

## **I. Quarterly Highlights**

APICDA's employment goal for 2001 is to provide at least 80 jobs for local residents. By the conclusion of the second quarter, a total of 165 job positions (99 discrete individuals) had been filled by local residents, generating wages of \$966,231 since the first of the year.

During the second quarter seventeen individuals attended various vocational education or specialized training programs.

Twenty individuals used APICDA higher education scholarships during the second quarter of the year. Each scholarship is in the amount of \$5,000 for the school year.

APICDA hosted its third annual Community Outreach Conference on April 25 and 26. Representatives from the local government, the village corporation, and the local traditional council or IRA from each of APICDA's eligible communities attended the conference. Also attending were the APICDA board and staff, representatives of the state of Alaska, some of APICDA harvesting partners, and various private sector entities from the APICDA region. The purpose of the conference was to discuss the future of APICDA, its subsidiaries, its impact upon each of the villages, and the goals and desires of the villages. A total of fifty-nine people participated.

OceanLogic completed their first version of the vessel verification system software (VVS) in late May. The software, once installed, will allow companies in the fishing industry to monitor a vessels location at any time. OceanLogic is in the process of installing the software on selected Coast Guard vessels and fishing vessels for beta testing purposes. OceanLogic is in the final stages of completion of the electronic logbook software (ELB). The software will enable fishing companies to submit required fish tickets and reports electronically to state and federal fishery agencies. Distribution of this product to the Westwards Seafoods fleet is forthcoming.

APICDA completed its Bering Sea "B" Season pollock fishery during the second quarter. A total of 984 mt. of pollock was harvested. PSC catch consisted of less than a metric ton of halibut, 9 bairdi Tanner crab, 4 opilio Tanner crab, and 11 Chinook salmon.

Halibut CDQ fisheries in Atka and St. George started in May and June respectively. At the end of June, Atka's harvest was identical to last years, while the St. George production was considerable lower (due to poor weather).

Bering Pacific Seafoods processed cod during first part of the second quarter before shifting to salmon. A salmon strike occurred in the Area M fishery, which ultimately led to a decision to close the BPS facility for the salmon season. A combination of the strike (losing the more valuable, early sockeye run) and an extremely weak market resulted in the closure decision. BPS hopes to re-open in September for cod.

**Please visit APICDA web site at: [www.apicda.com](http://www.apicda.com)**

## II. Community Development

### A. Progress Toward Goals, Objectives, Milestones

The following is a review of the highlights from APICDA's goals, objectives, and milestones. See Tables 1 through 7 for a specific review of all milestones, by community.

1.) Employment: APICDA's employment goal for 2001 is to provide at least 80 jobs for local residents. By the conclusion of the second quarter, a total of 165 job positions (99 unique individuals) had been filled by local residents, generating wages of \$587,176 for the quarter and \$966,231 since the first of the year .

2.) Training: APICDA's goal is to provide vocational education and training assistance for any resident who desires the opportunity or needs help. During the second quarter, seventeen individuals attended various vocational education or specialized training programs.

3.) Education: Twenty individuals used APICDA higher education scholarships during the second quarter of the year. Higher education scholarships are generally \$5,000 per school year per individual.

4.) APICDA Joint Ventures, Inc. (AJV) Activities: AJV activities during the second quarter consisted of overseeing the various subsidiary corporations, including Atka Pride Seafoods, Kayux Development, L.L.C., APICDA Vessels, Inc., the Nelson Lagoon Storage Company, L.L.C., the Nazan Bay Inn, Prowler, L.L.C., Ocean Prowler, L.L.C., and Golden Dawn, L.L.C., Konrad 1, L.L.C., the Dipper L.L.C. the Bering Pacific Seafoods, L.L.C., and the newly formed MUM Alaska, L.L.C. AJV continued to discuss the formation of new joint venture corporations, and to review other investment opportunities.

5.) APICDA Vessels, Incorporated (AVI): AVI activities during the second quarter consisted of harvesting both IFQ and CDQ halibut and sablefish. This includes the five AP boats, the *Stardust*, the *Bonanza*, and the halibut sport charter vessel *Grand Aleutian*. The F/V *Stardust* has been fishing for CDQ and IFQ sablefish in the Bering Sea and Aleutian Islands and IFQ halibut in Area 4D. The vessel is now tendering CDQ halibut for the St. George operation. The M/V *Grand Aleutian* has had a busy second quarter. The vessel has become the charter of choice in the Unalaska region. In June alone, the vessel chartered over 100 people to the sport fishing grounds near Unalaska.

