

Executive Summary

Section 1.0 Name of Applicant

The applicant for groundfish and crab is the Aleutian Pribilof Island Community Development Association (APICDA). For Area 4B and Area 4C halibut, APICDA is the applicant on behalf of the City of Atka and the Atka Fishermen’s Association, and the City of St. George and the St. George Island Fishermen’s Association, respectively.

Section 2.0 Total CDQ and PSC Requested

APICDA is requesting total CDQ tonnage, target and bycatch, as identified below.

Total Groundfish CDQ Fisheries	CDQ Allocation (%)	CDQ Allocation (mt)
Pollock	18%	26,730
Pacific Cod	18%	2,700
Sablefish Fixed Gear (BS)	25%	48
Sablefish Fixed Gear (AI)	20%	77
Sablefish Trawl (BS)	25%	18
Sablefish Trawl (AI)	20%	48
Atka Mackerel	30%	1,103
Yellowfin Sole	29%	1,871
Rocksole	10%	405
Turbot (BS)	16%	64
Turbot (AI)	18%	36
Arrowtooth	18%	216
Flathead Sole	20%	375
Other Flatfish	20%	45
Alaska Plaice	20%	180
Pacific Ocean Perch (BS)	30%	59
Pacific Ocean Perch (AI)	30%	274
Other Red Rockfish	23%	10
Northern	20%	289
Short/Rougheye	17%	24
Other Rockfish (BS)	16%	7
Other Rockfish (AI)	16%	14
Other Species	19%	439
Total Groundfish		35,031
Prohibited Species	CDQ Allocation (%)	CDQ Allocation (mt)
Red King Crab (numbers)	19%	1,382
Bairdi Tanner Crab Zone 1 (numbers)	26%	19,510
Bairdi Tanner Crab Zone 2 (numbers)	23%	51,233
Opilio (numbers)	26%	84,825
Halibut (mt of mortality)	20%	69
Chinook Salmon (numbers)	19%	684
Other Salmon (numbers)	19%	599

Halibut

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Area 4B	100%	836,000 lbs.
Area 4C	15%	152,250 lbs.
Shellfish CDQ (2002 pounds)		
Bristol Bay Red King Crab	25%	140,625
Norton Sound	0%	0%
Pribilof Island	0%	0
St. Matthew's	50%	0
Opilio Tanner Crab	25%	577,875
Bairdi Tanner Crab	25%	0

APICDA's proposed CDP is developed with two primary economic goals that work in tandem with our employment goals: maintain and improve existing businesses, with particular emphasis on in-community businesses, and construct or expand processing facilities in St. George, Nelson Lagoon and Atka. Only through seafood processing facilities will these communities have any opportunity to develop stable local economies that can provide meaningful long-term employment and stability for their residents.

APICDA is committed to processing as much fish on shore in Alaska as is practical and economically feasible. We have structured our partnership relationships so that we can generally move harvests either on-shore or off-shore as opportunities and needs present themselves.

Section 3.0 Communities Represented Within Application

The following eligible communities participate in APICDA:

<u>Community</u>	<u>Within 50 miles of Bering Sea</u>	<u>On the Bering Sea Coast</u>	<u>Certified Under PL 92-203</u>	<u>Majority of Fishery Activity in Bering Sea</u>
Akutan	Yes	Yes	Yes	Yes
Atka	Yes	Yes	Yes	Yes
St. George	Yes	Yes	Yes	Yes
Nelson Lagoon	Yes	Yes	Yes	Yes
False Pass	Yes	Yes	Yes	Yes
Nikolski	Yes	Yes	Yes	Yes

Section 4.0 Description of the Managing Organization

APICDA is a 501 (c) (3) non-profit organization incorporated in the State of Alaska. APICDA is in good standing with the Alaska Department of Commerce & Economic Development.

APICDA owns one umbrella profit-making subsidiary, APICDA Joint Ventures, Inc. (AJV). AJV, in turn, has invested in several subsidiary companies. APICDA has formed, and may

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continue to form, for-profit subsidiary corporations to serve as the profit-making investment arms of the organization.

The Board of Directors of APICDA is the managing organization. The Board of Directors primarily consists of representatives of fishermen's organizations from the Bering Sea and Aleutian Islands. Aside from the community and fishing expertise brought to the board by the members of the resident communities, the board consists of two members from the business community, one voting and the other ex-officio.

The APICDA Board of Directors serves as the "managing entity" of APICDA. In accordance with its Articles of Incorporation and By-Laws, the Board of Directors is responsible for managing the property and the business of APICDA. It has the sole authority to establish policy, make managerial decisions, formulate budgets, approve capital projects, training and education grants, and resolve matters which may impact the future of the organization.

The organizational structure for the membership and the Board of Directors for APICDA is outlined below:

- 1.) Each of the respective fishermen's associations elects a representative to APICDA. APICDA has two eligibility criteria for the representatives: the individual must have been a member of the fishermen's association for a period of at least one year, and must actually reside in the community that he or she represents for at least eight months each calendar year.
- 2.) The designated representatives from the fishermen's association serve as the "members" of APICDA. As members, they elect themselves to serve as the Board of Directors.
- 3.) The Board of Directors selects the two members who fill the designated "seafood industry" and "financial institution" positions. These two individuals are also elected to serve on the Board of Directors.
- 4.) As discussed above, the Board of Directors is composed of voting and non-voting ex-officio members.

The board has established four internal committees to assist in its managerial function: the Executive Committee, the Budget and Audit Committee, the LRA Committee, and the Training and Education Committee (T&E).

The Executive Committee is composed of the three executive officers. The purpose of the committee is to expand communications between staff and the executive leadership of the board, to address personnel issues should they arise, and to deal with issues that have not been delegated to other committees.

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The Budget and Audit Committee is composed of three members. The purpose of the committee is to review proposed budgets, review and verify financial statements, and ensure to the best of its ability that the financial affairs of APICDA are properly presented by management.

The LRA Committee consists of three members. The purpose of this committee is to provide oversight for investment of Longterm Reserve Account funds.

The Training & Education Committee has three to five members which develop recommendations to the Board of Directors for scholarship and supplemental education expenditures, and oversees all employment functions of APICDA. The T&E Committee also has the lead responsibility for developing a drug and alcohol abuse program for APICDA communities.

APICDA does not, and will not, pay dividends from any of the revenues it receives or generates. Revenues expended by APICDA generally fall into four categories: administrative (board of directors and other administrative costs), non-profit grant activities (scholarships, vocational education activities, substance abuse programs, school grants, etc.), infrastructure development (docks, etc.), and equity investment activities. Equity investment expenditures are treated differently than expenditures from the other three categories. Equity investment expenditures are managed by APICDA Joint Ventures, Inc., after funds have been appropriated by APICDA.

