 3. Dealers, (including paper dealer receipts from each offload transmitted to the Manager
- 2 within 24 hours of the vessel offloading, as well as dealer reports posted on the NMFS
- 3 'sector information management' web portal);
- 4 4. Discards and assumed discard rates (as calculated by NMFS based on the Northeast
- 5 Fishery Observer Program (NEFOP) and At-Sea Monitoring); and
- 6 5. Any other data sources as they are available.

7  
8 To enable each Member and the Sector to monitor the Members' compliance with this  
9 Agreement, each Member agrees to report each of its Participating Vessels' entire catch from  
10 sector trips (including discards) by pounds, by species, and by broad groundfish stock area to the  
11 Sector Manager so the Manager can determine which stock of a species has been caught.

12  
13 All members agree that they are responsible for transmitting all catch information from all sector  
14 trips to the Manager within 24 hours of the Participating Vessels' unloading. The minimum  
15 information that must be transmitted to the Sector Manager includes a complete and legible VTR  
16 and dealer weigh-out receipt. Members and vessel operators may be subject to investigation and/  
17 or penalty if they do not meet the 24 hour deadline for submitting catch information. Such  
18 information may be transmitted electronically or by fax or other means as determined by the  
19 Manager as long as it is transmitted within 24 hours of each landing.

20  
21 The Manager shall maintain all catch records and shall, upon the request of any Member, provide  
22 the Member with the Sector's aggregate catch information that is generated from such records.  
23 Sector vessels which do not fish on sector trips agree that the Sector Manager will use VTR and  
24 dealer data as submitted to NMFS to compile the annual report.

25  
26 Each member acknowledges and agrees that, in addition to reporting to the sector manager, all  
27 participating vessels are responsible for complying with all permitting requirements,  
28 recordkeeping, catch reporting, and VMS requirements described in the federal regulations for  
29 the fishery (50 CFR part 648).

30  
31 Each Member further acknowledges and agrees that it is responsible for ensuring timely  
32 reporting in accordance with the provisions of this Section and failure to deliver the reports for a  
33 Member's Participating Vessel in accordance with this Section shall be deemed a breach of this  
34 Agreement by such Member.

### 35 36 37 **Section 2.8 Enforcement and Penalties**

38 Investigation, enforcement procedures as well as penalties and terms for expulsion are explained  
39 in detail in the Sector Operations Plan as required by NMFS and are hereby incorporated by  
40 reference.

### 41 42 43 **Section 2.9 Joint and Several Liabilities**

44 Sector members acknowledge and agree that they and the sector may be held jointly and  
45 severally liable if they or their hired captain or crew

- 46 1. discard legal sized fish for which the sector has an allocation; and/or

2. misreport catch; and/or
3. cause the sector to exceed its Annual Catch Entitlement (ACE) for any allocated stock (an overage) as specified in Federal regulations.

## **ARTICLE III – SECTOR ADMINISTRATION**

### **Section 3.1 Board**

The Sector shall be governed by a Board of Directors which shall be elected according to the Bylaws.

### **Section 3.2 Sector Manager**

The Board of Directors (the “Board”) of the Sector shall appoint a manager of the Sector (the “Manager”), which Manager shall have the authority to manage the day-to-day business of the Sector and submit all sector reports as required by NMFS.

### **Section 3.3 Sector Manager Authority**

Members agree and acknowledge that the Sector Manager shall have the authority to monitor the fishing, fish offload, and fish sale activities of the Members and all Participating Vessels and to take such other actions as may be necessary, to ensure compliance by the Members, their Permits and Participating Vessels with this Agreement and all other Sector requirements as may be adopted under the terms of this Agreement, the Sector Operations Plan, the Sector’s Bylaws, Sector Board Policy and all other applicable laws, rules and regulations.

Such actions to enforce this Agreement, subject to the authority of the Board or a committee delegated thereby, the Sector’s Bylaws or any other agreement relating to the Sector’s internal governance, including specifically, without limitation, the authority to impose penalties set forth in the Schedule of Penalties as well as Stop Fishing Orders which may be enforced by NMFS Office of Law Enforcement.

The Manager shall also act as the liaison between NMFS and the Sector and shall assist Members in their dealings with NMFS if so requested.

### **Section 3.4 Membership Dues**

The Board shall, to the extent necessary for the payment of the costs and expenses associated with the administration and management of the Sector (including the payment of the Manager’s salary), require the payment by the Members of annual membership dues and/or poundage fees. Such annual membership dues and/or poundage fees shall be fixed by resolution of the Board prior to the commencement of the applicable fishing year or at such other time as the Board may deem necessary or appropriate.

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6 **ARTICLE IV - Transfer of Permit, Allocation or Portion of Allocation**  
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9 **Section 4.1 Individual Permit Transfers**

10 Each Member agrees that so long as it is a party to this Agreement, such Member  
11 shall not have the authority to sell, lease or transfer the ownership of its Permit or the right to  
12 harvest any portion or all of the Permit's individual harvest share (share) to a party that is not  
13 bound by this Agreement for the remainder of the fishing year in which such sale, lease or  
14 transfer is to occur,

- 15 1. shall not transfer, lease or assign any DAS allocated to its Permit by NMFS to any permit  
16 that is not enrolled in a Sector (meaning any sector, not specifically SHS III and
- 17 2. shall comply with the right of first refusal provisions hereof prior to the consummation of  
18 any proposed sale, lease or transfer permitted hereunder.  
19

20  
21 **Section 4.2 Individual Share Transfers**

22 Each member agrees that so long as it is party to this agreement, such member may choose to  
23 lease their individual share of the sector's allocation to another member or to another sector, for  
24 the duration of the current fishing year provided that all sector members shall have to  
25 opportunity to match such written offer as described under section 4.3 'Right of First Refusal'.  
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28 **Section 4.3 Right of First Refusal**

29 In the event that any Member (a "Selling Member") at any time proposes to sell, transfer or lease  
30 (a "Sale") its Permit and/or any part of its Share to any proposed Buyer from outside the SHS III  
31 who shall make a good faith, bona fide written offer, then the Selling Member shall first deliver  
32 to all Sector Members a written notice ("First Refusal Notice") that the Selling Member proposes  
33 to make such Sale, transfer, or lease which First Refusal Notice shall state the identity of the  
34 prospective Buyer, state the amount of consideration for the Permit or any part of its share and  
35 the material terms and conditions upon which the proposed Sale, transfer or lease is to be made  
36 (the date on which the Sector receives the First Refusal Notice being the "First Refusal Notice  
37 Date"), represent that the Bona Fide Offer is an actual Bona Fide Offer, and include a copy of  
38 any written proposal, letter of intent or other agreement relating to the Bona Fide Offer.  
39

40 The Sector Members shall have a period of five (5) calendar days following the First Refusal  
41 Notice Date (the "Election Period") in which to elect to purchase or lease the Permit or any part  
42 of the Permit's share at the price and subject to the same material terms and conditions set forth  
43 in the First Refusal Notice.  
44

45 The Sector Members shall exercise the right to purchase or lease such Permit or share by  
46 delivering a written notice ("Election Notice") to the Sector Manager within the Election Period.

1 In the event that a Sector Member desires to purchase the Permit or share, then the parties shall  
2 schedule a closing for the payment for, and the delivery of, the Permit or share, which shall be no  
3 later than 45 calendar days after the First Refusal Notice Date.

4  
5 If a Sector Member has not elected to purchase the Permit within the Election Period, then the  
6 Selling Member is free to sell the Permit or share to the Buyer; provided that such sale is on the  
7 terms and conditions specified in the First Refusal Notice.

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10 **ARTICLE V - Concluding Contract Language**

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12 In Witness whereof, by signing Exhibit E of the Operations Plan, the undersigned has enrolled  
13 the listed permits in the Sustainable Harvest Sector III and executed the Agreement known as the  
14 Sustainable Harvest Sector III Operations Plan for the 2011 fishing year.

15  
16 The undersigned reserves the right to withdraw from this agreement by written notice to the  
17 Board of the Sustainable Harvest Sector III, provided such notice is postmarked no later than  
18 December 31, 2010.

19  
20 Pursuant to section 402(b)(1)(F) of the Magnuson-Stevens Fishery Conservation and  
21 Management Act, 16 U.S.C §1881a(b)(1)(F), the undersigned hereby authorizes the release to  
22 the Sustainable Harvest Sector of information that is considered to be confidential or privileged  
23 by the Magnuson-Stevens Act or other federal law regarding the catch of various species of fish  
24 associated with the limited access Northeast multispecies permit with the Moratorium Right  
25 Identifiers (MRIs) listed above submitted to the National Marine Fisheries Service in compliance  
26 with 50 CFR 648.7 and §648.87 that the undersigned has authority to access. This information  
27 includes data required to be submitted or collected by NMFS, including but not limited to days-  
28 at-sea allocation and usage, vessel trip reports, dealer reports, Northeast Fishery Observer  
29 Program data, catch and landings history data, Sector dockside and at-sea monitoring data,  
30 enforcement data, and all other information associated with the vessel, MRI #, and/or permit  
31 records.

32  
33 *This information shall be used exclusively by the sector for matters pertaining to sector*  
34 *management, including record retention requirements. Such information may not be released by*  
35 *the sector to another entity. When information released to the sector by the National Marine*  
36 *Fisheries Service is no longer needed for sector management, it shall be destroyed or returned*  
37 *by the sector manager to the undersigned at his or her election. When the undersigned ceases to*  
38 *be a member of the sector, this authorization shall be deemed null and void.*



1  
2 Sector vessels will fish on the waters of the Gulf of Maine, Georges Bank and Southern New  
3 England/Mid Atlantic on sector trips. Sector Trips are trips declared by a sector vessel into the  
4 groundfish fishery via VMS or IVR, as appropriate. This includes trips directed on groundfish,  
5 dogfish, skates, and on monkfish when they have not used up their multispecies (groundfish)  
6 Days At Sea (DAS). On sector trips all groundfish catch counts against the sector's ACE.  
7 Groundfish catch by sector vessels on trips in exempted fisheries, under the Atlantic sea scallop  
8 limited access DAS or general category permit regulations, under the Atlantic herring  
9 regulations, or when fishing on exempted species (e.g., fluke, scup, etc.) or with exempted gear  
10 (gear considered incapable of catching groundfish such as pelagic longline and gillnet gear, pots  
11 and traps, pound nets, surfclam/ocean quahog dredges, etc.) do not count against a sector's ACE.

1 **ARTICLE II MEMBERSHIP**

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4 **Section 2.1 New Members**

5 The owner of a permit that is eligible to join a sector but is not enrolled as a Member (and/or  
6 whose permit is not so enrolled), may apply The Board or the Membership shall, in its  
7 reasonable discretion, determine whether the applicant shall be admitted as a Member of the  
8 Sector and/or its Permit included as a Permit.

9 Notwithstanding the foregoing, no such admission shall be effective until the new Member has  
10 paid the annual entry fee as set by the Board of Directors and has agreed in writing to be bound  
11 by, and to cause its Permit and Participating Vessel to comply with the terms of this Agreement,  
12 and until the provisions of this Agreement shall have been amended or modified to reflect such  
13 additional Member, Permit and/or Participating Vessel.