6.) Small Vessel Acquisition Program (SVAP): During the December 1998, board meeting, the SVAP was suspended. The suspension will carry through 2001 while the board reviews methods to improve the program.

7.) Atka Pride Seafoods (APS) Activities: APS commenced operations in May. Through June 30, the local fleet had harvested a total of 141,037 pounds of halibut. This compares to 147,257 pounds harvested by June 30, 2000.

8.) Puffin Seafoods, L.L.C.: The Puffin board of directors conducted two meetings in May. The main topic of discussion was the year 2001 halibut season operations. St. George fishermen, fishing for Puffin Seafoods, started in mid-June. The fish are tendered to St. Paul, for processing by Trident Seafoods. Through June 30, the local fleet had harvested a total of 9,972 pounds of halibut. This compares to 29,065 pounds harvested by June 30, 2000. Fishing has been slower than usual this year due to weather and the late arrival of fish on the grounds.

9.) Nelson Lagoon Storage Company, L.L.C.: The company is open for business, and some activity is taking place. Management is actively restructuring marketing strategies to increase client use of the facility.

10.) OceanLogic, L.L.C.: Programming was brought in-house during the first quarter. OceanLogic completed their first version of the vessel verification system software (VVS) in late May. The software, once installed, will allow companies in the fishing industry to monitor a vessel's location at any time. OceanLogic is in the process of installing the software on selected Coast Guard vessels and fishing vessels for beta testing purposes. OceanLogic is completing electronic logbook software (ELB). The software will enable fishing companies to submit required fish tickets and reports electronically to state and federal fishery agencies.

11.) Bering Pacific Seafoods, L.L.C. and the Barge Dipper: BPS began purchasing state water's jig cod on May 1. The initial price was Peter Pan plus three cents. Although production from the state water's pot cod fishery was very good, the amount of product delivered from the jig fishery was disappointingly low. A fishermen strike delayed the red salmon season by approximately two weeks. The combination of the best part of the season lost due to the strike delay and the weak market for red salmon resulted in a decision by the AJV board of directors to close the plant for the remainder of the salmon season. BPS is now in the planning stages for the upcoming cod season. The plant is expected to re-open in late August.

12.) Nikolski Lodge: Construction delays pushed back the completion of the lodge by six weeks. The grand opening for the lodge will be September 14. Clientele have been rescheduled.

13.) Sea Urchins: APICDA and ADF&G have agreed to delay the commencement of the St. George fishery until 2002. The 2002 fishery will be of limited size, intended to ascertain the feasibility of a commercial sea urchin harvesting and processing operation in St. George.

## **B. Outreach**

APICDA staff traveled to many of our communities during the second quarter to meet with residents and discuss a wide variety of CDQ and development related issues.

APICDA hosted its third annual Community Outreach Conference on April 25 and 26. Representatives from the local government, the village corporation, and the local traditional council or IRA from each of APICDA's eligible communities attended the conference. Also attending were the APICDA board and staff, representatives of the state of Alaska, some of APICDA harvesting partners, and various private sector entities from the APICDA region. The purpose of the conference was to discuss the future of APICDA, its subsidiaries, its impact upon each of the villages, and the goals and desires of the villages. A total of fifty-nine people participated.

### **C. Employment**

See Table 8 for a quarterly and year-to-date review of employment activity.

1.) Management/Administrative: During the second quarter, there were 21 local residents who received compensation for management/administrative duties. These functions ranged from staff employment and honorariums, to Community Liaison Officers (CLO) activities. The total expended during the quarter was \$142,530.

2.) Direct Employment from CDQ Pollock Fishing: There were nine CDQ residents employed in pollock fishing and/or processing operations at-sea on the Starbound during the quarter.<sup>1</sup> Total wages were \$118,850.

3.) Other Fishing: Fifty-two CDQ residents were employed in the "other fishing" category: one individual participated in the Pacific cod fishery on the *F/LL Prowler*; eight residents generated wages from the Bering Pacific operation; and, forty community residents were employed at Atka Pride Seafoods in a variety of processing and harvesting jobs. Total wages for all other fishing activities combined for the second quarter was \$243,854.

4.) Other Employment: Thirteen CDQ residents were employed in a variety of non-direct fishery activities, including the gear storage warehouse in Nelson Lagoon, construction projects directly related to APICDA CDP projects, and other activities. Total wages generated for the second quarter were \$81,942.