As APICDA makes equity investments, profit-making subsidiaries will be formed for the purpose of managing the investment in a sound, business-like manner. In the future, it is intended that a portion of the net profits generated by the subsidiary will be contributed to APICDA. In the near term, however, all net profits will be retained by the for-profit subsidiaries in order to assist self-sufficiency. APICDA, as a non-profit organization, will utilize dividends from the subsidiary as it uses its current revenues: it may expend them in one or more of the expense categories, or it may reinvest the revenues in whole or part in other equity acquisition opportunities. As other equity investments are made, additional profit-making subsidiaries may be created to manage those businesses.

APICDA's for-profit investments are owned and managed by APICDA Joint Ventures, Inc. (AJV). The AJV Board of Directors consist of the members of the APICDA Board of Directors, although the APICDA board retains the flexibility to elect non-APICDA board members to serve on AJV. There are two committees in AJV: the Executive Committee and the Audit, Finance and Budget Committee. As APICDA, or AJV, acquires additional equity investments in profit making enterprises, they will be owned and managed by AJV.

Simply stated, APICDA and its subsidiaries are organized in a circular fashion: APICDA receives a CDQ allocation; APICDA leases the right to fish the allocation in exchange for royalty payments and other considerations; APICDA uses a portion of the royalty payments to make a contribution to capital to its for-profit subsidiary, APICDA Joint Ventures, Inc. (AJV); AJV uses the contribution to capital to purchase an equity position in a harvesting vessel (or some other investment); the harvesting vessel fishes both CDQ (to which it pays APICDA a

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royalty) and open access (from which it generates additional return); profits are returned to AJV from the operations of the vessel, which provides AJV with independent income and a more self-sustaining status; royalties are paid to APICDA from the CDQ operations of the vessel, which provides APICDA with additional revenues it can use for its non-profit activities, or to make additional contributions to capital to expand or enhance equity investments.

Section 5.0 Goals/Objectives & Milestones of the CDP

The Aleutian Pribilof Island Community Development Association (APICDA) will develop commercial fishing industry related opportunities and enhance the long term social and economic viability of the residents of coastal communities in the Bering Sea and Aleutian Islands.

APICDA will maximize benefits to the member communities and their residents through the development of infrastructure and fishery support services in the communities, the acquisition of seafood related businesses, including fishing vessels and/or processing facilities and support service industries at economically beneficial prices, and the acquisition of harvest and processing rights. By enabling the communities to participate in the Bering Sea and Aleutian Island fisheries, APICDA will:

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

Section 5.1 Goal 1 *Provide capital for construction and investment to community participation in Bering Sea/Aleutian Islands fisheries.*

- a.) Assess each communities' ability to take advantage of fishery support services opportunities;
- b.) Complete its infrastructure development program so the APICDA communities can offer the basic support services from which related businesses will develop, and so that the cost of services to the seafood industry can be reduced;

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- c.) Engage in joint venture businesses related to the fishery support services within the communities;
- d.) Provide capital for vessel acquisition, investments in the processing sector, and limited access loan programs.

Section 5.2 **Goal 2** *Provide and promote employment and educational opportunities for local residents in all aspects of the Sea/Aleutian Islands fisheries.*

To accomplish this goal, APICDA will:

- a.) Continue implementation of the comprehensive employment, job training and internship program with its CDQ partners;
- b.) Continue funding higher education scholarships for local residents;
- c.) Continue to develop and expand the comprehensive training and employment data base that details the skills, job history, and training and employment desires of APICDA residents; and,
- d.) Continue to promote local hire in all of its capital projects and investments;

Section 5.3 **Goal 3** *To become a self-sustaining entity that will foster continued development, participation, and stability for the region's communities and their residents.*

To accomplish this goal, APICDA will:

- a.) Engage in conservative fiscal management, including continued funding of the Longterm Reserve Account (LRA);
- b.) Maintain sufficient liquidity to take advantage of investment opportunities;
- c.) Approve projects which conform to the Board's objective criteria;
- d.) Continue the Product Diversification Program;
- e.) Maintain the *quid pro quo* policy for all infrastructure projects so that APICDA will receive a reasonable return, or the opportunity to obtain a reasonable return, for each investment; and,

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- f.) Maintain diversity on the Board of Directors so that expertise from the commercial fishing industry and the financial banking industry is available and participating.

Section 5.4 Milestones

Tables 1 through 7 depict APICDA's milestones.

Section 6.0 Description of CDP Projects

Section 6.1 Akutan Boat Harbor

Akutan is the second largest fisheries port in the United States, but does not have a boat harbor. For several years, the Aleutians East Borough and the City of Akutan have been pursuing development of a boat harbor. APICDA has committed \$850,000 in matching funds for the harbor. Construction is expected to begin in 2006.

Section 6.2 Akutan Sport Fishing

APICDA, through AJV, intends to form a joint venture company with the Akutan Village Corporation to own and operate a sport fishing charter boat operation. The sport vessel Grand Aleutian may be moved from Unalaska to Akutan as part of the business. Visitors will stay at the local hotel owned by the corporation.

Section 6.3 Atka Dock Support Services

APICDA provided \$800,000 in a matching grant to the City of Atka's project to build a commercial dock in the community. In return for its contribution, APICDA received a twenty year lease, with two five year additional options, for five acres of land at the dock site, and two acres of land (where a transient bunkhouse was subsequently constructed). The City and APICDA envision that these properties will serve as the cornerstone for future development in the community, predicated on activities generated by customers at the commercial dock.

The fishery support sector—the sector that offers support services to the harvesting and processing sectors—is not overcapitalized like so much of the industry. Unalaska/Dutch Harbor is currently the only port in the Bering Sea and Aleutian Islands which offers a wide array of support services, and it is several hundred miles distant from many of the fishing grounds. Atka is geographically more proximate to many of these grounds, and should be developed so that it can function as a satellite, support service outpost. APICDA plans to join with Atka to develop these support services to our mutual, social and economic benefit.

APICDA intends to develop Atka as a ship supply and support hub for fishing vessels operating in the western Aleutians. The City has a project in place to upgrade its paved, 3,500 foot, runway. The improved airport facility, coupled with the dock, will provide Atka with the

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essential infrastructure it needs so that future support services can be offered to the fishing industry.