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16 **Section 2.2 Agent for Service of Process**

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18 The Sector’s Manager shall be the designated agent for service of process. He is:

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21 Hank Soule  
22 PO Box 356  
23 South Berwick, ME 03909

24  
25

26 The following individuals are authorized to act on behalf of the SHS III:

27  
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29 Terry Alexander  
30 67 Grover Lane  
31 Harpswell, ME 04079  
32 Tel (207) 729-2538

33  
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37 **Section 2.3 Membership**

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40 Membership in the SHS III is voluntary and for the duration of the 2011 fishing year. This  
41 Operations Plan is submitted for a one year period, consisting of fishing year 2011.

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1 **ARTICLE III ALLOCATION and DISTRIBUTION of ACE**

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3 **Section 3.1 Annual Distribution**

4 Each Member acknowledges and agrees that the Annual Catch Entitlement (ACE) of  
5 multispecies authorized by NMFS to the Sector (the ACE) shall be harvested in accordance with  
6 the Harvesting Rules, which are set forth as Exhibit D.

7 Sector members will be allocated a portion of the Sector's total allocation based on the  
8 proportion of each stock that they contribute to the Sector's initial ACE. Those members who  
9 have more than one vessel enrolled in the Sector may consolidate their fishing effort to one or  
10 more vessels.

11 The shares allocated to individual Sector members will be monitored through trip by trip  
12 reporting of all allocated stocks (catch by stock area). It is anticipated that through trip reporting  
13 of catch by stock area, the sector manager will be able to track the sector's ACEs on a real time  
14 basis.

15 The attached roster (Exhibit B) lists all permits in the Sector and indicates whether the vessel is  
16 expected to be active in the groundfish fishery in 2011.

17 **Section 3.2 Reserve**

18 Each Member agrees that a reserve in the amount of **5%** of allocated stocks within the initial  
19 ACE will be established to ensure that the Sector remains in compliance with its ACE limit. The  
20 amount of the reserve shall be deducted from the ACE before such ACE is distributed among the  
21 Members, their Permits and their Participating Vessels.

22 **Section 3.3 Distribution of Reserve**

23 If the Board determines that the ACE in the Reserve will not be fully harvested by April 1 by the  
24 Participating Vessels, the Board shall vote to either carry forward the remaining ACE into the  
25 next fishing year or to authorize the harvesting of the reserve by the Members and their  
26 Participating Vessels.

27 **Section 3.4 Consolidation and Redistribution of Catch/Effort**

28 It is the intent of the Members to harvest the ACE in accordance with the Harvesting Rules  
29 described in Exhibit D. To the extent that any consolidation or redistribution of catch or effort  
30 occurs between Members, such consolidation or redistribution will be for the duration of the  
31 fishing year for which this Agreement is approved. Any ACE leases or transfers that occur in a  
32 single fishing year will be for the duration of that same fishing year.

33 It is expected that the fishing activity in the groundfish fishery of the vessels listed in Exhibit B  
34 as active or inactive will not substantively change during the 2011 fishing years. It is the intent  
35 of the Members to continue their historical participation in the scallop, monkfish, fluke, skate,  
36 dogfish, squid, whiting, and shrimp fisheries for which they possess federal or state permits.

1            **3.4.1 Consolidation**

2    In FY 2010, 0 % of the permits initially enrolled in the SHS III for FY 2011 were attached to  
3    vessels actively fishing for NE Multispecies. In FY 2010, the SHS III had 0 permits enrolled; of  
4    those permits, 0 actively fished for NE multispecies in FY 2010.

5  
6    For fishing year 2011, the SHS III will have 17 permits, of which 0 were active in 2010. The  
7    SHS III expects that compared to FY 2010 there would be no changes from the activity level in  
8    fishing year 2011.

9  
10   ***Consolidation and Redistribution of ACE***

11  
12   In FY 2010, 0% of the permits enrolled in the Sustainable Harvest Sector III for FY 2011 are  
13   attached to vessels actively fishing for NE multispecies. For FY 2011, the Sustainable Harvest  
14   Sector III has 17 permits currently enrolled. Of those permits 0% are anticipated to actively fish  
15   for NE multispecies in FY 2011. While these numbers may change, the Sustainable Harvest  
16   Sector III expects that, compared to FY 2010, there would be no change from the consolidation  
17   that previously occurred within the sector during FY 2010. The member permits that are not  
18   attached to active NE multispecies vessels in FY 2011 are the same permits that leased out their  
19   PSC in FY 2010.

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21  
22            **3.4.2 Redirection of Effort**

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24   :

25  
26   The SHS III anticipates that vessels will not increase their fishing effort in other fisheries. It is  
27   the intent of the Members to continue their historical participation in the scallop, monkfish,  
28   herring, mackerel, skate, dogfish, squid, whiting, lobster and shrimp fisheries for which they  
29   possess federal or state permits.

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1 **ARTICLE IV FISHING RESTRICTIONS and EXEMPTIONS**

2 **4.0.1 Hot-Spot Reporting System**

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4 Each member agrees to report to the Sector Manager any areas of high bycatch including undersized regulated  
5 species, observed spawning areas and/or any stock for which the Sector is approaching their threshold. Upon  
6 receiving a hot spot report, the Sector Manager will send an alert to all member vessels to avoid those particular  
7 areas.  
8

9 **4.0.2 Additional Area or Gear Restrictions**

10  
11 Each member agrees that the Board of Directors may impose seasonal area or gear restrictions to avoid catch  
12 (including discards) of species of particular concern (i.e. species for which the Sector ACE is low.)  
13

14 **Section 4.1 Exemptions**

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17 **Requested Exemptions**

18  
19 The SHS III requests exemption from the following management measures:  
20

- 21 1. The 120-day block out of the fishery for gillnet vessels.
- 22 2. The 20-day spawning block out of the fishery required for all vessels.
- 23 3. Limitation on the number of gillnets for Day gillnet vessels.
- 24 4. Prohibition on a vessel’s hauling another Vessel’s gillnet gear
- 25 5. Limitation on the number of gillnets that may be hauled on Georges Bank when
- 26 fishing under a Groundfish/Monkfish, DAS
- 27 6. Length and horsepower restrictions on DAS leasing.
- 28 7. Limit on the number of hooks that may be fished.
- 29 8. Access to the Gulf of Maine Sink Gillnet Program
- 30 9. Prohibition on discarding legal-sized regulated species allocated to sectors
- 31 10. Access to the US/CA area for trawl vessels starting August 1.
- 32 11. Gear requirements in the US/CA area (Because they are fishing under a hard TAC for
- 33 all stocks, the sector requests ability to use any approved multispecies gear for
- 34 harvesting fish in the US/CA Area.)
- 35 12. Access to 30 minute blocks 138 and 139 during the May and block 139 during the
- 36 June GOM rolling closures.
- 37 13. Dockside monitoring requirements for vessels fishing west of 72-30’
- 38 14. Prohibition on offloading non-allocated stocks (monkfish, scallops, lobster, skates)
- 39 prior to arrival of dockside monitor.
- 40
- 41

1 **ARTICLE V CATCH MONITORING and REPORTING**

2

3 **Section 5.1 Participating Vessel Catch Reports**

4 All participating vessels are required to report to NMFS as required by the federal regulations for  
5 the FMP in addition to reporting to their sector manager.

6 To enable each Member and the Sector to monitor the Members' compliance with this  
7 Agreement, each Member agrees to report each of its Participating Vessels' entire catch from  
8 sector trips (including discards) by pounds, by species, and by statistical area on the VTR,  
9 transmitted to the Sector Manager within 24 hours of landing so the Manager can monitor the  
10 sector's allocation and harvest on a trip by trip basis. Members will provide a copy of their  
11 official Vessel Trip Reports and other reporting documents authorized by NMFS to the Sector  
12 Manager within 24 hours of offloading fish in the form and manner prescribed by the Manager.  
13 The Members agree that the Manager shall maintain these records. The Manager shall, upon the  
14 request of any Member, provide such Member with the Sector's aggregate catch information that  
15 is generated from such records.

16 Vessel operators may be subject to investigation and/ or penalty by the sector if they do not meet  
17 the sector-determined deadlines for submitting their VTRs, dealer and dockside monitoring  
18 reports.

19

20 **Section 5.2 Catch Verification**

21

22 The Manager (or his designated agent) shall, and each Member (or its designated agent) shall  
23 ensure that the Manager does compare, verify and validate each Participating Vessel's catch  
24 records with the dealer reports for such Participating Vessel, on a continuing and frequent basis.

25

26 Each Member agrees to cooperate fully with any and all requests for information or data that are  
27 made by the Manager or the Infractions Committee in an effort to resolve any discrepancy

28

29

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31 **Section 5.3 Sector Reporting**

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33 The SHS III will submit required weekly and, when required, daily reports to NMFS using the  
34 format and procedures prescribed by NMFS.

35 The Sector Manager will report weekly by gathering and aggregating data from vessels (Vessel  
36 Trip Reports (VTRs)), Dockside Monitors, dealers, (including but not limited to the weekly  
37 electronic dealer reports to be posted on the NMFS 'sector information management' web  
38 portal), daily discard rates as calculated and supplied by NMFS based on the Northeast Fishery  
39 Observer Program (NEFOP), and other data sources as they are available. The Manager shall, on  
40 a weekly basis, transmit to NMFS such aggregate catch information generated from such reports  
41 ("Aggregate Reports"). Weekly reports shall consist of the following:

42

- 1           ○ Sector ACE Status Report: The ACE Status Report will allow NMFS to cross-  
2           check totals, as stipulated in Amendment 16. Information includes the original  
3           ACE at the start of the fishing year, the current ACE, harvested ACE, and the  
4           percent harvested to date.
- 5           ○ Sector Manager Detail Report: The Sector Manager Detail Report provides  
6           information down to the sub-trip level about each sector trip for a given week,  
7           regardless of the completeness of the data. The information includes stock, gear,  
8           mesh categories, landing amounts, discards, and total catch.
- 9           ○ Sector Manager Trip Issue Report: The Sector Manager Trip Issue Report  
10          provides information about sector trips for a given week that have enforcement,  
11          data quality, or other issues.

13 Weekly reports will include any enforcement or reporting compliance issues, including  
14 violations of sector operations plans (exclusive of defined administrative provisions), violations  
15 of regulations, or general problems with dockside monitoring or sector operations during the  
16 reporting period and a section notifying NMFS of outstanding catch records and the results of  
17 any investigations into data discrepancies. Any resolutions and / or ongoing internal sector  
18 investigations will be noted.

19 The reporting due date for the Sector Manager's weekly report will be increased to daily when a  
20 threshold of either 80% of any of the Sector's ACE is reached, or when, for two consecutive  
21 weekly reporting periods 20% or more of the remaining portion the Sector's ACE is harvested,  
22 whichever occurs first. Thus, for the latter trigger point, if a sector in one week harvests 25% of  
23 the remaining ACE for Gulf of Maine cod for that sector, and the following week harvests 22%  
24 of that ACE, the trigger will have been reached and sector reporting will be changed to daily.  
25 When a threshold triggering increased reporting frequency has been reached, the sector manager  
26 will notify NMFS by email.

27 An alternative threshold for increasing reporting frequency may be implemented during FY 2011  
28 if agreed upon by both the sector and NMFS.