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<sup>1</sup> In the first quarter, APICDA reported that ten (10) CDQ residents were employed in the pollock fishery and generated a total of \$233,200 in wages. These numbers were incorrect. Our partner (Starbound) submitted projected salaries throughout the "A/B" pollock season instead of actuals. Also, APICDA management erred in the number of individuals. There were nine (9) CDQ residents not ten (10) that were directly employed from the CDQ pollock fishery in the first quarter. Table 8 has been corrected to reflect this error. Also, total wages generated recorded in Section II, A.1 has been corrected.

5.) Interns: There were three CDQ resident interns during the second quarter; all were participating in APICDA's summer college intern program.

6.) Ancillary Employment and Economic Impacts: The activities of APICDA and its subsidiaries generates significant economic benefits in the region, but much of the benefit is not captured by the existing employment and earnings data tables. For example, the Bering Pacific Seafoods facility in False Pass purchases fish from resident fishermen, from fishermen living in the region (but outside the CDQ eligible communities), and from fishermen living outside the region. Similarly, BPS (and other APICDA subsidiaries) employs local residents, regional residents, other Alaska residents, and non-residents. The purchase of fish and the payment of wages, whether to residents or non-residents, have an undeniable economic impact in the community. Goods are purchased with the money received and taxes are paid to the city, the borough and the state.

As an example, shown below is a summary of payments made during the first and second quarters resulting from Bering Pacific Seafoods operations in False Pass. BPS employed 77 individuals total during the quarter; of these, eleven were CDQ community residents, 39 were Alaska residents from non-CDQ communities, and 27 were non-Alaska residents. In addition, BPS purchased Pacific cod and/or salmon from 86 different vessels during the first half of the year; many of these vessels employed CDQ community residents and other Alaska residents.

<u>Category</u>	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>Total</u>
Salmon Marketing Tax	\$ 0	\$ 89	\$ 89
State Raw Fish Tax (3%)	16,311	9,844	26,155
Aleutians East Borough Tax (2%)	10,874	6,562	17,436
City of False Pass Tax (2%)	11,250	6,755	18,005
ASMI Tax (.3%)	1,631	984	2,615
Total Fish Purchases	547,705	328,143	875,848
City of False Pass Berthing Fees	9,519	0	9,519
City of False Pass Warfage	2,781	5,613	8,394
Total Employee Wages	239,735	145,856	385,591
Rent	3,674	45,300	48,974
Utilities	3,588	5,194	8,782
Fuel	22,144	80,768	102,912
<b>Total</b>	<b>\$ 869,212</b>	<b>\$ 635,109</b>	<b>\$ 1,504,321</b>

#### **D. Training & Education**

See Table 9 for a review of training and education activity.

1.) Vocational Education: During the second quarter, 17 CDQ residents attended various vocational education or specialized training programs.

2.) Higher Education: Twenty CDQ residents used APICDA higher education scholarships during the second quarter of the year. Generally, each scholarship is in the amount of \$5,000 for the school year (\$2,500 per semester).

3.) Summer Intern Program: The APICDA Board of Directors approved a major, new intern program in the summer of 2000. The purpose of the program is to provide summer (or non-school time) employment opportunities to residents receiving higher education scholarships in fields of interest to them, APICDA and its subsidiaries. APICDA will offer interns employment in companies in which it has ownership, or with its CDQ partners and other companies in a variety of occupational fields related to the needs of the Bering Sea and Aleutian Islands. Salaries and other costs will be borne in whole or part by APICDA. The work performance of interns will be evaluated on a continuing basis. Interns will be able to return to the program year after year during their college career, providing their evaluations are good and they continue to maintain eligibility for higher education scholarships. Eventually, interns could be offered full-time positions with APICDA or its subsidiaries.

There were three CDQ residents participating in the Summer Intern Program in the second quarter. Two individuals are working at the Museum of the Aleutians in Unalaska, and one individual has an internship with Altman, Rogers & Company, accountant firm, in Anchorage. No costs were billed out in the second quarter.

#### **E. Other Issues**

There are no other issues not otherwise addressed.

### **III. Administration**

#### **A. Board Activities**

1.) Changes in Board Members: Ted Lekanof, St. George, resigned in April 2001. Ilarion Philemonof Jr. was selected as the new board member representing St. George. Mr. Philemonof has been a St. George resident most of his life. He is actively involved with both commercial and subsistence issues in St. George and the Bering Sea region. Mr. Philemonof is an Aleut.