Section 6.4 Atka Boat Harbor

There is no small boat harbor in Atka. A small boat harbor would substantially improve the ability of the community to expand its fishery economy. APICDA has initiated the funding process in Washington, D.C. for design and construction of the proposed harbor. The estimated completion date is unknown.

Section 6.5 Atka Fish Lodge

The community of Atka has expressed a desire to investigate the possibility of developing a lodge on the island. This is viewed as an opportunity to expand and diversify the local economy, and generate additional employment. MUM Alaska (owned fifteen percent by AJV) will bring some clients to Atka as a test to determine the level of interest in Atka as a sport fishing destination. Based upon that outcome, APICDA may conduct a feasibility analysis to determine the viability of a small sport fish tourist operation. Depending upon the results of the feasibility analysis, a decision may be made to move forward with development of a lodge.

The preferred lodge site is away from the village and a lodge would need to be constructed at that site — if a decision is made to develop the location. In the interim, the Nazan Bay Inn could be used. This would provide an opportunity to minimize the cost of a new operation and ascertain the viability of the company, as well as to gauge the community's acceptance of such a business.

Section 6.6 Atka Pride Seafoods

Atka Pride Seafoods is a joint venture between APICDA Joint Ventures, Inc. and the Atka Fishermen's Association. The plant's production is based upon product that primarily comes from the harvesting efforts of local Atka fishermen and residents of other APICDA communities. The plant relies on local labor for its work force, though as the operation expands into other product lines and value added production, it is expected that labor will be needed from other APICDA and CDQ communities to augment the labor force available in Atka. To date, the primary product the plant has processed has been H&G halibut for the frozen market. Very modest amounts of Pacific cod and sablefish have been processed.

The company has had a positive cash flow or operated profitably since 1999.

Aside from the financial aspects of the operation, the plant provides the only private, economic enterprise in the community. APS has become the focal point for the community, providing the only non-government jobs for the residents, a market for the local fishermen, and a source of community pride. Several million dollars has entered the community in the form of payroll and payments to fishermen since 1994, as a result of APICDA's efforts.

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Section 6.7 Bering Pacific Seafoods

Bering Pacific Seafoods, L.L.C. is wholly owned by APICDA Joint Ventures, Inc. BPS owns the barge Dipper, using the barge as a primary processor in False Pass. BPS commenced production in June, 2000. Primary production is focused on Pacific cod.

A new boat harbor is planned for False Pass during the next few years. During construction of the boat harbor, BPS intends to construct a shoreside processing facility. This will allow the company to diversify its production and products.

Section 6.8 False Pass Boat Harbor

There is no boat harbor in False Pass. For the past three years, APICDA has worked in coordination with the City of False Pass, the Aleutians East Borough, the Army Corps of Engineers, and the Alaska Congressional delegation to design and identify funding for a boat harbor. The design is complete, and construction will begin in the next few years.

The south arm of the harbor has been designed to address various needs of Bering Pacific Seafoods and the City of False Pass. Whereas the other arms will be breakwaters, the south arm will be sheet pile with a road and other capabilities to provide cargo handling and other services. The Army Corps will not pay for the cost differential between a south arm breakwater and the sheet pile breakwater. The difference in cost is estimated at \$2 million. Although APICDA is not expected to participate in funding the harbor itself, it will be responsible for funding, or locating funding, for the south arm improvements.

Section 6.9 False Pass Store

The only store in False Pass is operated by Peter Pan Seafoods. The store has extremely limited stock, particularly during the fall winter and spring. Local residents are required to mail order nearly all food and basic necessities at considerable cost. The formation of Bering Pacific Seafoods has substantially increased the amount of consumables used in the community. It may be cost effective for AJV and the False Pass Tribal Council to form a joint venture to own and operate a store to provide consumables to local residents, Bering Pacific Seafoods, and transient fishermen.

Section 6.10 Nelson Lagoon Storage Company

In 1996, the Nelson Lagoon Tribal Council obtained \$150,000 in grants and contributions to purchase and construct a gear storage warehouse. APICDA (through its profit-making subsidiary, AJV) formed a joint venture company with the Tribal Council to provide gear, vessel, and pot storage on prepped land owned by AJV. Consideration is also being given to providing ice.

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The Nelson Lagoon storage business primarily relies on the summer salmon fishery in Bristol Bay and the North Side Alaska Peninsula for its customer base. There are numerous salmon vessels that fish in the area that do not have a convenient, proximate location where their vessels can be stored during the off-season. It is assumed that if a fisherman stores his or her vessel in a particular location, he or she will store their gear in the local warehouse.

Section 6.11 Nelson Lagoon Seafood Processing

In 1995, construction of a new dock for Nelson Lagoon was completed. The facility was funded in part (\$700,000) by APICDA. In addition to the dock, APICDA obtained ten acres of land immediately adjacent to the facility. Six acres of that property (including two acres sold to the Aleutians East Borough as an access easement to the dock) were prepped during construction.

The APICDA land includes waterfront adjacent to the dock. Discussions have been underway for several years regarding the construction and operation of a small seafood processing facility in the community.

APICDA is committed to the construction of a small, shoreside processing facility in Nelson Lagoon if it can be shown to be economically practical. The initial purpose of the facility would be to increase the shoulder seasons available to the local fleet, primarily silver salmon in the fall. Other opportunities, including flatfish (starry flounder) and Pacific cod, are being investigated.

Construction would take place during 2005. The facility would be located on land that APICDA owns.

Section 6.12 Ugludax Lodge

The Ugludax Lodge will open full time for business in August, 2002. The lodge is equally owned by AJV and the Chaluka Corporation. A management agreement is in effect with MUM Alaska, L.L.C. (owned fifteen percent by AJV). All employees will be local residents, unless skills which are not available locally are required. In that case, temporary non-resident help will be used until a local resident(s) can be trained.

Lodge activities will include sport fishing for halibut, salmon and other species, marine mammal viewing, birding, duck and reindeer hunting, and ecotourism.

Section 6.13 St. George Seafood Processing

From the inception of the CDQ program, the combined goal of St. George and APICDA has been the development of a shoreside processing facility in the community. For a variety of reasons that has not been possible to date.

The community of St. George is in a desperate situation. The collapse of the opilio crab stocks has resulted in the declaration of St. George as a federal disaster area. There has been no crab

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processing on the island since the winter of 2000. The City of St. George is in default on various bonds.

The approval of the crab rationalization program by the North Pacific Fishery Management Council holds the potential to be beneficial to St. George if a shoreside plant is constructed to handle crab. If a plant is not constructed, it is unlikely crab will be processed at St. George again due to the ability of the processors to transfer their crab allocations to other locations.

