



ALEUTIAN PRIBILOF ISLAND COMMUNITY DEVELOPMENT ASSOCIATION

Aleutian Pribilof Island Community Development Association (APICDA) consists of the six communities of Akutan, Atka, False Pass, Nelson Lagoon, Nikolski and St. George. APICDA has an equity interest in the pollock vessel Starbound, who along with Trident Seafoods has been APICDA's pollock industry partner since 1992. Trident also serves as APICDA's crab industry partner. APICDA has a royalty agreement for Pacific cod, sablefish, and Greenland turbot with the Prowler vessels, in which APICDA is part owner. APICDA received 18% of the total CDQ pollock allocation from 1992-1995 and 16% in 1996-1998 and 1998-2000. The state recommended a 14% pollock CDQ allocation for 2001-2002 and 2003-2005.

Goals

According to the 2003-2005 Community Development Plan submitted by APICDA, its major goals are as follows:

- 1. Promote and participate in business opportunities with capital investment funds.**
- 2. Relieve chronic social problems through the creation of jobs, and encourage individual growth through educational and vocational opportunities.**
- 3. Promote community control over their individual economic and social destinies.**
- 4. Continue to assist each community as they make the transition from reliance upon a CDQ allocation to economic social self-sufficiency.**

APICDA is one of two groups with communities located near the lucrative Aleutian Island Bering Sea fisheries region. It has taken advantage of its location by pursuing infrastructure-related investments. APICDA's corporate structure, primarily through investment in community projects, has evolved into numerous subsidiaries overseeing various seafood-harvesting vessels and processing investments.

APICDA has the smallest percentage of CDQ population, with less than 550 year-round residents in its five communities (2000 U.S. Census). APICDA has two-percent of the approximately 27,000 year-around residents in the CDQ region.



APICDA Corporate Structure

The Board of Directors of APICDA is the managing organization. The majority of the board members are representatives from local fishermen's organizations. APICDA's central offices are located in Juneau. APICDA's chief executive officer and chief operating officer are owners of the Juneau based consulting firm of Pacific Associates, and are responsible to the board for monitoring the harvesting, processing, production, marketing, and sales activities of all business entities of APICDA and its subsidiaries. The primary subsidiary is APICDA Joint Ventures (AJV), a wholly owned, for-profit corporation. Another subsidiary is the for-profit corporation APICDA Vessels, Inc. (AVI). These two organizations are among the many subsidiary corporations and numerous community-based projects and fishing vessel investments in the APICDA organization.

Vessel Acquisitions

APICDA has invested in the following fishing vessels:

<u>Vessel</u>	<u>% of Ownership</u>	<u>Description</u>
F/T Starbound	20%	• The Starbound is a 240-foot pollock factory trawler.
F/LL Bering Prowler	20%	• The Bering Prowler is a 124-foot longliner that harvests and processes Pacific cod and sablefish.
F/LL Prowler	20%	• The Prowler is a 114-foot longliner that harvests and processes Pacific cod and sablefish.
F/V Golden Dawn	25%	• The Golden Dawn is a 148-foot catcher vessel that harvests pollock, Pacific cod and crab.
F/LL Ocean Prowler	20%	• The Ocean Prowler is a 155-foot longline-processing vessel that harvests Pacific cod and sablefish.
F/V Farwest Leader	25%	• The Farwest Leader is a 105-foot pot vessel that primarily harvests crab and Pacific cod.
F/V Bonanza	100%	• The Bonanza is a 38-foot longline vessel that harvests halibut.
AP #1 AP #2 AP #3 AP #4 AP #5	100%	<ul style="list-style-type: none"> • In 1994, APICDA had three 32-foot longline vessels built that were extended to 36 feet. • In 1999, APICDA purchased two 32-foot longline vessels that were extended to 35.5 feet. • The AP vessels fish primarily halibut and cod.
F/V Konrad 1	100%	• The Konrad 1 is a 58-foot combination trawler/pot/tender vessel that harvests Pacific cod and pollock, and operates as a salmon tender in False Pass.
Augusta D	100%	• The Augusta D is a 28-foot sportfishing charter vessel that operates out of Nikolski.
F/V Rebecca B.	100%	• The Rebecca B was a longline-processing vessel owned in a partnership with YDFDA that ran aground in 1996 and was destroyed. On January 1, 1997 APICDA, through



		AVI, acquired the Rebecca B's catch history and fishing rights.
F/V Galatea	100%	• 55' steel hull vessel operated out of Atka. The vessel is currently harvesting halibut.