29

#### 30           Section 5.4    **Not Exceeding the Sector's Allocation**

31 In addition to the 5% of the ACE of each stock that will be set aside in reserve, the sector will  
32 avoid exceeding their ACE for any stock by having trip by trip reporting by all vessels actively  
33 fishing to the sector manager of the catch and discards of allocated stocks.

34 By keeping close track of the catch of all participating vessels, and close accounting of the  
35 sector's allocation of each stock, the sector manager will be able to alert any and all members if  
36 it is necessary for them to stop fishing.

37 If the weekly reporting indicates that sector catch is approaching the reserve, then the sector  
38 manager will issue a temporary 'stop fishing order' to all members (to ensure the sector's ACE is  
39 not exceeded) until the Sector Manager acquires additional ACE, or until any discrepancies are  
40 resolved.

1 The SHS III will allow the internal transfer of shares from one member to another, which will be  
2 tracked and recorded by the sector manager.

3 At the request of any member, at any time, and before the sector as a whole catches 80% of the  
4 ACE of any stock, the sector manager may seek additional shares to lease/trade from other  
5 sectors. NMFS will be notified of any transfers between sectors and members acknowledge that  
6 no transfer is in effect until it has been approved by NMFS and such notice received by the  
7 sector manager.

8 If the sector reaches or exceeds its ACE for any allocated stock, the sector manager will  
9 immediately issue a stop fishing order to all participating vessels. If additional ACE is acquired,  
10 then the stop fishing order may be suspended.

11 Finally, instead of authorizing the harvest of the reserve in the final month of the fishing year.  
12 the sector may choose to carry forward up to 10% of their ACE as allowed under Federal  
13 regulations.

14 Section 5.5 **Annual Report**

15 The Manager shall prepare and submit to NMFS an annual year-end report on the fishing  
16 activities of its Members, including the harvest levels of all Participating Vessels of all species,  
17 any enforcement actions taken against the Members, their Permits or Participating Vessels, and  
18 other information necessary to evaluate the Sector's performance as directed by NMFS.

19 Sector vessels which do not fish on sector trips agree that the Sector Manager will use VTR and  
20 dealer data as submitted to NMFS to compile the required annual report.

21

1 **ARTICLE VI**            **MONITORING REQUIREMENTS**

2  
3  
4            **Section 6.1**    **Dockside Monitoring**

5  
6 Each member agrees to comply with the dockside monitoring provisions described in this  
7 Operations Plan and the NMFS Dockside Monitoring regulations in 50 CFR 648.87.  
8

9 The SHS III will contract with one or more NMFS-approved monitoring providers to provide  
10 dockside and/or at sea monitoring services before May 1, 2011 and will notify NMFS of its  
11 selection. The SHS may select a provider from the following list of monitoring vendors, which  
12 were approved to provide sector monitoring services in FY 2010, if they apply and are approved  
13 to provide sector monitoring services in FY 2011: MRAG Americas, AIS, Atlantic Catch Data or  
14 Saltwater, Inc.

15 If a Dockside Monitoring Company contracted to the SHS III loses its certification during the  
16 fishing year, the Sector will establish a contract with another approved company and notify  
17 NMFS.  
18

19 Dockside monitoring (DSM) will be deployed by the sector in accordance to the DSM  
20 operational standards found at 50 CFR 648.87(b)(5). The sector will work with the DSM  
21 provider to achieve the coverage level specified in the regulations at 50 CFR  
22 648.87(b)(1)(v)(B)(3)(i) using a methodology approved by NMFS and implemented by the  
23 monitoring vendor and the Sector Manager.  
24

25            **6.1.1**    **Vessel Hails**

26  
27 All members agree to hail ‘Trip Start’ and ‘Trip End’ to NMFS via an approved method.  
28

29 Vessels will hail **Trip Start** prior to leaving port via VMS or phone if VMS is not working. The  
30 Trip Start Hail will include at least the following: vessel permit number, the trip ID number and  
31 estimated time of arrival to port. (The trip ID number is defined as the serial number from the  
32 first page of the first VTR filled out for the trip.) The Dockside Monitoring Company is required  
33 to send a confirmation to the vessel that it has received the Trip Start Hail. If the vessel operator  
34 does not receive the confirmation in the required time, they must contact the Dockside  
35 monitoring company by an alternative approved method (expected to be phone, but may include  
36 another means if approved by NMFS).  
37

38 Vessels will send the **Trip End** hail via VMS or phone if VMS is not working to their selected  
39 Dockside Monitoring Company and NMFS at least six hours in advance of landing to allow a  
40 Dockside Monitor (DM) to be present in time to witness offloading. The Trip End hail will  
41 include the following: permit number, trip ID number, specific offloading location including  
42 state, port/harbor and dock, for all dealers/ facilities where they intend to offload, estimated time  
43 of arrival, estimated time of offloading, and estimated weight of multispecies and other catch  
44 being landed.

1  
2 For trips less than six hours in length or occurring within six hours of port, the estimated time of  
3 arrival to port and time of offload will be provided in the Trip Start hail. The Trip End hail will  
4 be sent upon completion of the last tow (or haul) with all required updated information. An  
5 alternative timing for the trip end hail may be implemented during FY 2011 if agreed upon by  
6 the sector, the monitoring provider, and NMFS.

7  
8 The dockside monitoring company is required to send a confirmation of receiving the Trip End  
9 hail and whether the vessel will have a Monitor present for offloading OR they will be issued a  
10 Waiver for the trip. If the vessel operator does not receive a confirmation of the Trip End hail,  
11 he must call the Dockside Monitoring Company by back-up system (phone) prior to landing. The  
12 dockside monitoring company will also notify the Sector Manager and NMFS Law Enforcement  
13 when it sends the confirmation with the complete hail Trip End information and whether the  
14 vessel will have a Monitor present at offloading or not.

15  
16 If the vessel is selected for dockside monitoring, then the vessel will not offload unless a Monitor  
17 is present.

18  
19 In the event of bad weather or other emergency that results in a participating vessel entering port  
20 without being able to give six hour notice prior to landing, the vessel will notify the sector  
21 manager and the Dockside monitoring company as soon as it is safe to do so. Such notification  
22 will include all required trip end hail information. Upon receiving such notification, the  
23 Dockside Monitoring Company will send a confirmation and inform the vessel if it will have a  
24 dockside monitor or receive a waiver for the trip, and will also notify NMFS by email or phone,  
25 of the unexpected arrival in port. If assigned a Dockside monitor, then all participating vessels  
26 agree to not unload fish unless a Dockside Monitor is present. Further, the vessel owner agrees  
27 to pay any additional costs for the required DM as may accrue as a result of invoking the landing  
28 port exception.

29  
30 If a SHS III vessel decides to offload at more than one facility, they agree to have a DM present  
31 during offload at each location.

### 32 33 34 6.1.2 **Dockside Monitoring Procedures**

35  
36 Upon meeting the vessel at the offloading site, the DM will:

- 37 1) take copies of all VTRs for the trip;
- 38 2) record whether the scales are certified;
- 39 3) observe and record whether ice and box weights are tared before catch is weighed; and
- 40 4) ask the captain whether all fish have been offloaded, and whether any are being retained  
41 for personal use. The DM will record the captain's estimate of weight of each species  
42 being retained for home use or retained on the vessel and record the reason(s).
- 43 5) The DM or Dealer will record and sign a report of the weight of offloaded fish by  
44 species.

- 1       6) The DM will send the Sector Manager a copy of the VTRs and a copy of the DM report  
2       and dealer receipts (if separate from the DM report) electronically and within 24 hours of  
3       the end of the offloading event.
- 4       7) The DM Company will keep an electronic copy of the DM report.

5  
6 If a vessel is selected for having a DM, and is offloading at a remote port, (meaning their fish  
7 will be trucked before it is weighed), the vessel may enter port and tie at safe berth but no  
8 offloading can commence until the RM or DM is present. If the truck does not have scales, then  
9 members agree to have a RM present when the vessel offloads to the truck and a DM to record  
10 weights when the truck is offloaded at the dealer's location. The DM and RM of a trip that is  
11 unloaded in a remote location will follow all requirements described for dockside monitoring  
12 (above) to ensure all groundfish from the trip are accounted for and accurately reported to the  
13 Sector Manager.

14  
15 If the offload is weighed at the offload site in front of the RM before being loaded into the truck  
16 the event must follow the protocol for offload at a dealer. Upon meeting the vessel at the remote  
17 offloading site, the RM will:

- 18       1) take copies of all VTRs for the trip;
- 19       2) record whether or not the scales are certified; and
- 20       3) observe and record whether ice and box weights are tared by the dealer before the catch is  
21       weighed, and.
- 22       4) Ask the captain whether all fish have been offloaded, and whether any are being retained  
23       for personal use. The RM will record the captain's estimate of weight of each species  
24       being retained for home use or retained on the vessel and record the reason(s).
- 25       5) Either the RM or dealer will record the weight of offloaded fish, by species (and market  
26       class, if culled), in a report. This report will be signed by the RM and the RM will keep a  
27       copy of the signed report.
- 28       6) The RM will send copies of the VTR(s), the RM's report, and the dealer receipt(s) (if  
29       separate from the RM's report), to the Sector Manager within 24 hours of the end of the  
30       offloading event.
- 31       7) The DM Company will keep an electronic copy of the RM report.

32  
33 If the offload is not weighed at the offload site in front of the RM before being loaded into the  
34 truck, then all fish must be weighed in the presence of a DM at the receiving dealer(s) when the  
35 truck offloads following the same procedures as a vessel offloading at a dealer, and the RM will:

- 36       1) take copies of all VTRs, and
- 37       2) record the number of totes of each species and the captain's estimate of the weight of  
38       each species in each tote.
- 39       3) Ask the captain whether all fish have been offloaded, and whether any are being retained  
40       for home use. The RM will record the captain's estimate of weight of any species being  
41       retained for home use or retained on the vessel and record the reason(s).
- 42       4) Record all offloaded fish, by species (and market class, if culled), in a report, unless the  
43       driver creates such a report that the RM may use. This report shall be signed by the RM,  
44       and the RM shall keep a copy of the signed report.

- 1 5) Ensure that each tote is tagged with appropriate identifying information, including but not
- 2 limited to: vessel name and permit number, serial number of first VTR page filled out for
- 3 that trip, RM name, tote number, and species.
- 4 6) The RM will send copies of the VTR(s), the RM report and the driver manifest(s) (if
- 5 separate from the RM's report) to the Sector Manager within 24 hours of the end of the
- 6 offloading event.
- 7 7) The DM Company will keep an electronic copy of the RM report.

8  
9  
10 All members agree to hail trip start and trip end via VMS or other authorized electronic means to  
11 the Sector Manager and their selected Dockside monitoring company.

### 12 6.1.3 Designated Landing Ports

13  
14  
15  
16 Members shall agree to offload catch from sector trips in the following ports.