APICDA has initiated discussions with various crab processing companies regarding a proposed joint venture for a shore plant in St. George. APICDA has also initiated plant design and engineering, permitting, and development of a feasibility analysis and business plan for a proposed shoreside processing plant in St. George. The analysis will be complete in 2002.

Assuming the 2002 work products are positive, an appropriate joint venture agreement is reached with other crab industry companies, and an adequate CDQ allocation is received, APICDA intends to move forward with construction of the proposed plant in 2003. The plant would be operational in time for the 2004 opilio fishery.

The plant would be designed to process crab, Pacific cod and halibut. Depending upon the August, 2002, sea urchin test fishery, the plant could also process urchins.

A shore plant in St. George would provide the community with the type of economic stability it has long needed. Without the shore plant, the future viability of St. George as a function community is in question.

Section 6.14 St. George Fishing Lodge

During 2000, the St. George Island entities (the city of St. George, the Traditional Council, the St. George Tanaq Corporation, the Fishermen's Association, and APICDA) worked together to produce a long term development plan for the community. The purpose of the plan was to develop a stable and enduring local economy. One of the items identified was the tourist potential for the island. Included in the discussion was sport fishing for halibut and salmon (there are significant numbers of chinook and silver salmon around the island during the summer).

MUM Alaska will begin bringing clients to St. George. This will provide an opportunity to assess the attractiveness of St. George as a destination for MUM clients. If favorable, the activity will be expanded in subsequent years. There is no need to construct a lodge since the St. George Tanaq Corporation already owns a beautiful facility that can function as a lodge.

Section 6.15 Small Vessel Acquisition Program

The Small Vessel Acquisition Program (SVAP) was initially intended to enable qualified residents of APICDA communities to own commercial fishing vessels that are safe and capable

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of successfully operating in the waters of the Bering Sea and/or the Aleutian Islands, and/or the Gulf of Alaska. The program was suspended several years ago due to implementation problems. The program is being reviewed and revised, and will be re-implemented in 2003. The purpose of the program will remain the same, although other aspects may be altered.

Section 6.16 Quota Share Acquisition Program

As a continuing policy, AJV will purchase halibut quota shares (and crab harvesting and processing shares when that program is implemented) as a corporate entity whenever they can be obtained at reasonable prices. This will enable AJV to increase its participation in both the harvesting and processing components of the industry.

APICDA will continue to participate as a loan guarantor on behalf of local residents seeking to purchase halibut and sablefish quota shares. This will provide necessary financial assistance for local residents who otherwise would not be able to obtain financing. APICDA will not provide loans, but will participate through financing guarantees. The extent of the guarantee will depend upon a variety of factors, including: the net worth of the individual; the amount of down payment; the amount, price and value of the quota shares; fishing history of the individual; repayment schedule; commitment to deliver to APICDA community processing facilities; and other factors as appropriate.

Section 6.17 Vessel Acquisition Program

APICDA will continue purchasing harvesting, processing, and/or catcher-processing vessels to engage in all aspects of the commercial fishing industry, including commercial sport fishing operations.

APICDA will normally seek experienced partners to joint venture in owning and operating the vessels, but may choose to purchase vessels itself if APICDA's board believes that such a decision is appropriate. Prior to making a decision to purchase a vessel, APICDA will ensure that the vessel has been surveyed recently. A pro forma will be constructed on the vessel's prospective operations prior to a purchase decision. In making a decision whether or not to purchase a vessel, APICDA will consider:

- The willingness of the seller to continue to participate as a owner/manager;
- The managerial capability of the organization;
- The type of established markets the company has developed;
- The catch and/or processing history of the vessel; and,

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- The flexibility of the vessel to participate in a multitude of fishery activities.

It is APICDA's intent that these vessels ultimately be crewed and operated by local residents from APICDA communities. The crews for these vessels would be trained through APICDA's training program in conjunction with our partners.

Section 6.18 OceanLogic, L.L.C.

The advent of the expanded CDQ program brought to the forefront the need for access to harvest and production data on a real, or near-real time basis. Accordingly, OceanLogic, L.L.C. was formed to develop a series of data acquisition, transfer, and utilization programs. The software programs, as a family named *CatchPoint*, allows immediate and real time access to all harvest information generated by the vessel/processors and/or the vessel's/processor's observer.

Since the release of *CatchPoint* Version 1.0, the software has been modified and enhanced. Additional versions are in the programming stage. OceanLogic intends to expand its software and operations to include the west coast of the United States and other locations.

Section 6.19 Joint Shellfish Processing

One of APICDA's goals and objectives is that APICDA become a partner or a participant whenever reasonable in all aspects of the seafood industry. Accordingly, APICDA (through its for-profit subsidiary, AJV) has developed a joint shellfish processing program with Trident Seafoods Corporation. In this program, AJV will pay Trident to custom process and market the APICDA CDQ crab and both parties will equally share in the profits (or loss).

This program will be expanded to the shoreside processing facility in St. George when it commences operations in 2004.

Section 6.20 Product Diversification Program

Since 1994, APICDA has engaged in a Product Diversification Program (PDP). The purpose of the PDP is to provide for the opportunity to develop new product forms or new harvesting and/or processing opportunities. APICDA plans to maintain the PDP during the next three years.

Alaska has long served as a primary processing center for the nation and the world's seafood. Fish harvested in Alaska is minimally processed and then exported to the Lower 48 or overseas, where secondary processing activities occur and value is added. There are many reasons for this, including the cost of transportation, proximity to markets, and lack of cold storage holding capacity. APICDA and its partners believe that opportunities exist for greater emphasis on

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product diversification in Alaska. If properly developed, these opportunities will result in a greater economic return from Alaska fisheries to the harvesters, the processing sector, the communities, and the state. The PDP is one of the vehicles used by APICDA to explore and develop new and alternative fisheries and products.

APICDA plans to continue to engage in efforts designed to foster expanded harvesting and processing opportunities through the use of the Product Diversification Program. The short and long term benefits of this program include developing new seafood industry opportunities in both the harvesting and processing sector. As programs are implemented to take advantage of the opportunities, expanded employment will occur. This will increase economic and social stability in the APICDA communities, and elsewhere in Alaska where similar efforts take place. Additionally, the program will result in a greater and broader use of our fishery resources.

Section 6.21 Monitoring of Current Investments & Anticipated Activities Beyond the Normal Scope

APICDA's for-profit subsidiary, AJV, has invested in a variety of entities. Many of these investments are joint venture operations in which AJV holds a minority interest. These companies have the capability to make additional investments.