* F/LL denotes Factory Longliner

Community Based Fisheries Development Projects

APICDA has worked on or is considering the following community based fisheries development projects.

<u>Project Title</u>	<u>Community</u>	<u>Description</u>
Akutan Small Boat Harbor	Akutan	• APICDA committed \$850,000 for the construction of a small boat moorage facility/harbor. Construction is expected to being in 2006.
Ugludax Lodge (formally Nikolski Lodge)	Nikolski	• In a 50/50 joint venture with Chaluka Corporation, APICDA opened a hunting/sport fishing lodge in Nikolski. It will employ six or more local residents.
Puffin Seafoods	St. George	• Puffin Seafoods is a 50/50 joint venture with the St. George Fisherman's Association. Puffin Seafoods is a small fish-handling facility in St. George.
St. George Dredging	St. George	• In 1993, APICDA contributed to a project to dredge Zapadni Bay Harbor.
False Pass Dock Improvements	False Pass	• Since 1992, APICDA has contributed funds for the extension of water and sewer services to the False Pass dock.
False Pass Gear Storage	False Pass	• In 1993, APICDA constructed a gear storage facility in False Pass to service local salmon fishermen.
Nazaan Bay Inn	Atka	• APICDA built the Nazaan Bay Inn to serve the various overnight needs of transient fisherman in Atka including lodging and other support services.
Atka Pride Seafoods	Atka	• APICDA has provided significant financial resources to renovate the plant, which is co-owned by the Atka Fishermen's Association. In 1998, the cold storage capacity was doubled. By the year 2003 (delayed from 2002), the plant is expected to produce head & gutted halibut, Pacific cod, sablefish, and other groundfish.
Nelson Lagoon Dock	Nelson Lagoon	• In 1995, APICDA contributed \$700,000 for the construction of a dock in Nelson Lagoon. Discussions are underway regarding the construction of a seafood processing facility. It is doubtful that construction will occur prior to 2005.
False Pass Harbor Improvements	False Pass	• Assisted in funding a boat launch ramp in 1996.
Dipper Barge	False Pass	• APICDA completed the renovation of the Dipper, a



<u>Project Title</u>	<u>Community</u>	<u>Description</u>
		seafood processing barge used to process salmon and Pacific cod in False Pass. Operations began in June of 2000. One hundred jobs are projected if the plant can reach full production. The barge will not operate until further notice.
Bering Pacific Seafoods (BPS)	False Pass	<ul style="list-style-type: none"> 100% owned by APICDA formed a seafood processing company in June 2000, and will use the Dipper barge to process Pacific cod and salmon. All operations have been suspended until further notice.
Kayux Development, L.L.C.	St. George	<ul style="list-style-type: none"> Kayux was created for a harbor development project on St. George Island. Kayux is a 50/50 joint venture between APICDA and St. George Tanaq Corporation (local Native corporation). The harbor was built to attract shoreside seafood processors.
Atka Dock Facility	Atka	<ul style="list-style-type: none"> Built in 1997 with federal and state funds, APICDA has committed \$800,000 and coordinated the construction of a large dock with requisite facilities and a transient camp. APICDA's long-term goal is to make Atka a commercial center for the Bering Sea groundfish industry.
Nelson Lagoon Storage Company	Nelson Lagoon	<ul style="list-style-type: none"> In 1997, APICDA constructed a gear, vessel, and pot storage facility in Nelson Lagoon to service local salmon fishermen.
Processing facilities	various	<ul style="list-style-type: none"> APICDA plans to continue researching the feasibility of establishing processing facilities in its communities.
Cannon Fish Company	Atka, False Pass, & St. George	<ul style="list-style-type: none"> APICDA owns 25% of the company. Cannon is one of the largest seafood steakers in the Pacific Northwest and produces vacuum packed frozen finished products including halibut and salmon. Cannon purchases halibut produced by Atka Pride Seafoods and Puffin Seafoods.