- Boston, MA
- Gloucester, MA
- New Bedford, MA
- Provincetown, MA
- Hyannis, MA
- Chatham, MA
- Scituate, MA
- Point Judith, RI
- Portland, ME
- Biddeford Pool, ME
- Sebasco Harbor, ME
- Cundy's Harbor, ME
- Rockland, ME
- Portsmouth, NH
- Rye, NH
- Newport, RI
- Chincoteague VA

### 6.1.4 Remote Ports (Ports Where Fish May be Trucked)

- Portsmouth State Pier, Portsmouth NH
- Port Authority, Portsmouth, NH
- Woods Hole, MA
- Sebasco Harbor, ME
- Bar Harbor, ME: Bar Harbor Town Dock
- Southwest Harbor ME: Southwest Harbor Town Dock
- Portland ME: Bait Lady Take-out, Scoala's Take out, Maine Wharf, Widgery Wharf
- Gloucester MA: Jodrey Pier, Pier 7 Take-out
- Provincetown, MA: Provincetown Town Pier
- Davisville RI: Davisville Pier
- Point Judith, RI
- Montauk, NY

## 1 Section 6.2 At Sea Monitoring

2  
3  
4

1 The SHS III does not plan to have additional At Sea Monitoring beyond that provided by NMFS  
2 through the NEFOP.  
3  
4  
5

1 **ARTICLE VII** **DISCARDS and OVERAGES**

2  
3 Section 7.1 **Discard Rate**

4  
5 Sector will commence operations (when approved through the federal rule making process) for  
6 FY 2011 with discard rates provided by NMFS and will apply in-season discard rates as  
7 provided by NMFS.

8  
9 The Sector manager will derive stock specific discards for each trip. If the trip is observed by  
10 either an ASM or a NEFOP observer, discards will be derived based on data collected during that  
11 trip and will account for all hauls (observed and unobserved) on that trip. If the trip is not  
12 observed, discards will be derived using the NMFS-provided discard rate resulting from the  
13 NMFS (peer-reviewed and approved) method to estimate 'in-season' discard rates.

14  
15 The members of the Sector agree that discards will be calculated as directed by NMFS. The  
16 resulting Sector-specific discard rate will be applied to all Sector trips.

17  
18 Section 7.2 **Overages**

19  
20 7.2.1 **Individual exceeding an individual allocation of a stock**

21  
22 The Sector Manager may issue (and may ask NMFS to enforce) a temporary 'Stop Fishing  
23 Order' to any participating vessel that has fished 90% of its share for any stock until additional  
24 allocation for that stock has been acquired. The vessel owner will be responsible for acquiring  
25 additional ACE for that stock, first from within the Sector, and if none is available, then he will  
26 notify the Sector Manager to assist him in acquiring additional ACE of that stock from another  
27 sector at his own expense.

28  
29 If the Sector Manager is not able to acquire additional ACE of that stock then the Manager will  
30 issue a "stop fishing order" for the duration of the fishing year to that individual member for that  
31 stock area where his vessel exceeded his share.

32  
33  
34 7.2.2 **Individual exceeding the allocation of a stock for the entire sector**

35  
36 To prevent an overage, the SHS III agrees to set aside **5%** of their ACE as a reserve. The Sector  
37 expects to acquire additional ACE from other sectors as needed during the fishing year to  
38 prevent exceeding its ACE of any stock.

39  
40 If anyone in the Sector causes the Sector's allocation of any particular stock to be exceeded, the  
41 Sector Manager will issue a "Stop Fishing Order" and then attempt to acquire additional ACE for  
42 that stock at the expense of the individual whose vessel caused the ACE to be exceeded. If the  
43 Sector Manager is not able to acquire additional ACE of that stock, then member vessels will be  
44 prohibited from fishing in that stock area on sector trips directed at groundfish dogfish, monkfish  
45 or skates (because all groundfish caught on sector trips in those fisheries counts against the  
46 Sector's ACE).

47

1 The Sector Board will initiate an investigation into how an ACE was exceeded and develop  
2 mechanisms to prevent it from happening in the future. Such mechanism may include, but will  
3 not be limited to, increasing the Sector's reserve percentage.  
4

5 Each member acknowledges and agrees to account for any overage, and agrees to the overage  
6 penalties detailed in Exhibit A.  
7

8 Each member acknowledges that if the Sector exceeds its ACE, then NMFS will reduce the  
9 Sector's allocation of that stock by the appropriate amount in the subsequent fishing year. If  
10 there is not enough ACE to subtract from the sector's allocation in the second year to cover the  
11 overage from the previous year, the Sector's ACE for which the overage occurred will be  
12 temporarily reduced to zero for the second fishing year, unless and until the Sector can acquire  
13 sufficient ACE from another sector to cover the remaining overage from the first year.

14 Each member acknowledges that if the Sector disbands completely and no Sector exists to cover  
15 the overage deduction in the following year, or there is insufficient ACE in year two to cover the  
16 year one overage, then, to account for the overharvested fish, each member will be held  
17 responsible by having its individual permit's PSC (if the vessel is in a sector) or DAS allocation  
18 (if the vessel is in the common pool) for the following year reduced by NMFS.

1 **ARTICLE VIII ENFORCEMENT**

2  
3 **Section 8.1 Agreement Enforcement**

4  
5 Each of the Members and the Sector shall have the right to have any provision of this Agreement  
6 specifically enforced, through injunction, restraining order or other form of equitable relief.

7  
8 Each Member agrees that the Sector, through its representatives, and/or any other Member may  
9 enforce this Agreement on behalf of the Sector and/or its Members.

10  
11 Each Member agrees to take all actions and to execute all documents necessary or convenient to  
12 give effect to the enforcement procedures contemplated by this Agreement, the Harvesting Rules  
13 and any Schedule of Penalties.

14  
15 **Section 8.2 Restrictions on Fishing Activity**

16  
17 The Members acknowledge they may be held jointly and severally liable for civil penalties to  
18 NMFS that result from

- 19 1. any member causing the Sector to exceed its ACE;  
20 2. any member discarding legal sized allocated groundfish;  
21 3. any member or vessel operator misreporting their own catch and discards of allocated  
22 groundfish species to NMFS or the Sector Manager;

23  
24 The Members further acknowledge and agree that monetary penalties could be inadequate  
25 recourse under such circumstances.

26  
27 Therefore, the Members acknowledge and agree that each of them will comply with a “stop  
28 fishing” order from the Sector, which shall be issued by the Board, the Manager or the  
29 Infractions Committee, and each of the Members further agrees that if any Member fails to  
30 comply with such order, the Sector shall have the authority to obtain an injunction, restraining  
31 order or other equivalent form of equitable relief to give effect to such “stop fishing” order.

32  
33 **Section 8.3 Joint and Several Liabilities**

34  
35 Sector members acknowledge and agree that they and the sector may be held jointly and  
36 severally liable for discarding legal sized fish, misreporting, and Annual Catch Entitlement  
37 (ACE) overages as specified in Federal regulations.

38  
39  
40 **Section 8.4 Infractions Committee**

41 The Board shall appoint an infractions committee (the “Committee”) as necessary to ensure fair,  
42 consistent and appropriate enforcement of this Agreement, the Harvesting Rules, the Plan and  
43 other Sector requirements as adopted under the terms of this Agreement and the Sector’s Bylaws.  
44

1 The Committee will be comprised of at least three Board members excluding any Board member  
2 who may be subject to investigation.  
3

4 The Committee shall annually prepare and recommend to the Board for its approval a schedule  
5 of penalties, which shall be similar in form to Exhibit A (the “Schedule of Penalties”), for any  
6 unauthorized fishing activities (whether under applicable laws, rules and regulations or  
7 otherwise) and for violations of this Agreement, the Harvesting Rules, the Plan and other Sector  
8 requirements as may be adopted under the terms of this Agreement or the Sector’s Bylaws. If  
9 the Schedule of Penalties is changed from what is in Exhibit A members acknowledge that the  
10 new Schedule will be sent to NMFS as an addendum to this Operations Plan.  
11

12  
13 The Board shall review and approve any Schedule of Penalties prior to the commencement of the  
14 fishing year.  
15

16 In addition, the Committee shall have the authority to take any number of enforcement measures  
17 against the Members for the non-payment of membership dues and/or poundage fees.  
18

19 Such enforcement measures may include expulsion of the violating Member under Section VI  
20 and /or issuing a “stop fishing” order against such Member.  
21

22 If a member has been issued a “stop fishing” order the Sector Manager will notify NMFS  
23 immediately by email, followed by certified mail.  
24

1            **Section 8.5    Procedures for Investigations**

2    In addition to the Manager’s authority to invoke penalties under the Schedule of Penalties, the  
3    Manager may, on her own, and shall, at the request of a Member, request that the Committee  
4    conduct an investigation of possible infractions of the Agreement, the Harvesting Rules, the  
5    Plan, or other Sector requirements as may be adopted under the terms of this Agreement or the  
6    Sector’s Bylaws, by calling a meeting of the Committee and presenting it with the information  
7    that is the basis for the Manager’s or Member’s opinion that an infraction occurred.

8    The Committee shall operate as a “blind” committee, such that the identity of the Member,  
9    Permit and/or Participating Vessel under consideration shall only be known to the Manager. The  
10   Committee shall assign a number of its members, which constitutes no more than 50% of the  
11   Committee, to investigate the matter further and to recommend action, if any, to the full  
12   Committee.

13   Such Committee member assignments shall be rotated. If, upon the conclusion of such  
14   investigation, the Committee determines by an affirmative vote of a majority (51%) of its  
15   members that a violation of this Agreement, the Harvesting Rules, the Plan, or other Sector  
16   requirements (as may be adopted under the terms of this Agreement or the Sector’s Bylaws) has  
17   occurred, it may, and is hereby given the authority to impose any penalties prescribed in the  
18   Schedule of Penalties to the Member, its Permits and its Participating Vessels by the Sector, or  
19   issue “stop fishing” orders.

20   The Committee shall exercise all reasonable efforts to ensure that penalties and settlements are  
21   commensurate with the nature and extent of the violation, are designed to further the purposes of  
22   the Plan, and are uniform with those reached in similar circumstances.

23   All appeals from such Committee action shall be taken in accordance with Section 8.9. Each of  
24   the Members agrees to cooperate fully with the Manager and the Committee in such  
25   investigations and procedures (including cooperation with any requests for information or data  
26   that may be made by the Manager or the Committee).

27  
28            **Section 8.6    Penalties for Violations**

29  
30   Any penalties that are imposed upon a Member by the Sector pursuant to the terms of this Agreement shall be in  
31   addition to, and not in lieu of, any other potential state or federal penalty that may be imposed upon such Member.  
32

33            **Section 8.7    Penalties and Attorneys’ Fees**

34  
35   Penalties for any violations of this Agreement shall, be limited to the amounts set forth on the  
36   Schedule of Penalties plus all costs, fees and expenses, including attorneys fees, incurred by the  
37   Sector or, in a case in which the Sector does not take enforcement action, by the Members  
38   bringing such action, in enforcing the provisions of this Agreement.  
39

1 To the extent the Schedule of Penalties addresses such matter, the Members and the Sector  
2 hereby waive any claims to actual, direct, or indirect damages, and instead agree that payment of  
3 the amounts set forth on the Schedule of Penalties and costs of enforcement shall be their sole  
4 remedy for breaches of this Agreement.