Prior to a subsidiary making a new investment, AJV must be apprised. AJV, through APICDA, will notify the state of Alaska and seek concurrence with the investment (in accordance with the applicable rules and regulations). In addition, AJV will review the performance of all of its operations, minority and majority owned, on a continuing basis to ascertain the profitability (or lack thereof) of each operation and whether or not it is in compliance with established goals and objectives.

Section 6.22 Longterm Reserve Account

Ten percent of all royalty revenue received by APICDA will automatically be invested in the Longterm Reserve Account, until the fund reaches \$5 million. The funds will be invested in accordance with APICDA's Investment Guidelines. The purpose of the Longterm Reserve Account is to establish a "rainy day" account in the event of unforeseen financial difficulties.

Section 6.23 Mariculture Program

Through its Product Diversification Program (PDP), APICDA completed an initial assessment of the sea urchin resource in the Alaska Peninsula, the Aleutian Islands west to Adak, and in St. George. An additional assessment was completed in the summer, 1999. Commercial quantities of urchins were found in some areas, although most of the resource had been decimated by sea otters. In April, 1999, APICDA submitted plans and an application to the Alaska Department of

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Fish & Game for permits to implement a mariculture program focusing on sea urchins in various locations in the Aleutian Islands and the Alaska Peninsula. In 2000, the application was voluntarily withdrawn without prejudice pending implementation of small test fisheries and a small mariculture program in Nikolski.

The development of a successful sea urchin mariculture program would generate many jobs, expand harvesting and processing opportunities, provide new fishery alternatives for local fishermen and communities, and diversify the local economy throughout the region.

In August, 2002, a sea urchin test fishery will occur at St. George. This represents the first of the test fisheries referenced above. Based upon the results of the St. George fishery, a second test fishery near Atka may occur in 2003.

The purpose of the test fisheries is to ascertain whether or not a commercial sea urchin fishery — from both the harvesting and processing side — can successfully be conducted in these areas.

Section 6.24 Community Outreach Conference

Since April, 1999, APICDA has hosted a Community Outreach Conference. The conference is attended by leaders representing each of APICDA's eligible communities, including a representative from the local village corporation, the local government, and the traditional council or IRA. In addition, APICDA board members are staff attend. The cost of the conference, including airfare and lodging, is borne by APICDA.

The purpose of the conference is to exchange information regarding the CDQ program, APICDA's program and plans for the future, the community's needs and desires, ways to improve APICDA's program, and topical issues of interest to the region. The conference is an annual event and will continue to be so during the length of this CDP.

In 2003, the conference will be expanded to include representatives from the youth of each community.

Section 6.25 CDQ Harvesting

APICDA has and will continue to receive MSCDQ allocations for a variety of groundfish and crab species in the Bering Sea and Aleutian Islands. The allocations are harvested and processed by a number of vessels and facilities, many of which are wholly or partially owned by APICDA subsidiaries. Ultimately, APICDA intends that all of its MSCDQ will be harvested, processed, and marketed by entities in which it has an ownership interest. In 2002, approximately 90% of APICDA CDQ will be harvested and processed by vessels or plants in which APICDA has an ownership interest.

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APICDA will utilize the royalties generated from the lease of its MSCDQ allocations to fund training and education programs, administrative costs, the construction of necessary infrastructure, purchase ownership interests in a variety of harvesting and processing entities, develop businesses at the local and regional level, and otherwise invest in the development of stable local economies in each of its member communities.

APICDA's objectives in harvesting our CDQ allocations include:

- Maximize harvest of all APICDA MSCDQ allocations;
- Maximize the harvest of target species and minimize the harvest of incidental species, particularly prohibited species;
- Maximize the use of gear types that have minimize adverse impacts upon habitat;
- Monitor MSCDQ vessel harvesting activities on an individual vessel basis to manage target and non-target harvests;
- Monitor MSCDQ vessel activities to ensure compliance with all federal and state regulations;
- Comply with all state and federal reporting requirements on a timely basis;
- Achieve a royalty return from MSCDQ harvesting and processing operations that are fair to all parties involved;
- Maximize the return from MSCDQ harvesting and processing operations by participating as a whole or part-owner at as many levels of the industry (harvesting, processing, marketing, etc.) as possible and practical; and
- Maximize the employment of local residents in all phases of MSCDQ harvesting, processing, and marketing.

Section 7.0 Management Strategy to Accomplish CDP Projects

APICDA is proud of its accomplishments since its formation in the fall of 1992. Currently, APICDA has in excess of \$28 million in assets. APICDA has provided numerous employment opportunities for area residents since the inception of the CDQ program. Through 2001, APICDA has provided 135 annual jobs (annual average) and generated over \$11 million in wages paid directly to residents of APICDA communities; in excess of 240 residents have received over \$500,000 in vocational education grants; and 136 higher education scholarships to local residents have been granted at a value greater than \$530,000.

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APICDA has also initiated, participated in, or completed the following projects:

- Dredging of Zapadni Bay Harbor on St. George Island;
- Construction of a new, sub-port facility (Tract I) on St. George Island, in partnership with the St. George Tanaq Corporation;
- Construction and formation of Puffin Seafoods, L.L.C. on St. George Island, in partnership with the St. George Fishermen's Association;
- Construction of a dock facility in Nelson Lagoon;
- Filling four acres of APICDA-owned land adjacent to the new dock facility in Nelson Lagoon;
- Formation of the Nelson Lagoon Storage Company, L.L.C. (a vessel, gear, and pot storage operation in Nelson Lagoon) in partnership with the local tribal council;
- Construction of a gear storage warehouse in False Pass;
- Extension of water and electric services to the city dock in False Pass;
- Formation of Bering Pacific Seafoods, L.L.C. in False Pass, including renovation of the barge Dipper;
- Construction of a small dock and attendant floating barges in Atka;
- Formation of Atka Pride Seafoods, in partnership with the Atka Fishermen's Association;
- Construction of a major dock facility in Atka;
- Construction of Nazan Bay Inn in Atka;
- Construction of a new hydro electric facility in Atka (funded in part by APICDA);
- Construction of a vessel haul-out in Nikolski;
- Construction and formation of the Ugludax Lodge, L.L.C. in Nikolski;
- Purchase of 250,000 pounds of halibut/sablefish IFQs;
- Purchase of five thirty-two foot longline vessels (all of which have been converted to thirty-five feet);
- Purchase of three medium size vessels;
- Equity investments in five large Bering Sea commercial fishing vessels (the F/LL *Prowler*, the F/LL *Ocean Prowler*, the F/LL *Bering Prowler*, the F/V *Golden Dawn*, and the F/V *Farwest Leader*) and one factory trawl vessel (the F/T *Starbound*);
- Purchase of two commercial charter sport vessels (the *Grand Aleutian* and the *Augusta D*); and
- Formation of OceanLogic, L.L.C.