Other Fisheries Development Projects

APICDA has worked on or is considering the following fisheries development projects.

<u>Project Title</u>	<u>Description</u>
Product Diversification Program	<ul style="list-style-type: none"> In partnership with Trident/Starbound, it will emphasize research and development of new products with CDQ species.
IFQ Fund	<ul style="list-style-type: none"> A loan fund for residents to purchase IFQ shares.
IFQ Purchases	<ul style="list-style-type: none"> APICDA has purchased several thousand shares of halibut and sablefish IFQ.
Ocean Logic, L.L.C.	<ul style="list-style-type: none"> Ocean Logic is a software company designed to track and to manage harvest data aboard fishing vessels. APICDA acquired YDFDA's share of OceanLogic in 2000 and acquired Parity

shares in 2001 became the majority owner. 100% owned by APICDA.

Employment

Management

APICDA has worked to incorporate people from the region into management positions located primarily in Juneau. APICDA has employed staff in Unalaska to coordinate hiring and training activities throughout the region and to oversee the Community Liaison Officers who are stationed in each community.

Pollock Employment

During 2002, eight APICDA residents were employed during the pollock A and B seasons, earning wages of \$130,725.



Other Fishing Employment

In 2002, 85 APICDA residents were employed as skippers, crewmembers, and processing employees in the multi-species fishing industry earning wages in the amount of \$1,052,094. A great deal of APICDA's employment opportunities have come from the halibut processing facility in Atka.

Other Employment

In 2002, 23 APICDA residents were employed in a variety of non-direct fishery activities, including Nazen Bay Inn, LLC, Bering Pacific Seafoods, LLC, Ugludax Lodge, LLC operations, Puffin LLC operations, stevedoring, and maintenance/construction projects. Total wages generated for 2002 were \$106,679.

Grand Opening of Bering Pacific Seafoods in False Pass on June 14, 2000.
Pictured below are the seafood processing barge Dipper, F/V Konrad 1, and view from the bunkhouse in False Pass.





Training & Education

APICDA strives to inform local residents of all job opportunities and to provide any training that might be needed. Community liaison officers stationed in each community are an important link between the communities and the central organization in Juneau. In 1997, APICDA created the Education Endowment Fund. In 1998, it reformed the account into the Longterm Reserve Account (LRA) with the broader mission of being a reserve account for the entire organization. APICDA's milestone states it will contribute 10% of its annual royalty and interest income to the LRA, which will also serve as a savings account for future investments and scholarships for collegiate and vocational students. During 2002, 49 individuals received postsecondary education scholarships and 30 individuals received vocational scholarships totaling \$154,015.

APICDA continued the internship program which began in the summer of 2000. The program's purpose is to provide summer employment opportunities for students from the APICDA region and to create a professional experience that could lead to a permanent job. Based on internship performance, successful interns could be offered a full-time position with APICDA or its subsidiaries. Participants in the program include seafood industry partners, airlines that service the APICDA region, accounting firms and others. In 2002, one individual participated in the program.

What's Next?

Given its geographic advantages, APICDA has been a strong advocate for local on-shore development. In the spirit of providing economic opportunities for APICDA residents, the long-term mission continues to be the establishment of fish processing facilities and fishery support services in all six communities. APICDA is also concentrating on acquiring seafood-related businesses, including fishing vessels or processing facilities, harvest and processing rights, and other support services.

The APICDA region is located near the highly valuable Bering Sea groundfish, salmon, crab, and halibut fisheries. But the remote location and the lack of transportation infrastructure such as harbors, ports, and airports combine to provide a challenging environment in terms of creating sustainable fisheries operations.

APICDA has been pursuing federal funds to help develop the appropriate infrastructure in communities such as False Pass, Atka, and Akutan. Along with the Bering Pacific Seafoods plant in False Pass and the Atka Pride Seafood facility in Atka, APICDA has long-range goals of building seafood companies in Akutan, Nelson Lagoon and St. George.