

**ADDENDUM 2-FISHING CAPACITY REDUCTION BID  
and  
TERMS OF AGREEMENT FOR CAPACITY REDUCTION**

**THIS AGREEMENT**, entered by and between the Person(s) named in the portion of this document entitled "Fishing Capacity Reduction Bid Signature" as the Qualified Bidder (herein referenced as "Bidder") and the United States of America, acting by and through the Secretary of Commerce, National Oceanic and Atmospheric Administration, National Marine Fisheries Service (NMFS), Financial Services Division (referenced herein as the "Secretary"). This agreement becomes final upon signature of the Secretary.

**WITNESSETH:**

**Whereas**, the Secretary has sent an Invitation to Bid for the Fishing Capacity Reduction Program (Program) to those holding limited entry fishing permits issued under the Federal Pacific Coast Groundfish Fishery Management Plan (Groundfish FMP) endorsed for the operation of trawl gear (other than whiting catcher-processors);

**Whereas**, such Program is carried out pursuant to authority found in Division B, Title II, § 212 of Pub. Law 108-7; Division N, Title V, § 501(b) of Pub. Law 108-7; § 212 of Pub. Law 107-206; as well as authority found in 16 U.S.C. §1861a (b)-(e) and other applicable law;

**Whereas**, in accordance with such authority, a notification was published in the Federal Register announcing Program requirements;

**Whereas**, the Secretary has promulgated framework regulations generally applicable to all fishing capacity reduction programs, portions of which are applicable to this Program, and such framework regulations are found at 50 CFR §600.1000 et seq.;

**Whereas**, the key terms, "Reduction Fishery" and "Fee-Share Fishery" are statutorily defined for this Program;

**Whereas**, such Program can only remove fishing capacity after an industry referendum approves an industry fee system;

**Whereas**, this Document will be submitted by the bidder in direct response to such aforementioned Invitation To Bid and is expressly subject to requirements in such Invitation To Bid and the requirements of the aforementioned regulations and other applicable law;

**Whereas**, the Groundfish Program's express objective is to permanently reduce harvesting capacity in the reduction fishery and the fee-share fisheries; and

**Whereas**, it is the expressed sense of Congress that the States of Washington, Oregon, and California should revoke and render void all state permits relinquished as a part of this program immediately after disbursement of reduction payment.