5  
6 In connection with any legal proceeding related to this Agreement, the non-prevailing party shall  
7 pay the prevailing party's reasonable costs and attorney's fees associated with the proceeding.  
8  
9

10 **Section 8.8 Application of Penalties, Fines and Damages**

11  
12 All penalties, fines and/or other damages paid to the Sector shall, first, be applied to the cost of  
13 enforcement of such violations and, second, any remaining amounts shall be applied to the costs  
14 and expenses of the administration, management and preservation of the Sector.  
15

16 Any funds remaining after the application of the foregoing sentence shall be used to further  
17 research into efficient management of groundfish stocks for the benefit of the resource and those  
18 that harvest the resource.  
19

20 **Section 8.9 Appeal from Committee Decision**

21  
22 If the Committee has determined that a Member has violated this Agreement or makes any other  
23 determination with respect to a Member under this Agreement (including, specifically, without  
24 limitation section on catch verification), such violating Member shall have **five** business days  
25 following the date of the Committee's determination to request reconsideration of the  
26 enforcement or other action and/or propose an alternative form of penalty.  
27

28 Such request shall be made in writing and shall be addressed to the Board.  
29

30 The Board may, in its sole discretion, grant or deny any request for reconsideration and may, in  
31 its sole discretion, approve or disapprove any alternative form of penalty; provided, that the  
32 Board shall exercise all reasonable efforts to ensure that penalties and settlements are  
33 commensurate with the nature and extent of the violation, are designed to further the purposes of  
34 the Plan are uniform with those reached in similar circumstances.  
35  
36

37 **Section 8.10 Dispute Procedures**

38  
39 Prior to instituting any litigation or other dispute resolution, the parties shall follow applicable  
40 procedures set forth in this Agreement for the resolution of such dispute.  
41

42 Any appeals taken with respect to any dispute that arises in connection with this Agreement shall  
43 be taken in the federal district court in Portland, Maine or, if said court does not have  
44 jurisdiction, in such courts in the State of Maine that do have jurisdiction.  
45  
46

1            Section 8.11   **Indemnification**

2  
3    Each party that violates this Agreement (the “Indemnitor”) hereby severally agrees to indemnify,  
4    defend and hold harmless the other parties hereto (each, an “Indemnitee”) in respect of their  
5    respective Losses; provided that such losses result or arise from a third party claim or  
6    governmental proceeding brought against or involving the Indemnitee, which is based on or  
7    relates to this Agreement violation of applicable laws, rules or federal fishery regulations or  
8    breach of any covenant, agreement or obligation contained in this Agreement, the Harvesting  
9    Rules or other Sector requirements as may be adopted under the terms of this Agreement or the  
10    Sector’s Bylaws.

11  
12    The indemnification obligations of the parties shall be joint and several.

13  
14    For the purposes of this Section, “Losses” shall mean any and all claims, liabilities, obligations,  
15    judgments, liens, injunctions, charges, orders, decrees, rulings, damages, dues, assessments,  
16    taxes, losses, fines, penalties, expenses, fees, costs, amounts paid in settlement (including  
17    reasonable attorneys’ and witness fees and disbursements in connection with investigating,  
18    defending or settling any action or threatened action) arising out of any claim, complaint,  
19    demand, cause of action, action, suit or other proceeding asserted or initiated or otherwise  
20    existing.

21  
22    The obligations under this Section shall survive the termination of this Agreement and the  
23    expulsion of any Member pursuant to Article IX.

1 **ARTICLE IX**            **EXPULSION OF MEMBERS**

2  
3            Section 9.1    **Cause**

4  
5    The Members agree that any Member may be expelled from the Sector if the actions of such  
6    Member and/or its Participating Vessels (or the Participating Vessels’ operators) seriously  
7    undermine and threaten the existence of the Sector, the actions of such Member and/or its  
8    Participating Vessels (or the Participating Vessels’ operators) have exposed other Members of  
9    the Sector to monetary penalties and/or legal actions, such Member has been convicted of a  
10    serious crime, or such Member has not paid its membership dues and/or poundage fees as  
11    required by the bylaws.

12  
13            Section 9.2    **Procedure**

14  
15    Any Member, the Committee or the Manager may submit to the Board a request to have a  
16    Member, its Permits and/or its Participating Vessels expelled from the Sector (the “Expulsion  
17    Request”).

18  
19    Such Expulsion Request shall be in writing and shall include an explanation of the basis for  
20    expulsion.

21  
22    The Board shall vote on such Expulsion Request within fourteen (14) days of receipt of such  
23    Expulsion Request.

24  
25    The affirmative vote of two-thirds of the members of the Board shall be required in order to  
26    expel a Member, its Permits and/or its Participating Vessels.

27  
28    Expulsion shall be effective immediately upon the receipt of the requisite vote by the Board.  
29    Board members cannot vote on the expulsion of one or more of their own vessels.

30  
31    As required by 50 CFR Part 648.87 or any substitute or successor provision, a Member, its  
32    Permits and/or its Participating Vessels expelled during any fishing year may not fish outside of  
33    the Sector under a NE multispecies DAS program during the remainder of such fishing year.

34  
35    Upon expulsion of any Member, its Permits and/or its Participating Vessels, the Manager shall  
36    immediately notify NMFS by email, followed by certified mail, that the Member’s Permits  
37    and/or Participating Vessels are no longer included in the Sector.  
38

1 **ARTICLE X** **EXPECTATION OF NMFS ENFORCEABILITY**

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Section 10.1

The following sections of this Operations Plan **will not be enforced by NMFS**, but are administrative to Sector Operations.

- Article I, Sections 1.1-1.4
- Article 2, Sections 2.1 and 2.3;
- Article III, Sections 3.1, 3.2, 3.3, 3.4, 3.4.1, 3.4.2;
- Article IV, Sections 4.01, 4.0.2;
- Article V, Section 5.1 and 5.2;

Section 10.2

The following sections **will be enforced by NMFS** as they are required by federal regulations.

- Article II, Sections 2.2
- Article IV, Sections 4.1
- Article V, Sections 5.3-5.5
- Article VI, Section 6.1 (all)
- Article VII, Sections 7.1, 7.1.2, 7.1.3
- Article VIII, Section 8.1, 8.2, 8.3
- Article IX, Expulsion will be enforced by NMFS

1 **EXHIBIT A: ALLOCATION AND PENALTY SCHEDULE**

2

<b>Penalty Schedule</b>			
<b>VIOLATION</b>	<b>FIRST</b>	<b>SECOND</b>	<b>THIRD</b>
<b>VIOLATIONS REGARDING PERMITS, REPORTING, DOCUMENTATION, EXEMPTION PERMIT REQUIREMENTS</b>			
All Violations including but not limited to: providing false statements or supporting documentation on applications or reports to the Sector; late or non-reporting; failure to comply with a permit condition/ restriction/ letter of authorization or exemption issued by the Sector; providing false statements or failing to comply with VMS/DAS requirements (technical and minor violations may result in a letter of warning); Exceeding ACE and not acquiring additional ACE to replace it.	Up to \$5,000 (and/or stop fishing order) plus the cost of the sector acquiring additional ACE, and all legal and administration fees	\$5,000-\$10,000 (and/or stop fishing order) plus the cost of the sector acquiring additional ACE, and all legal and administration fees	\$10,000 + (and/or stop fishing order) plus the cost of the sector acquiring additional ACE, and all legal and administration fees
<b>VIOLATIONS REGARDING TIME AND AREA RESTRICTIONS</b>			
All violations including, but not limited to: exemption areas, closed fisheries, closed seasons, restricted gear/management areas and Days at Sea violations.	\$2,000-\$50,000 (stop fishing order for 30 days) and all legal and administration fees	\$10,000-\$100,000 (unable to fish for the remainder of the fishing year) and all legal and administration fees	Expulsion and all legal and administration fees
<b>VIOLATIONS THAT PLACE THE SECTOR AGREEMENT AT RISK</b>			
All violations including but not limited to a violation of a stop order, entering a closed area, transfer of fish from a non-Sector vessel to a Sector vessel, subverting the reporting requirements (misappropriating landings) or any other action which could cause the Authorized SECTOR to be in violation of its agreement.	Up to \$50,000 (loss of fishing rights for 365 days) and all legal and administration fees	Expulsion and all legal and administration fees	
<b>VIOLATIONS REGARDING MEMBERSHIP COMMITMENT</b>			
Violation of 50 CFR Part 48 or failing to remain in the Sector for the Commitment Period (i.e., breach of Section 2.03 of the Agreement).	\$10,000 and all legal and administration fees	N/A	N/A

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**EXHIBIT B: ROSTER WITH EXPECTED ACTIVITY FOR FY 2011**

<b>Count</b>	<b>MRI</b>	<b>PERMIT</b>	<b>VESSEL NAME</b>	<b>Acitve 2010?</b>	<b>Expected Active 2011?</b>
1	415	149544	TORI T	N	N
2	531	149858	CASEY JONES	N	N
3	567	310908	KAILY ANN	N	N
4	607	320374	KELLY MARIE	N	N
5	619	223598	MISS PRISS	N	N
6	853	149358	MT VERNON (formerly 330452)	N	N
7	921	330652	JAIME MAE	N	N
8	993	149462	REICHLE 12	N	N
9	1102	410354	Evening Star	N	N
10	1113	410381	ERIN RENEE	N	N
11	1114	410384	THUNDER BAY	N	N
12	1156	150287	1975 SILVERLINE	N	N
13	1234	320304	ALYSSA & ZACHARY	N	N
14	1536	321025	CAITLIN & MAIREAD	N	N
15	1849	149859	REICHLE/LOW 2004 OPEN	N	N
16	2315	149430	2003 LEISURE LIFE	N	N
17	2461	150495	CAPT CRABBY	N	N

1 **EXHIBIT C: LIST OF MEMBERS' FEDERAL AND STATE PERMITS**  
 2 **(and see attached pages)**

<b>count</b>	<b>MRI</b>	<b>PERMIT</b>	<b>Federal Permits Assoc w this permit</b>	<b>State Permits</b>	<b>Other Federal Permits not enrolled in the SHS-III Sector</b>
1	619	223598	Bluefish, BS Bass, Dogfish, Fluke, Lobst (1), Monk (D), Scup, Skate, SMB	NJ comm crab, Del Bay Gillnet, comm marine, lobster, summer flounder, Black Sea Bass, Tautog	320411
2	567	310980	Bluefish, BS Bass, Dogfish, Fluke, Herr (D), GC Scallop, Lobst (1), Monk (D), Quahog, R Crab, Scup, S Clam, Skate, SMB, Tilefish	NJ comm crab, Del Bay Gillnet, comm marine, lobster, summer flounder, Black Sea Bass, Tautog	None
3	1234	320304	Bluefish, BS Bass, Dogfish, Herr (D), GC Scallop, Lobst (1), Monk (E), Quahog, R Crab, Scup, S Clam, Skate, SMB, Tilefish	MA offshore lobster non trap, scallop shucking, squid, herring;	None
4	607	320374	Bluefish, Dogfish, Fluke, Herr (D), GC Scallop, Monk (D), Scup, Skate, SMB	MA offshore lobster non trap, scallop shucking, squid, herring;	None
5	853	330452	Bluefish, BS Bass, Dogfish, Fluke, Herr(D), GC Scallop, Lobst (1), Monk (E), Quahog, R Crab, LA Scallop, Scup, S Clam, Skate, SMB, Tilefish	NJ comm crab, Del Bay Gillnet, comm marine, lobster, summer flounder, Black Sea Bass, Tautog	149358, 151089
6	921	330652	Bluefish, Dogfish, Fluke, Herr (D), GC Scallop, Monk (D), Quahog, R Crab, Scup, S Clam, Skate, SMB, Tilefish	NJ comm crab, Del Bay Gillnet, comm marine, lobster, summer flounder, Black Sea Bass, Tautog	None