APICDA has consistently received high marks and praise from its auditors. No serious deficiencies have been identified, and nearly all recommendations have been implemented in a timely manner.

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In a few short years, the entire APICDA organization has developed into a highly complex corporate entity. We have well functioning boards and committees. Our subsidiary investments are well managed. The social and economic return to our communities has been significant.

Section 8.0 Description of Target Fisheries

Section 8.1 Atka Mackerel

APICDA has selected F/V SAVAGE, Inc. (more commonly known as Cascade Fishing, Inc.) to serve as its harvesting and processing partner for Atka mackerel.

The Atka mackerel target fishery occurs in the Aleutian Islands, specifically in Areas 541, 542, and 543. The fishery now operates under a platoon system inside critical habitat in Areas 542 and 543, while Area 541 remains open access. The fishery initially focuses on Area 541 because the fish tend to be larger in this area. When Area 541 closes, the fishery moves to Areas 542 and 543 under the platoon system.

The CDQ fishery will occur when the open access or platoon fisheries are closed. The harvesting strategy for the CDQ fishery will be to maximize the economic value of the fishery resource. The fishery will occur in each of the three statistical areas for which there are Atka mackerel allocations.

For the past several years, APICDA has encouraged other CDQ groups to combine their mackerel allocations with APICDA's for the M/V Savage to harvest. APICDA has managed the combined CDQ fishery without fee for all but one of the other participating CDQ groups. This has been a successful example of CDQ groups working together. APICDA plans to continue this relationship, providing the other groups are also willing.

Section 8.2 Pacific Ocean Perch (Aleutian Islands)

APICDA has selected F/V SAVAGE, Inc. (more commonly known as Cascade Fishing, Inc.) to serve as its harvesting and processing partner for Pacific Ocean Perch.

The Pacific Ocean Perch target fishery occurs in the Aleutian Islands, specifically in Areas 541, 542, and 543. The CDQ fishery will occur following closure of the open access fisheries, and will normally occur in conjunction with the Atka mackerel CDQ fishery.

Section 8.3 Pacific Cod

APICDA has selected the Prowler, L.L.C. and the Ocean Prowler, L.L.C. to serve as its harvesting and processing partner for the target Pacific cod CDQ fishery.

The open access longline cod fishery commences January 1 and generally lasts until the first week of May, when the halibut PSC allocation for the summer trimester has been exhausted.

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The longline fishery reopens on August 15. The length of the fall fishery is dependent upon the amount of open access quota available.

The jig pacific cod fishery is generally open throughout the year. The pot Pacific cod fishery has specific seasons, although the winter is the best for pot fishing.

Most of the CDQ cod allocation received by APICDA will be harvested and processed by the "Prowler" vessels. APICDA intends, however, to harvest and process the difference between its current allocation (16% in 2000) and the allocation received for 2003-2005 using fixed gear catcher vessels delivering to the Bering Pacific Seafoods facility in False Pass or the new processing plant in St. George.

Section 8.4 Sablefish and Greenland Turbot—Bering Sea

APICDA has selected APICDA Vessels, Inc. (AVI) to serve as its harvesting and processing partner for the target Bering Sea sablefish and Greenland turbot CDQ fisheries. AJV owns 100% of the company.

Both sablefish and Greenland turbot are difficult and time consuming to catch in the Bering Sea due to problems with killer whale interactions. Although both can be harvested successfully, the length of time and effort required is not as cost productive as other available alternatives. APICDA has been at the forefront of the development of a longline pot fishery for these species in the Bering Sea. Longline pots do not suffer from whale interactions, although the gear type is expensive and requires a significant learning curve.

Section 8.5 Sablefish and Greenland Turbot—Aleutian Islands

APICDA has selected APICDA Vessels, Inc. (AVI) to serve as its harvesting and processing partner for the target Aleutian Islands sablefish and Greenland turbot CDQ fisheries. AJV owns 100% of the company.

The Aleutian Islands sablefish fishery is prosecuted by fixed gear. The fishery will be prosecuted by a vessel(s) owned by AVI and crewed by residents of APICDA communities. The fishery will take place in the spring and summer. The CDQ will be combined with IFQ owned by AJV and by local APICDA residents to increase the volume and opportunities available from this fishery.

It is our intent to have the CDQ will be delivered to Atka Pride Seafoods, where it would be processed. The product would be marketed by APS in conjunction with assistance from APICDA's other harvesting and processing partners. Atka Pride Seafoods is owned 50% by AJV and 50% by the Atka Fishermen's Association.

Section 8.6 Yellowfin Sole and Flatfish

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APICDA has worked diligently the past several years to develop flatfish fisheries and markets. We have expended in excess of \$100,000 in this endeavor.

In 1998, APICDA entered into flatfish CDQ agreements with Starbound Partnership and the M/V SAVAGE (Cascade Fishing, Inc.). Due to the late implementation of the MSCDQ program, there was no flatfish harvesting in 1998. In 1999, Cascade harvested over 2,000 mt of yellowfin sole CDQ for APICDA. The remainder of our flatfish allocation went unharvested. There was no flatfish harvesting in the year 2000 or 2001 due to market conditions, however Cascade has harvested 500 mt of CDQ flatfish thus far in 2002.

APICDA is seeking to expand its flatfish relationships with other CDQ group and other companies, both American and European. This may include the formation of a new company or CDQ relationship. APICDA also hope to process limited amounts of flatfish at Bering Pacific Seafoods in False Pass, and at our Nelson Lagoon and St. George facilities when they are constructed. Cascade may or may not harvest and process flatfish CDQ for APICDA during the next few years. Market conditions will make the determination.

Section 8.7 Crab (All Species)

APICDA intends to construct a shoreside processing facility in St. George in 2003, with processing operations to commence with the 2004 opilio Tanner crab fishery. All of the opilio and Bristol Bay CDQ crab will be processed at the St. George plant. The St. Matthew's crab may be processed in St. George, but concerns with potential dead-loss may require the crab to be processed by a mothership in the St. Matthew's area.

The crab CDQ will be harvested by a vessel(s) owned by in part by APICDA Joint Ventures, Inc., or on a vessel approved by APICDA.