2.) Decisions/Actions: The Board of Directors for APICDA and AJV met in April and June. The Executive Committee, Puffin, L.L.C., and APICDA Vessels, Inc., boards met at various times in the second quarter.

The APICDA board received, and approved, a request from the Aleutians East Borough and the City of Akutan to reprogram up to \$150,000 from the \$1 million allocated to serve as matching funds for the proposed large boat harbor in Akutan. The reprogrammed funds will be used as matching funds for the construction of a small boat mooring basin in Akutan this summer.

There were no other decision or actions of major consequence that are not included here or in the confidential section of this report.

3.) Schedule for Next Quarter: The next APICDA board meeting will be in September.

## **B. State Of Alaska Reporting Compliance**

APICDA and its subsidiaries are and were in full compliance with all State of Alaska CDQ reporting regulations.

## **C. CDP Amendment Status**

Shown below are the plan amendments through the second quarter:

Numbers	Technical or Substantial	Description	Date Submitted	Date Approved
TA# 01	Technical	Revise F/V Prowler, Ocean Prowler / 2 observers	01/18/01	02/01/01
TA# 02	Technical	Add Bering Pacific Seafoods as a processor	03/06/01	03/06/01
TA# 03	Technical	Add a vessel - Barbara J	03/06/01	03/06/01
TA# 04	Technical	Revise F/V Farwest Leader Fish Plans / MSCDQ	03/19/01	03/21/01
SA# 05	Substantial	Transfer Atka Mac/POP from YDFDA	04/02/01	04/12/01
SA# 06	Substantial	Transfer Atka Mac/POP from CBSFA	04/02/01	04/10/01
SA# 07	Substantial	Transfer Atka Mac/POP from CVRF	04/06/01	04/17/01
TA# 08	Technical	Transfer NSR to 'Other Species'	05/30/01	06/05/01
SA# 09	Substantial	Transfer 543 Atka Mac/POP from BBEDC	06/01/01	06/04/01

## **D. Other Issues**

There are no other issues not otherwise addressed

#### IV. Harvesting Report

##### A. Target Fishery Harvest Activity

Pollock CDQ Harvest: The pollock "B" season CDQ fishery was completed in the second quarter. The following table is a report on all species harvested.

	CDQ	Metric Tons Harvested				YTD	
	Allocation	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Harvest	% of Harvest
A/B Season	7,840	6,851.593	983.783			7,835.376	98.86%
C/D Season	11,700						
<b>Bycatch</b>							
Sablefish, FG - BS		0.000	0.000			0.000	0.00%
Sablefish, FG - AI		0.000	0.000			0.000	0.00%
Sablefish, Trawl - BS		0.002	0.000			0.002	0.00%
Sablefish, Trawl - AI		0.000	0.000			0.000	0.00%
Pacific Cod		31.088	11.273			42.361	0.54%
WAI Atka mackerel		0.000	0.000			0.000	0.00%
CAI Atka mackerel		0.000	0.000			0.000	0.00%
EAI Atka mackerel		0.004	0.000			0.004	0.00%
Yellowfin sole		0.073	0.000			0.073	0.00%
Rock sole		11.582	2.262			13.844	0.18%
Greenland Turbot BS		0.049	0.005			0.054	0.00%
Greenland Turbot AI		0.000	0.000			0.000	0.00%
Arrowtooth flounder		1.919	0.016			1.935	0.02%
Flathead sole		20.060	2.008			22.068	0.29%
Other flatfish		0.301	0.001			0.302	0.00%
True POP - BS		0.000	0.000			0.000	0.00%
WAI POP		0.000	0.000			0.000	0.00%
CAI POP		0.000	0.000			0.000	0.00%
EAI POP		0.000	0.000			0.000	0.00%
BS other red rockfish		0.000	0.000			0.000	0.00%
AI Sharpchin/Northern		0.000	0.000			0.000	0.00%
AI Shortraker/Rougheye		0.000	0.000			0.000	0.00%
Other rockfish - BS		0.004	0.000			0.004	0.00%
Other rockfish - AI		0.000	0.000			0.000	0.00%
Other species		7.825	1.830			9.655	0.12%
<b>TOTAL</b>		<b>6,924.500</b>	<b>1,001.78</b>			<b>7,925.678</b>	<b>100.00%</b>
<b>PSQ Bycatch</b>							
PSQ Red King Crab Zone 1		0.000	0.000			0.000	0.00%
PSQ bairdi Tanner Zone 1		3.000	0.000			3.000	0.04%
PSQ bairdi Tanner Zone 2		0.000	9.000			9.000	0.11%
PSQ Opilio Tanner Crab		6.000	4.000			10.000	0.13%
Halibut mortality		0.858	0.042			0.900	0.01%
PSQ Chinook		318.290	11.000			329.000	4.15%
PSQ Other salmon		0.000	0.000			0.000	0.00%