<b>count</b>	<b>MRI</b>	<b>PERMIT</b>	<b>Federal Permits Assoc w this permit</b>	<b>State Permits</b>	<b>Other Federal Permits not enrolled in the SHS-III Sector</b>
7	1102	410354	Bluefish, BS Bass, Dogfish, Fluke, Herr (C-), GC Scallop, Monk (E), Quahog, R Crab, Scup, S Clam, Skate, SMB, Tilefish	NJ comm marine, purse seine menhaden, Del bay gillnet, comm. crab pot,	None
8	2315	149430	Bluefish, BS Bass, Dogfish, Fluke, Herr (D), Lobst (1), Monk (D), R Crab, Scup, Skate, SMB, Tilefish	None	None
9	993	149462	Bluefish, BS Bass, Dogfish, Fluke, Herr (D), GC Scallop, Lobst (1), Monk (E), R Crab, Scup, Skate, SMB, Tilefish	None	410173, 410197
10	415	149544	Bluefish, Dogfish, Herr (D), Monk (D), R Crab, Skate, SMB, Tilefish	None	None
11	531	149858	Dogfish, Herr (D), Lobst (1, A1, A2), Monk ©, Skate, SMB	None	None
12	1849	149859	Bluefish, BS Bass, Dogfish, Herr (D), GC Scallop, Monk ©, R Crab, Scup, Skate, SMB, Tilefish	None	410103, 410329, 149170, 410566, 330521, 150596
13	1156	150287	Bluefish, Dogfish, Herr (D), Lobst (1), Monk (C_), R Crab, Skate, SMB, Tilefish	None	None
14	2461	150495	Bluefish, BS Bass, Dogfish, Fluke, GC Scallop, Lobst (1, A2, A6), Monk (E), R Crab, Scup, Skate, SMB, Tilefish	NY foodfish, summer flounder, striped bass, crab, comm lobster, areas 2, 3, 6, shellfish digger	None

<b>count</b>	<b>MRI</b>	<b>PERMIT</b>	<b>Federal Permits Assoc w this permit</b>	<b>State Permits</b>	<b>Other Federal Permits not enrolled in the SHS-III Sector</b>
15	1536	321025	Bluefish, BS Bass, Dogfish, Fluke, Herr ©, Lobst (1, A2, A6), Monk F), Quahog, R Crab, Scup, S Clam, Skate, SMB, Tilefish	NJ summer flounder, NY foodfish, fluke, str bass,	None
16	1113	410381	Bluefish, BS Bass, Dogfish, Fluke, Lobst (1), Monk (D), R Crab, Scup, Skate, SMB, Tilefish	NJ comm crab, Del Bay Gillnet, comm marine, lobster, summer flounder, Black Sea Bass, Tautog	None
17	1114	410384	Bluefish, BS Bass, Dogfish, Fluke, Herr (D), GC Scallop, Lobst (1), Monk (C), LA Scallop, R Crab, Scup, Skate, SMB, Tilefish	NJ comm crab, Del Bay Gillnet, comm marine, lobster, summer flounder, Black Sea Bass, Tautog	320416

1 **EXHIBIT D: HARVESTING RULES for FY 2011**

2  
3 **QUOTA MANAGEMENT**

4  
5 **ACE and Annual Distribution**

- 6 1. Each Member agrees that the ACE of multispecies authorized by NMFS to the Sector  
7 (the “ACE”) shall be harvested in accordance with the Harvesting Rules, which are  
8 set forth below.
- 9 2. Individual sector members will be allocated a portion of the Sector’s total allocation  
10 based on the proportion of each stock that they contribute to the Sector’s initial ACE.  
11 Those members who have more than one vessel enrolled in the Sector may  
12 consolidate their fishing effort to one or more vessels by transferring their allocation  
13 to a single vessel.

14  
15 **Reserve**

- 16 1. Each Member agrees that a reserve in the amount of **5%** of each stock within the initial  
17 ACE will be established to ensure that the Sector remains in compliance with its ACE  
18 limit. The reserve shall be deducted from the ACE before such ACE is distributed among  
19 the Members and their Participating Vessels.
- 20 2. Distribution of Reserve - If the Board determines that as of April 1, the ACE in the  
21 Reserve has not been fully harvested by the Participating Vessels, the Board may release  
22 and authorize the harvesting of the reserve by the Members, their Permits and their  
23 Participating Vessels provided all vessels report to the sector manager daily.  
24 Alternatively, the Board may decide to carry that reserve forward to the next fishing year.

25  
26 **Additional Measures to Prevent ACE overages**

- 27 1. The Board reserves the right to prohibit fishing activities by Members if it determines  
28 that those activities undermine or compromise the Sector Plan and the Sector or  
29 otherwise conflict with the standards and ethics described in the bylaws and guiding  
30 principles.
- 31 2. The Board may direct the Sector Manager to lease or trade for additional ACE of any  
32 stocks of concern by contacting other sector managers.
- 33 3. The Board may impose additional restrictions as needed to slow down the pace of  
34 fishing.
- 35 4. The Sector Manager may issue (and ask NMFS to enforce) a ‘Stop Fishing Order’ to any  
36 member vessels that has fished more than 90% of its individual allocation for any stock  
37 until additional allocation for that stock has been acquired or the member has agreed to  
38 not fish in that stock area for the rest of the fishing year.

39  
40 **ACE Transfers**

- 41 • The Sector Manager will track all ACE transfers between members and with other  
42 sectors.

43 **MONITORING**

44  
45 **Monitoring**

- 1 1. All participating vessels will send a legible copy of the VTR and the dealer's weigh-out
- 2 receipt to the Sector Manager within 24 hours of the end of every trip.
- 3 2. All participating vessels will transmit the Trip Start Hail and Trip End Hail to NMFS,
- 4 3. All participating vessels will participate fully in the Northeast Fishery Observer Program
- 5 and At Sea Monitoring Program
- 6 4. All participating vessels will participate fully in Dockside Monitoring as required.
- 7

### 8 **Sector Reporting to NMFS**

- 9 1. The Sector will report weekly to NMFS as required using data collected from vessels,
- 10 VTRs, (and eVTRSs when authorized), dealer reports, dockside monitoring reports and
- 11 observer reports and any other data available.
- 12 2. The reporting due date for the Sector Manager's weekly report will be increased to daily
- 13 when either 80% of any of the Sector's ACE is reached, or when, for two consecutive
- 14 weekly reporting periods 20% or more of the remaining portion any ACE is harvested,
- 15 whichever occurs first.
- 16 3. An alternative threshold for increasing reporting frequency may be implemented during
- 17 FY 2011 if agreed upon by the sector and NMFS.
- 18 4. The Sector will submit required reports using the format and procedures prescribed by
- 19 NMFS.
- 20

### 21 **Data Reconciliation**

- 22 • The Sector manager will reconcile the data from vessels, VTRs, (and eVTRSs when
- 23 authorized), the dealers' report, the observer's report and the Dockside Monitor's report
- 24 on an ongoing basis to closely track the sector's ACE.
- 25

### 26 **Discard Rate**

- 27 • The Sector Manager will apply a sector-specific discard rate to all trips as calculated and
- 28 provided by NMFS.
- 29

### 30 **Annual Report**

- 31 • The SHS III will report on the Sector's performance within 60 days after the end of the
- 32 fishing year as required by NMFS.
- 33

### 34 **Data Management**

- 35 • The Sector will develop and maintain the necessary databases to track and maintain all
- 36 relevant catch data, including VTR, dealer reports, dockside monitor reports, observer
- 37 data, and at-sea monitoring data, as required.
- 38

### 39 **Dockside Monitoring**

- 40 1. Operators of all participating vessels will turn one copy of their VTRs over to the
- 41 Dockside Monitor (if one is assigned) at the time of offloading.
- 42 2. All members agree to hail trip start and trip end via means approved by NMFS
- 43 3. Vessels will hail trip start to NMFS when they leave port. Hail trip start will include
- 44 the following: the permit number, VTR number and trip ID number and estimated
- 45 time of arrival to port. The trip ID number is defined as the serial number from the
- 46 first page of the first VTR filled out for the trip.

- 1 4. Vessels will Hail Trip End at least 6 hours prior to landing to allow a DM to be  
2 present in time to witness offloading. Hail trip end will include the following: permit  
3 number, VTR number and trip ID number, specific offloading location including  
4 state, port/harbor and dock for all dealers, estimated time of arrival, estimated time of  
5 offloading, estimated total weight of regulated species on board, and the estimated  
6 total weight of all other species on board.
- 7 5. For trips less than 6 hours in length or occurring within 6 hours of port, the estimated  
8 time of arrival to port and time of off load will be provided in the trip start hail. The  
9 trip end hail will be sent upon completion of the last tow with required updated  
10 information.
- 11 6. The vessel will be notified by the dockside monitoring company when the company  
12 sends their confirmation whether they will have a RM or DM present for offloading  
13 OR they will be issued a DM Waiver for the trip.
- 14 7. If the vessel is selected for dockside monitoring, then the vessel will not offload  
15 unless a DM or RM is present.
- 16 8. If a sector vessel decides to offload at more than one facility, and that trip has been  
17 selected for having a Dockside Monitor, then they agree to have a DM present during  
18 offload at each location.

19

#### 20 **Designated Landing Ports**

21 SHS III Members agree to offload sector trips in the following ports:

- 22 • Boston, MA
- 23 • Gloucester, MA
- 24 • New Bedford, MA
- 25 • Provincetown, MA
- 26 • Hyannis, MA
- 27 • Chatham, MA
- 28 • Scituate, MA
- 29 • Point Judith, RI
- 30 • Portland, ME
- 31 • Biddeford Pool, ME
- 32 • Sebasco Harbor, ME
- 33 • Cundy's Harbor, ME
- 34 • Rockland, ME
- 35 • Portsmouth, NH
- 36 • Rye, NH
- 37 • Newport, RI
- 38 • Chincoteague VA

39

#### 40 **Remote Ports (Offloading Fish to a Truck)**

41

42 Members may offload landings from sector trips onto a truck at the following ports:

- 43 • Portsmouth State Pier, Portsmouth NH
- 44 • Port Authority, Portsmouth, NH
- 45 • Woods Hole, MA

- 1 • Sebasco Harbor, ME
- 2 • Bar Harbor, ME: Bar Harbor Town Dock
- 3 • Southwest Harbor ME: Southwest Harbor Town Dock
- 4 • Portland ME: Bait Lady Take-out, Scoala’s Take out, Maine Wharf, Widgery Wharf
- 5 • Gloucester MA: Jodrey Pier, Pier 7 Take-out
- 6 • Provincetown, MA: Provincetown Town Pier
- 7 • Davisville RI: Davisville Pier
- 8 • Point Judith, RI
- 9 • Montauk, NY

10

11 **Landing Port Exceptions and Safe Harbor Protocol**

- 12 1. To promote safety at sea and ensure the safety of vessel and crew, certain circumstances
- 13 beyond a vessel operators control may occasionally occur which require SHS III vessels
- 14 to enter port somewhere other than the designated landing ports listed above.
- 15 2. If a SHS III participating vessel is required to enter port somewhere other than a
- 16 designated landing port, then the vessel operator will notify the Sector Manager and the
- 17 Dockside Monitoring Company by appropriate means as soon as it is safe to do so.
- 18 3. Such circumstances include but are not limited to severe weather, mechanical failures,
- 19 compromised hull integrity, instances of pump failures and danger of sinking, crew injury
- 20 or life threatening illness and any other emergency situations that may arise.
- 21 4. In these circumstances, the vessel agree to not offload fish until a dockside monitor is
- 22 present, and members will (a) notify the Sector Manager, NMFS and the DM in
- 23 accordance with the procedures described in Section 6.1.1 Vessel Hails, and (b) pay any
- 24 additional costs for the required DM as may accrue as a result of invoking the landing
- 25 port exception.