Section 8.8 Area 4B Halibut

The local Atka fishermen, through the Atka Fishermen's Association (AFA), have harvested the Area 4B halibut CDQ since 1995. In doing so, they have used their own vessels (predominantly small skiffs and boats) and vessels owned by APICDA Vessels, Inc., and delivered the fish to the Atka Pride Seafoods processing plant. In 1995, Atka fishermen harvested 220,000 pounds of halibut CDQ; in 2002, we expect local fishermen to harvest 900,000 pounds of halibut CDQ. To the extent there is any CDQ available after meeting local needs, it will be leased to outside vessels.

Atka Pride Seafoods is a joint venture between APICDA Joint Ventures, Inc. and the Atka Fishermen's Association. APS serves as a small seafood processing plant in Atka that relies on a local labor for its work force.

Section 8.9 Area 4C Halibut

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In 1998, AJV and the St. George Fishermen's Association formed Puffin Seafoods, L.L.C. That year, Puffin operated as a fish handling facility since it had no access to an outfall and could not meet ADEC requirements. The 1998 operation was frustrating and did not work well. Air cargo transportation from St. George to Anchorage was sporadic and expensive. At times, product quality was negatively affected, and at other times the fishermen were unable to fish due to lack of air cargo transportation.

Since 1999, all of the CDQ has been tendered to St. Paul where it was processed by Trident Seafoods. The operation had some problems, but few in comparison to 1998. The same approach will be used for 2003. In 2004, the halibut will be processed in St. George at the new shoreside processing facility.

One hundred percent of the allocation will be harvested by local fishermen.

Section 8.10 Pollock

APICDA's CDQ harvesting and processing partners for pollock are Trident Seafoods Corporation and the Starbound Partnership. Trident Seafoods is one of Alaska's largest shoreside processing companies. The Starbound Partnership owns and operates the F/T *Starbound*, one of the first American factory trawlers to enter the domestic groundfish harvesting and processing industry in the Bering Sea and Aleutian Islands. Both companies have been APICDA's partners since the inception of the CDQ program. In the fall, 1999, APICDA Joint ventures, Inc., purchased twenty percent of the Starbound Partnership.

Trident has the capability to produce surimi, fillets, and deep skin blocks; Starbound has the capability to produce deep skin blocks and mince. Given this range of production capability, Trident/Starbound (and, hence, APICDA) can take advantage of market opportunity by switching from surimi to deep skin fillet, or vice-versa. This is advantageous to APICDA because of the increased market price fee APICDA will realize through the opportunistic production of higher value products.

Section 8.11 Other Species

Other species will be used as bycatch for our target fisheries.

Section 9.0 Harvesting & Processing Information

See Section 8 above.

Section 10.0 Benefits to the Region

Since its formation, APICDA has followed a two pronged approach to development: (1) build appropriate infrastructure in each community to support the formation of local businesses, and

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(2) conserve capital for the opportunistic purchase of harvesting and/or processing vessels and facilities.

While APICDA is completing its infrastructure development program, numerous job opportunities will continue to be available to local residents during the construct phase of the projects. The infrastructure phase of APICDA endeavors is winding down, however, and these opportunities are expected to diminish.

As infrastructure projects are completed, local business ventures in the communities emerge. These begin to generate self-sustaining employment. Additionally, APICDA's expanding investments and equity ownership positions in the harvesting and processing sectors of the commercial industry provide more meaningful employment opportunities than were initially available in the formative years of the CDQ program. Future employment opportunities for area residents are summarized below, by community and APICDA In-House:

- Akutan: Construction work on the small boat harbor; CLO position; harvesting and processing opportunities with APICDA CDQ partners; stevedoring; sport fishing charter boat operations; and, fishing opportunities on AJV partially owned vessels and AVI wholly owned vessels.
- Atka: Employment at Atka Pride Seafoods (APS), including plant manager, office/clerical, engineering, and processing jobs; fishing opportunities for local fishermen; hotel manager; pilot boat business; CLO position; harvesting and processing opportunities with APICDA CDQ partners; and, fishing opportunities on AJV partially owned vessels and AVI wholly owned vessels.
- False Pass: Employment at Bering Pacific Seafoods, including plant manager, office/clerical, engineering, processing, and construction jobs; warehouse manager for Tribal gear storage business; boat haul out operator for the City; CLO position; harvesting and processing opportunities with APICDA CDQ partners; and, fishing opportunities on AJV partially owned vessels and AVI wholly owned vessels.
- Nelson Lagoon: Employment at new seafood processing facility (2005) including plant manager, office/clerical, engineering, and processing jobs; construction employment in connection with new processing facility; manager and workers for gear storage and boat haul out business; warehouseman for gear storage; boat haul out operator; CLO position; harvesting and processing opportunities with APICDA CDQ partners; and, fishing opportunities on AJV partially owned vessels and AVI wholly owned vessels.

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- Nikolski: CLO position; construction; manager and workers for Ugludax Lodge; harvesting and processing opportunities with APICDA CDQ partners; and, fishing opportunities on AJV partially owned vessels and AVI wholly owned vessels.
- St. George: Employment at new seafood processing facility including plant manager, office/clerical, engineering, and processing jobs; construction employment in connection with new processing facility; field representative and workers for construction of fish plant; processing workers in the fish plant, including plant manager; fishing opportunities for local fishermen; CLO position; harvesting and processing opportunities with APICDA CDQ partners; and, fishing opportunities on AJV partially owned vessels and AVI wholly owned vessels.
- APICDA In-House: Additional corporate opportunities are expected in the areas of administration, CDQ data management, financial accounting needs, marketing, and community based AJV employees for on site management positions necessitated by AJV business activities in each community.

The development of local businesses provide benefits not only to the community in which the business is based, but to other communities throughout the region and the state. For example, in 2001, APICDA employed 150 Alaska residents (with wages in excess of \$1.4 million) in addition to the CDQ resident jobs provided. Also, businesses such as Bering Pacific Seafoods in False Pass, provide alternative markets and competition for local and regional fishermen.

The infrastructure projects completed by APICDA, and those in progress, serve the industry as a whole — not just the village.

Section 11.0 Level of Local Participation

As stated above, through 2001, APICDA has provided 135 annual jobs (annual average) and generated over \$11 million in wages paid directly to residents of APICDA communities; in excess of 240 residents have received over \$500,000 in vocational education grants; and 136 higher education scholarships to local residents have been granted at a value greater than \$530,000. APICDA has implemented an employment policy that provides preferential hire to residents of APICDA communities.