Pacific Cod CDQ Harvest: Approximately thirty-five percent of APICDA's annual Pacific cod was harvested in the direct Pacific cod fishery during the second quarter. Bycatch rates of halibut remain manageable. Bycatch rates of other species increased. Management is taking steps with our fishing partners to reduce the amount of other species bycatch. The CDQ fishery will continue in the third quarter.

	CDQ	Metric Tons Harvested				YTD	% of Harvest
	Allocation	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Harvest	
Pacific Cod	2,256.00	85.838	779.251			865.089	83.02%
Bycatch							
Sablefish, FG - BS		0.000	0.000			0.000	0.00%
Sablefish, FG - AI		0.000	0.000			0.000	0.00%
Sablefish, Trawl - BS		0.000	0.000			0.000	0.00%
Sablefish, Trawl - AI		0.000	0.000			0.000	0.00%
WAI Atka mackerel		0.000	0.000			0.000	0.00%
CAI Atka mackerel		0.000	0.000			0.000	0.00%
EAI Atka mackerel		0.000	0.028			0.028	0.00%
Yellowfin sole		0.000	0.000			0.000	0.00%
Rock sole		0.043	0.815			0.858	0.08%
Greenland Turbot BS		0.000	0.254			0.254	0.02%
Greenland Turbot AI		0.000	0.000			0.000	0.00%
Arrowtooth flounder		0.311	2.268			2.579	0.25%
Flathead sole		0.355	2.075			2.430	0.23%
Other flatfish		0.000	0.271			0.271	0.03%
True POP - BS		0.000	0.000			0.000	0.00%
WAI POP		0.000	0.000			0.000	0.00%
CAI POP		0.000	0.000			0.000	0.00%
EAI POP		0.000	0.000			0.000	0.00%
BS other red rockfish		0.000	0.000			0.000	0.00%
AI Sharpchin/Northern		0.000	0.000			0.000	0.00%
AI Shortraker/Rougheye		0.000	0.000			0.000	0.00%
Other rockfish - BS		0.000	0.157			0.157	0.02%
Other rockfish - AI		0.000	0.000			0.000	0.00%
Other species		9.234	127.051			136.285	13.08%
Non-Pollock Quota BS		2.740	31.030			33.770	3.24%
TOTAL		98.521	943.510			1042.031	100.00%

PSQ Bycatch

Halibut mortality	0.097	2.841			2.938	0.28%
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\*\*Halibut in the longline fishery is the only species deducted from PSQ allocations  
 The other PSQ catch, such as crab and salmon do not count against PSQ allocations

Atka Mackerel Harvesting: APICDA's partner, Cascade Fishing, Inc., has shown great efficiency in harvesting CDQ Atka mackerel. Their ability to minimize excess bycatch has made it desirable for other CDQ groups to transfer their annual allocations of Atka mackerel and related bycatch to APICDA for near complete harvest of the CDQ allocation.