26

27 **ADMINISTRATIVE**

28

29 **Proof of Sector Membership**

- 30 • Sector Vessels will carry on board at all times a Letter of Authorization (LOA) from the
- 31 Regional Administrator and a copy of this Operations Plan as proof of their membership
- 32 in the sector. Vessels must comply with all applicable Federal regulations and laws not
- 33 specifically exempted in the LOA.

34

35 **Hot Spot Reporting (areas of high bycatch of allocated species)**

- 36 1. Each member agrees to report to the Sector Manager any and all areas of high bycatch of
- 37 any sort, including undersized regulated species, areas of spawning fish, and/or any stock
- 38 for which the Sector is approaching their threshold.
- 39 2. Upon receiving a hot spot report, the Sector Manager will send an alert to all member
- 40 vessels to stay away from those particular areas.

41

42

43

44

45 **Days at Sea**

- 1 1. The vessels of the SHS III will use DAS solely for the purpose of meeting the
- 2 requirements of the Monkfish, Skates and Dogfish FMPs.
- 3 2. SHS III participating vessels expect to lease DAS for monk fishing from within the sector
- 4 and from vessels in other sectors that are granted this exemption.
- 5

### 6 **Fishing in US/Canada Areas**

- 7 1. Sector participating vessels may fish in the both the Eastern and Western US/Canada
- 8 Areas.
- 9 2. When reporting their catch to the Sector Manager, the operators of all Sector member
- 10 vessels will specify the volume of catch and discards from each area.
- 11 3. Members electing to enter the Eastern US/CA area are required to comply with the
- 12 observer notification reporting and VMS reporting requirements for that area.
- 13

### 14 **Closed Areas**

- 15 • SHS III participating vessels will only access the Closed Areas as authorized under the
- 16 Multispecies FMP.
- 17

### 18 **GEAR RESTRICTIONS**

#### 20 **Gear Restrictions**

##### 21 Seasonal or Area Gear Restrictions

- 22 • The SHS III Board may institute spatial or temporal gear restrictions to slow down the
- 23 catch rate of certain allocated stocks.
- 24

### 25 **Exhibit E: CONTRACT WITH SIGNATURES**

26  
27  
28 **Please see attached pages.**

# SUSTAINABLE HARVEST SECTOR III

PO Box 366, So. Berwick ME 03908 | 207-956-8497 | shsector@gmail.com

## Lease only membership for Fishing Year 2011

I, Roy Diehl, as owner of multispecies permit # 310187 attest that I have authority to enter into the agreement with the Sustainable Harvest Sector III outlined as follows:

I agree to add the ACE assigned to the multispecies permit listed above to the roster of the Sustainable Harvest Sector III for the fishing year May 1, 2011 through April 30, 2012.

I agree that the multispecies permit listed above will not participate in any fishery in which multispecies Annual Catch Entitlement (ACE) will be charged against this permit for the fishing year May 1, 2011 through April 30, 2012.

I agree to lease to members of the Sustainable Harvest Sector I or II the annual catch entitlement assigned to the multispecies permit listed above for the May 1, 2011 through April 30, 2012 fishing year.

I understand and agree that the Sustainable Harvest Sector I or II will provide me with compensation for the annual catch entitlement associated with assigned to the multispecies permit listed above.

I understand that should the National Marine Fisheries Service require dockside monitoring of my landings from any fishery in which I participate during the 2011 groundfish fishing year, that I am responsible for paying the cost of that monitoring. I agree to reimburse the Sustainable Harvest Sector III for those costs, as billed to the Sector by the Sector's chosen independent dockside monitor.

I understand the Sector may terminate my membership in the Sector at any time before April 30 2011 for any reason it deems necessary, including because of dockside monitoring requirements imposed by the National Marine Fisheries Service.

I further understand that my membership in the Sector is non-voting.

<u>Roy Diehl</u>	
Name (Print)	
<u>Roy Diehl</u>	
Signature	
<u>9/9/10</u>	
Date	

2116

# Northeast Federal Fishing Permit

Issued pursuant to: 16 U.S.C. 1801 et seq and 5101



United States Department of Commerce  
National Oceanic and Atmospheric Administration  
National Marine Fisheries Service  
Northeast Region  
55 Great Republic Drive  
Gloucester, MA 01930  
Telephone: (978) 281-9370  
VS

# File Copy

NOAA form 88-156A

## 2010 Fishing Year Permit

CHRISTOPHER YATTAW  
26 BOBOLINK LANE  
THOMASTON, ME 04861

F/V TORIT

Northeast Federal Permit Number: 149544

Documentation/Registration Number: ME10PPJ

Principal Port/State: THOMASTON, ME

Fisheries Permitted	Date issued: 05/06/10	Effective Date	Expiration Date
ATLANTIC MACKEREL - 2010		05/07/2010	04/30/2011
BLUEFISH - COMMERCIAL - 2010		05/07/2010	04/30/2011
HERRING - OPEN ACCESS - POSSESSION LIMIT - 2010		05/07/2010	04/30/2011
MONKFISH - CATEGORY D - 2010		05/07/2010	04/30/2011
NE MULTISPECIES - INDIVIDUAL DAS - 2010		05/07/2010	04/30/2011
RED CRAB - OPEN ACCESS - INCIDENTAL BYCATCH - 2010		05/07/2010	02/28/2011
SKATE - 2010		05/07/2010	04/30/2011
SPINY DOGFISH - COMMERCIAL - 2010		05/07/2010	04/30/2011
SQUID/BUTTERFISH - INCIDENTAL - 2010		05/07/2010	04/30/2011
TILEFISH - COMMERCIAL/INCIDENTAL - 2010		05/07/2010	04/30/2011

### Maximum Trap Allocation (if applicable):

(see reverse side for trap allocation information)

This permit is not valid unless signed. Knowingly and willfully falsifying material facts on this form may result in criminal liability (18 U.S.C § 1001)

Authorized Signature

See reverse side for permit conditions and information

# Northeast Federal Fishing Permit

Issued pursuant to: 16 U.S.C. 1801 et seq and 5101



**United States Department of Commerce**  
 National Oceanic and Atmospheric Administration  
 National Marine Fisheries Service  
 Northeast Region  
 55 Great Republic Drive  
 Gloucester, MA 01930  
 Telephone: (978) 281-9370  
 VS

## File Copy

NOAA form 88-156A

### 2010 Fishing Year Permit

BRENDA LEEMAN  
 6 HERITAGE LANE  
 FREEPORT, ME 04032

F/V CASEY JONES  
 Northeast Federal Permit Number: **149858**  
 Documentation/Registration Number: ME0489C  
 Principal Port/State: FREEPORT, ME

Fisheries Permitted	Date issued: 04/30/10	Effective Date	Expiration Date
AMERICAN LOBSTER - NON - TRAP - 2010		05/01/2010	04/30/2011
AMERICAN LOBSTER - TRAP - AREA 1 - 2010		05/01/2010	04/30/2011
AMERICAN LOBSTER - TRAP - AREA 2 - 2010		05/01/2010	04/30/2011
ATLANTIC MACKEREL - 2010		05/01/2010	04/30/2011
HERRING - OPEN ACCESS - POSSESSION LIMIT - 2010		05/01/2010	04/30/2011
MONKFISH - CATEGORY C - 2010		05/01/2010	04/30/2011
NE MULTISPECIES - INDIVIDUAL DAS - 2010		05/01/2010	04/30/2011
SKATE - 2010		05/01/2010	04/30/2011
SPINY DOGFISH - COMMERCIAL - 2010		05/01/2010	04/30/2011
SQUID/BUTTERFISH - INCIDENTAL - 2010		05/01/2010	04/30/2011

Maximum Trap Allocation (if applicable): 800

(see reverse side for trap allocation information)

This permit is not valid unless signed. Knowingly and willfully falsifying material facts on this form may result in criminal liability (18 U.S.C § 1001)

Authorized Signature

See reverse side for permit conditions and information

# Northeast Federal Fishing Permit

Issued pursuant to: 16 U.S.C. 1801 et seq and 5101



United States Department of Commerce  
National Oceanic and Atmospheric Administration  
National Marine Fisheries Service  
Northeast Region  
55 Great Republic Drive  
Gloucester, MA 01930  
Telephone: (978) 281-9370  
JL

# File Copy

NOAA form 88-156A

## 2010 Fishing Year Permit

DAVID ARIPOUCH  
PO BOX 1036  
MONTAUK, NY 11954

F/V CAPT CRABBY

Northeast Federal Permit Number: 150495

Documentation/Registration Number: MS2109A

Principal Port/State: GLOUCESTER, MA

*Owner did not receive original in mail so*

Fisheries Permitted	Date issued: 03/12/10	Effective Date	Expiration Date
AMERICAN LOBSTER - NON -TRAP - 2010		05/01/2010	04/30/2011
AMERICAN LOBSTER - TRAP - AREA 2 - 2010		05/01/2010	04/30/2011
AMERICAN LOBSTER - TRAP - AREA 6 - 2010		05/01/2010	04/30/2011
ATLANTIC MACKEREL - 2010		05/01/2010	04/30/2011
BLACK SEA BASS - COMMERCIAL MORATORIUM - 2010		05/01/2010	04/30/2011
BLUEFISH - COMMERCIAL - 2010		05/01/2010	04/30/2011
I.OLIGO/BUTTERFISH - COMMERCIAL MORATORIUM - 2010		05/01/2010	04/30/2011
MONKFISH - INCIDENTAL CATEGORY E - 2010		05/01/2010	04/30/2011
NE MULTISPECIES - INDIVIDUAL DAS - 2010		05/01/2010	04/30/2011
RED CRAB - OPEN ACCESS - INCIDENTAL BYCATCH - 2010		03/13/2010	02/28/2011
SCALLOP - LAGC - IFQ - 2010		03/13/2010	02/28/2011
SCUP - COMMERCIAL MORATORIUM - 2010		05/01/2010	04/30/2011
SKATE - 2010		05/01/2010	04/30/2011
SPINY DOGFISH - COMMERCIAL - 2010		05/01/2010	04/30/2011
SQUID/BUTTERFISH - INCIDENTAL - 2010		05/01/2010	04/30/2011
SUMMER FLOUNDER - COMMERCIAL MORATORIUM - 2010		05/01/2010	04/30/2011
TILEFISH - COMMERCIAL/INCIDENTAL - 2010		05/01/2010	04/30/2011

Maximum Trap Allocation (if applicable): 800

(see reverse side for trap allocation information)

This permit is not valid unless signed. Knowingly and willfully falsifying material facts on this form may result in criminal liability (18 U.S.C. § 1001)

Authorized Signature

See reverse side for permit conditions and information

# SUSTAINABLE HARVEST SECTOR

PO Box 356, So. Berwick ME 03908 | 207-956-8497 | [www.groundfish.org](http://www.groundfish.org)

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October 4 2010

William Whitmore  
National Marine Fisheries Service  
55 Great Republic Ave.  
Gloucester, MA 01930

Dear Willie,

On September 29 you sent a letter identifying fatal flaws in the FY2011 operations plans submitted for sectors SHS I and SHS III. This letter addresses those flaws.