APICDA hosts an annual community conference, which is attended by representatives from each of the entities within our participating communities. The conference serves as a direct communication vehicle between our villages and the board and administration.

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APICDA's efforts are devoted to developing stable local economies in the communities where our residents live. We intend to complete that task.

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**Table 1
Akutan Milestones**

Project	Completion Date	Status
Monitor progress toward construction of large boat harbor in 2006.	2006	\$850,000 million commitment by APICDA.
Form sport fish joint venture.	2003	Pending.

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**Table 2
Atka Milestones**

Project	Completion Date	Status
Continue water taxi and pilot boat activities.	Ongoing	Ongoing.
Process sablefish & halibut CDQ.	Ongoing	Ongoing.
Expand processing at APS, both by species and time of year.	Ongoing	Ongoing
Pursue development of a small boat harbor in Atka.	Ongoing	Ongoing.
Provide limited vessel repair opportunity.	Ongoing	Proposed.
Evaluate providing fuel depot services.	Ongoing	Proposed.
Evaluate warehouse storage opportunity.	Ongoing	Proposed.
Bring sport fish clients to Atka.	2003	Proposed.

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**Table 3
False Pass Milestones**

Project	Completion Date	Status
Employ fifteen or more local residents in connection with Dipper operations.	Ongoing.	In progress.
Purchase and process 3 million pounds of Pacific cod, with focus on local fishermen.	Ongoing.	In progress.
Maximize financial return.	Ongoing.	Ongoing.
Complete plan to transition to shoreplant.	2004	Pending.
Construct shore plant and expand operations.	2005	Pending.
Complete joint venture discussions for store.	2003	Pending.
Pursue development of a small boat harbor in False Pass.	2005	Ongoing.

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**Table 4
Nelson Lagoon Milestones**

Project	Completion Date	Status
Complete feasibility study, business plan and design for processing plant.	2004	Pending.
Construct plant.	2005	Pending.

**Table 5
Nikolski Milestones**

Project	Completion Date	Status
Employ six or more local residents in lodge business.	Ongoing	In progress.
Maximize financial return from Ugludax Lodge.	Ongoing	In progress.

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**Table 6
St. George Milestones**

Project	Completion Date	Status
Complete engineering and permitting; construct shore plant.	2003	Pending.
Open facility and process crab, Pacific cod and halibut.	2004	Pending.
Provide 40 or more local jobs in connection with construction of the plant, harvesting, processing, and ancillary activities.	2004/05	Pending.
Maximize financial return from processing company.	2004/05	Pending.
Harvest 4C halibut CDQ and IFQ.	2003/2005	Ongoing.
Maintain gear and vessel upgrade program	2003/2005	Ongoing.
Identify Tract I tenants and generate revenue from facilities.	2003/2005	Ongoing.
Expand number of sport fish visitors to St. George.	2003/2005	Pending.
Provide employment for six or more local residents in conjunction with sport fishing business.	2003/2005	Pending.
Maintain Puffin Seafoods as a viable business.	2003/2005	Ongoing.

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**Table 7
Other APICDA Milestones**

Project	Completion Date	Status
Purchase large commercial fishing vessels.	Ongoing	Ongoing.
Continue Quota Share Loan Guarantee Program.	Ongoing	Ongoing.
Purchase Quota Shares.	Ongoing	Ongoing.
Provide annual donation to local fishermen's associations.	Spring (each year)	Ongoing.
Hold annual APICDA Village Outreach Conference.	Spring (annual)	Ongoing.
Assessment of Product Diversification Program expansion opportunities.	Ongoing	Ongoing
Develop flatfish operation.	Ongoing	In process.
Distribute annual school grants.	Winter (annual)	Ongoing.
Establish higher education scholarship funding levels and identify recipients.	Spring (annual)	Ongoing.
Implement revised Small Vessel Acquisition Program.	2003	Proposed
Evaluate all joint venture and subsidiary investments from a goal, objective, and ROI making perspective.	Ongoing	Ongoing.
Maximize harvest of all APICDA MSCDQ allocations.	Ongoing	Ongoing.
Maximize the harvest of target species and minimize the harvest of incidental species, particularly prohibited species.	Ongoing	Ongoing.

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Maximize the use of gear types that have minimize adverse impacts upon habitat.	Ongoing	Ongoing.
Monitor MSCDQ vessel harvesting activities on an individual vessel basis to manage target and non-target harvests.	Ongoing	Ongoing.
Monitor MSCDQ vessel activities to ensure compliance with all federal and state regulations.	Ongoing	Ongoing.
Comply with all state and federal reporting requirements on a timely basis.	Ongoing	Ongoing.
Achieve a royalty return from MSCDQ harvesting and processing operations that are fair to all parties involved.	Ongoing	Ongoing.
Maximize the return from MSCDQ harvesting and processing operations by participating as a whole or part-owner at as many levels of the industry (harvesting, processing, marketing, etc.) as possible and practical.	Ongoing	Ongoing.
Maximize the employment of local residents in all phases of MSCDQ harvesting, processing, and marketing.	Ongoing	Ongoing.
Contribute ten percent of annual APICDA revenue into the Longterm Reserve Account (LRA) until \$5 million.	Ongoing	Ongoing.
Invest LRA funds in accordance with APICDA's Investment Guidelines.	Ongoing	Ongoing.
Manage non-LRA funds to maximize liquidity while emphasizing security.	Ongoing	Ongoing.
Normally generate one-half to one percent above prime as a rate of return for internal loans.	Ongoing	Ongoing.
Establish annual board and administrative budgets, and monitor budgets on a	Ongoing	Ongoing.

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continuing basis.		
Maintain a cash flow projection six months into the future.	Ongoing	Ongoing.
Establish annual board and administrative budgets, and monitor budgets on a continuing basis.	Ongoing	Ongoing.
File quarterly and annual reports on a timely basis.	Ongoing	Ongoing.
Comply with all CDQ federal and state rules and regulations.	Ongoing	Ongoing.
Complete an annual audit.	Ongoing	Ongoing.
Have regular board and sub-committee meetings.	Ongoing	Ongoing.
Review by-laws on an annual basis.	Ongoing	Ongoing.
Ensure that fishermen associations conduct their APICDA board representative elections in accordance with appropriate by-laws.	Ongoing	Ongoing.
Ensure that staff implements board policies as enunciated.	Ongoing	Ongoing.
Maintain Quota Share Retention Program.	Ongoing	Ongoing.
Maintain College Intern Program.	Ongoing	Ongoing.