**Atka Mackerel Harvest Actives**

	CDQ Allocation	Metric Tons Harvested				YTD Harvest	% of Harvest
		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.		
<b>Total Atka Mackerel</b>	3,625.400	0.000	3,065.362			3,065.362	79.85%
Totals by Areas:							
WAI	1,464.900	0.000	1,046.630			1,046.630	27.26%
CAI	1,768.000	0.000	1,640.309			1,640.309	42.73%
EAI	392.500	0.000	378.423			378.423	9.86%
<b>Bycatch</b>							
Sablefish, Trawl - BS		0.000	0.000			0.000	0.00%
Sablefish, Trawl - AI		0.000	0.000			0.000	0.00%
Pacific Cod		0.000	191.330			191.330	4.98%
Yellowfin sole		0.000	0.000			0.000	0.00%
Rock sole		0.000	0.629			0.629	0.00%
Greenland Turbot BS		0.000	0.000			0.000	0.00%
Greenland Turbot AI		0.000	10.95			10.95	0.28%
Arrowtooth flounder		0.000	5.436			5.436	0.14%
Flathead sole		0.000	0.056			0.056	0.00%
Other flatfish		0.000	0.265			0.265	0.01%
True POP - BS		0.000	0.000			0.000	0.00%
WAI POP		0.000	188.588			188.588	4.91%
CAI POP		0.000	81.765			81.765	2.13%
EAI POP		0.000	131.591			131.591	3.43%
BS other red rockfish		0.000	0.000			0.000	0.00%
AI Sharpchin/Northern		0.000	114.744			114.744	2.99%
AI Shortraker/Rougheye		0.000	2.284			2.284	2.284
Other rockfish - BS		0.000	0.000			0.000	0.00%
Other rockfish - AI		0.000	3.163			3.163	0.08%
Other species		0.000	12.906			12.906	0.34%
Non-Pollock Quota BS		0.000	29.948			29.948	0.78%
<b>TOTAL</b>		0.000	3,839.017			3,839.017	100.00%
<b>PSQ Bycatch</b>							
Halibut mortality		0.000	2.390				0.06%

Opilio CDQ Harvests: All of APICDA's opilio CDQ was harvested in the first quarter. Unless additional allocations are received, this fishery is complete for the year.

	CDQ		Metric Tons Harvested			YTD	
	Allocation	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Harvest	% of Harvest
Opilio Crab	187,807	189,302	0.000			189,302	100.8%

Halibut Harvesting: Both the Area 4B and 4C fisheries commenced during the second quarter. In Area 4B, APICDA CDQ fishermen are maintaining the same pace as last year. In Area 4C, the rate of harvest is significantly slower. This is primarily due to poor weather and the late arrival of halibut into shallow waters.

<b>Halibut</b>	Allocation (lbs)	Harvest (lbs)	% of Allocation	Remaining Allocation (lbs)
Area 4B	982,000	141,037	14.36%	840,963
Area 4C	101,500	9,973	9.83%	91,527
Total	1,083,500	151,010	13.94%	932,490

Sablefish Harvesting: Sablefish CDQ fishing in the Bering Sea should increase during the third quarter as we begin to fish using pots. Predation by orcas is a continuing problem, and pots may be a solution.

Sablefish CDQ fishing in the Aleutian Islands has become difficult due to the conflict between state of Alaska and NMFS regulations. Approximately 80% of the sablefish in the AI is harvested within three miles (state waters). State regulations prohibit the retention of sablefish in state waters when state waters are closed to sablefish fishing. The state sablefish season in the Aleutians is brief and open access. Once the quota is harvested, state waters are closed. It is difficult to convince fishermen to pay for the right to harvest sablefish CDQ when they can fish sablefish for free; hence, it is difficult to conduct a sablefish CDQ fishery when state waters are open. Conversely, the economics of fishing sablefish outside of state waters are very difficult since 80% of the catch historically occurs inside state waters. This issue needs to be addressed by the state. In effect, current state regulation preclude a CDQ sablefish fishery.

<b>Sablefish</b>	Allocation (lbs)	Harvest (lbs)	% of Allocation	Remaining Allocation (lbs)
Bering Sea	21,587	5,441	10.54%	46,146
Aleutian Islands	124,008	2,246	1.81%	121,762
Total	175,595	7,687	4.38%	167,908

7.) PSC Harvest: The bycatch of prohibited species continues to be low. The second quarter results are reported in the following table.

**Pollock harvested by non-pollock vessels:**

	Harvest (mt)	Retained (mt)	Discarded (mt)	% Retained
Fixed Gear	33.77	18.523	15.247	59%
Trawl Catch Processor	29.948	29.948	0.000	100%
Total	63.718	48.471	15.247	76%

**PSC that does not accrue against the PSQ allocation:**

	<u>Chinook</u>	<u>Non-Chinook</u>	<u>King Crab</u>	<u>Bairdi</u>	<u>Opilio</u>
Fixed Gear	0	0	0	0	12
Trawl Catcher-Processor	0	0	0	0	6
Trawl Catcher Vessel	0	0	0	0	0
<u>Total</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>18</u>