1. We have added Section 1.5 to the operations plan for SHS I identifying its directors:

- Terry Alexander
- Bud Fernandes
- Frank Patania
- Maggie Raymond
- Jim Odlin
- Phil Ruhle Jr.
- Tory Bramante

We have added Section 1.5 to the operations plan for SHS III identifying its directors:

- Terry Alexander
- Frank Patania
- Maggie Raymond
- Phil Ruhle Jr.

2. Documentation of state incorporation is attached.

3. We believe both plans identify three distinct sector members and permit numbers. What specific information does NMFS seek?

Sincerely,



Hank Soule

# State of Maine



## Department of the Secretary of State

*I, the Secretary of State of Maine, certify that according to the provisions of the Constitution and Laws of the State of Maine, the Department of the Secretary of State is the legal custodian of the Great Seal of the State of Maine which is hereunto affixed and of the reports of organization, amendment and dissolution of corporations and annual reports filed by the same.*

*I further certify that SUSTAINABLE HARVEST SECTOR is a duly organized nonprofit corporation without capital stock under the laws of the State of Maine and that the date of incorporation is August 16, 2007.*

*I further certify that on:*

August 16, 2007      ARTICLES OF INCORPORATION were filed.

*No further amendments have been filed to date.*

*I further certify that said nonprofit corporation has filed annual reports due to this Department, and that no action is now pending by or on behalf of the State of Maine to forfeit the charter and that according to the records in the Department of the Secretary of State, said nonprofit corporation is a legally existing nonprofit corporation in good standing under the laws of the State of Maine at the present time.*

*In testimony whereof, I have caused the Great Seal of the State of Maine to be hereunto affixed. Given under my hand at Augusta, Maine, this twenty-eighth day of September 2009.*



A handwritten signature in black ink, appearing to read "Matthew Dunlap".

**MATTHEW DUNLAP**

*Secretary of State*



**The Commonwealth of Massachusetts**  
**William Francis Galvin**

Minimum Fee: \$35.00

Secretary of the Commonwealth, Corporations Division  
One Ashburton Place, 17th floor  
Boston, MA 02108-1512  
Telephone: (617) 727-9640

[Special Filing Instructions](#)

**Articles of Organization**

(General Laws, Chapter 180)

**Federal Employer Identification Number:** 273229689 (must be 9 digits)

**ARTICLE I**

The exact name of the corporation is:

SUSTAINABLE HARVEST SECTOR III, INC.

**ARTICLE II**

The purpose of the corporation is to engage in the following business activities:

THIS CORPORATION IS ORGANIZED EXCLUSIVELY FOR THE PURPOSE OF PROMOTING THE SUSTAINABLE HARVEST OF NEW ENGLAND GROUND FISH RESOURCES.

**ARTICLE III**

A corporation may have one or more classes of members. If it does, the designation of such classes, the manner of election or appointments, the duration of membership and the qualifications and rights, including voting rights, of the members of each class, may be set forth in the by-laws of the corporation or may be set forth below:

MEMBERSHIP IN THE SUSTAINABLE HARVEST SECTOR SHALL BE OPEN TO INDIVIDUALS OR ENTITIES THAT HOLD NEW ENGLAND MULTISPECIES PERMIT, AND WHO SUBSCRIBE TO THE PRINCIPLES OF SUSTAINABLE HARVEST, AND WHOSE MEMBERSHIP APPLICATION IS APPROVED.

**ARTICLE IV**

Other lawful provisions, if any, for the conduct and regulation of the business and affairs of the corporation, for its voluntary dissolution, or for limiting, defining, or regulating the powers of the corporation, or of its directors or members, or of any class of members, are as follows:

(If there are no provisions state "NONE")

NONE

Notes: The preceding four (4) articles are considered to be permanent and may only be changed by filing appropriate Articles of Amendment.

**ARTICLE V**

The by-laws of the corporation have been duly adopted and the initial directors, president, treasurer and clerk or other presiding, financial or recording officers, whose names are set out on the following page, have been duly elected.

**ARTICLE VI**

The effective date of organization of the corporation shall be the date approved and filed by the Secretary of the

Commonwealth. If a *later* effective date is desired, specify such date which shall not be more than *thirty days* after the date of filing.

08/12/2010

**ARTICLE VII**

The information contained in Article VII is not a permanent part of the Articles of Organization.

**a. The street address (post office boxes are not acceptable) of the principal office of the corporation in Massachusetts is:**

No. and Street: 42-44 FISH PIER  
City or Town: BOSTON State: MA Zip: 02110 Country: USA

**b. The name, residential street address and post office address of each director and officer of the corporation is as follows:**

<b>Title</b>	<b>Individual Name</b> First, Middle, Last, Suffix	<b>Address</b> (no PO Box) Address, City or Town, State, Zip Code	<b>Expiration of Term</b>
PRESIDENT	TERRY A ALEXANDER	67 GROVER LANE HARPSWELL, ME 04079 USA 67 GROVER LANE HARPSWELL, ME 04079 USA	2011
TREASURER	FRANK PATANIA	1 MORETTO DRIVE PEABODY, MA 01960 USA 1 MORETTO DRIVE PEABODY, MA 01960 USA	2011
CLERK	MARGARET RAYMOND	14 SEWALL ROAD SOUTH BERWICK, ME 03908 USA 14 SEWALL ROAD SOUTH BERWICK, ME 03908 USA	2011
DIRECTOR	PHILIP RUHLE	28 SERENITY WAY PEACEDALE, RI 02883 USA 28 SERENITY WAY PEACEDALE, RI 02883 USA	2011

**c. The fiscal year (i.e., tax year) of the business entity shall end on the last day of the month of:**  
January

**d. The name and business address of the resident agent, if any, of the business entity is:**

Name: SALVATORE BRAMANTE  
No. and Street: 42-44 FISH PIER  
City or Town: BOSTON State: MA Zip: 02110 Country: USA

**I/We, the below signed incorporator(s), do hereby certify under the pains and penalties of perjury that I/we have not been convicted of any crimes relating to alcohol or gaming within the past ten years. I/We do hereby further certify that to the best of my/our knowledge the above-named officers have not been similarly convicted. If so convicted, explain:**

MARGARET RAYMOND

**IN WITNESS WHEREOF AND UNDER THE PAINS AND PENALTIES OF PERJURY, I/we, whose signature(s) appear below as incorporator(s) and whose name(s) and business or residential address (es) beneath each signature do hereby associate with the intention of forming this business entity under the provisions of General Law, Chapter 180 and do hereby sign these Articles of Organization as incorporator(s) this 13 Day of August, 2010. (If an existing corporation is acting as incorporator, type in**

*the exact name of the business entity, the state or other jurisdiction where it was incorporated, the name of the person signing on behalf of said business entity and the title he/she holds or other authority by which such action is taken.)*

MARGARET RAYMOND

THE COMMONWEALTH OF MASSACHUSETTS

I hereby certify that, upon examination of this document, duly submitted to me, it appears that the provisions of the General Laws relative to corporations have been complied with, and I hereby approve said articles; and the filing fee having been paid, said articles are deemed to have been filed with me on:

August 13, 2010 09:55 AM

A handwritten signature in black ink, reading "William Francis Galvin". The signature is written in a cursive style with a large, prominent initial "W".

WILLIAM FRANCIS GALVIN

*Secretary of the Commonwealth*

## **AMENDMENT 1 TO THE SUSTAINABLE HARVEST SECTOR 3 OPERATIONS PLAN**

APPROVED BY THE NATIONAL MARINE FISHERIES SERVICE APRIL 26, 2011

EFFECTIVE MAY 1, 2011, THROUGH APRIL 30, 2012 - THE 2011 FISHING YEAR

This amendment officially recognizes the FY 2011 exemptions approved for the Sustainable Harvest Sector 3:

1. 120-Day Block Requirement Out of the Fishery for Day Gillnet Vessels
2. Prohibition on a Vessel Hauling Another Vessel's Gillnet Gear
3. Limitation on the Number of Gillnets that May be Hauled on Georges Bank when Fishing Under a Groundfish/Monkfish Days-at-Sea (DAS)
4. Limitation on the Number of Gillnets for Day Gillnet Vessels
5. 20-Day Spawning Block
6. Limitation on the Number of Hooks that May be Fished
7. Length and Horsepower Restrictions of the DAS Leasing Program
8. Gulf of Maine (GOM) Sink Gillnet Mesh Exemption
9. Extension of the GOM Sink Gillnet Mesh Exemption through May
10. Trawl Gear Restrictions in the U.S./Canada Management Area
11. Requirement to Power a Vessel Monitoring System while at the Dock
10. Dockside Monitoring requirements for Vessels Fishing West of 72°30' W. long.

**AMENDMENT 2 TO THE SUSTAINABLE HARVEST SECTOR 3 OPERATIONS  
PLAN**

APPROVED BY THE NATIONAL MARINE FISHERIES SERVICE MAY 19, 2011

EFFECTIVE MAY 1, 2011, THROUGH APRIL 30, 2012 - THE 2011 FISHING YEAR

This amendment officially recognizes MRAG Americas as the authorized dockside monitoring service provider for the Sustainable Harvest Sector 3 for fishing year 2011. Specific contact information, also found in Amendment 2, is:

MRAG Americas  
65 Eastern Ave.  
Unit B2C  
Essex, MA 01929  
Phone: 978-768-3880  
Fax: 978-768-3878  
[www.mragamericas.com](http://www.mragamericas.com)

**AMENDMENT 3 TO THE SUSTAINABLE HARVEST SECTOR 3  
2011 SECTOR OPERATIONS PLAN**

APPROVED BY THE NATIONAL MARINE FISHERIES SERVICE JUNE 9, 2011

EFFECTIVE MAY 1, 2011, THROUGH APRIL 30, 2012 - THE 2011 FISHING YEAR

This amendment officially recognizes the final fishing year (FY) 2011 Sustainable Harvest Sector 3 membership based on the final sector roster, submitted on May 1, 2011. The final roster is summarized below:

<b>MRI</b>	<b>Permit</b>	<b>Vessel Name</b>
415	149544	TORI T
531	149858	CASEY JONES
567	310980	KAILEY ANN
607	320374	KELLY MARIE
619	223598	MISS PRISS
853	149358	1987 WEN92721A687
993	149462	REICHLE 12
1102	410354	EVENING STAR
1113	410381	ERIN RENEE
1114	410384	THUNDER BAY
1156	150287	1975 SILVERLINE
1234	320304	ALYSSA & ZACHARY
1536	321025	CAITLIN & MAIREAD
1849	149859	REICHLE/LOW 2004 OPEN
2315	149430	2003 LEISURE LIFE
2461	150495	CAPT CRABBY