**B. CDQ Harvest by Quarter and Year-to-Date**

Species	2001 CDQ Allocation	Trans In	Trans Out	Metric Tons Harvested				YTD Harvest	Percent of Allocation
				1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.		
<b>Atka Mackerel</b>									
Eastern 541	175.500	217.000		0.000	378.455			378.455	96.42%
Central 542	756.000	1,012.000		0.000	1,640.309			1,640.309	92.77%
Western 543	627.900	837.000		0.000	1,046.630			1,046.63	71.48%
Arrowtooth	336.804	16.000		2.230	7.720			9.950	2.82%
Other Flatfish	525.000	2.000		0.301	0.537			0.838	0.16%
Flathead Sole	600.000	2.000		20.415	4.139			24.554	4.08%
Turbot (BS)	84.400			0.049	0.853			0.902	1.07%
Turbot (AI)	33.280	7.000			10.950			10.950	32.90%
Pacific Cod	2,256.000	156.000		116.926	981.854			1,098.78	45.55%
Pollock	19,600.000			6,851.593	983.783			7,835.376	39.98%
A/B Season	7,840.000			6,851.593	983.783			7,835.376	99.94%
C/D Season	11,700.000			0.000	0.000			0.000	0%
Non- Pollock Quota -	N/A			2.740	31.030			33.770	N/A
Non- Pollock Quota -	N/A			0.000	29.948			29.948	N/A
Pacific Ocean Perch	23.400			0.000	0.000			0.000	0%
<b>Pacific Ocean Perch (AI)</b>									
Eastern 541	65.400	78.000		0.000	131.591			131.591	91.77%
Central 542	57.600	67.000		0.000	81.765			81.765	65.62%
Western 543	106.800	135.000		0.000	188.588			188.588	77.99%
Sharp/Northern (AI)	151.800	120.000		0.000	114.744			114.744	42.22%
Short/Rougheye (AI)	14.960	6.760		0.000	2.284			2.284	10.52%
Other Rockfish EBS	6.750			0.004	0.305			0.309	4.58%
Other Rockfish AI	11.730	2.500			3.195			3.195	22.45%
Rock sole	1,350.000	2.000		11.625	3.706			15.331	1.13%
Sablefish Trawl (BS)	10.030			0.002	0.000			0.002	0.02%
Sablefish Trawl (AI)	11.280			0.000	0.000			0.000	0%
Sablefish Fixed Gear	23.400			0.000	2.468			2.468	10.55%
Sablefish Fixed Gear	56.250			0.000	1.207			1.207	2.15%
Yellowfin Sole	2,373.000			0.073	0.000			0.073	00.003%
Other species	304.164	121.112		17.059	141.787			158.846	37.35%
Non Specific Reserve	113.112		113.112					113.112	100%
4B Halibut (in lbs)	982,000			0.000	141,037			141,037	14.36%
4C Halibut (in lbs)	101,500			0.000	9,972.5			9,972.5	9.83%
BS Opilio	187,807			189,302	0.000			189,302	100.8%
BB Red King Crab	N/A			0.000	0.000			0	0%
<b>Prohibited Species</b>									
Halibut (MT)	75.400			0.955	5.273			6.228	8.26%
Bairdi Zone 1 (#s)	14,235.000			3.000	0.000			3.000	0.02%
Bairdi Zone 2 (#s)	35,708.000			0.000	9.000			9.000	0.02%
Opilio Tanner Crab (#s)	78,300.000			6.000	4.000			10.000	0.01%
Red King Crab (#s)	2,110.000			0.000	0.000			0.000	0%
Chinook Salmon (#s)	461.000			318.000	11.000			329.000	71.37%
Other Salmon (#s)	473.000			0.000	0.000			0.000	0%

**C. Compliance**

APICDA and its partners were in full compliance with all NMFS and State of Alaska requirements.

**D. Other Fishing Issues/Activities**

There were no other fishing issues or activities.

**Table 1**  
**Akutan Milestones**

Project	Completion Date	Status
Identify funding for harbor.	2004	\$1 million commitment by APICDA and \$2 million by AEB. Permitting underway.
Complete species/production identification plan, complete harvest and marketing plans, and complete corporate structure for seafood company.	2001	Pending.
Initiate seafood company.	2001	Pending.
Provide trailer to fishermen's association.	2001	Pending.
Continue seafood company operations.	2002	Pending.
Construct harbor.	2004	Pending.

**Table 2**  
**Atka Milestones**

Project	Completion Date	Status
Continue water taxi and pilot boat business.	Ongoing	Continuing.
Process sablefish & halibut CDQ.	Ongoing	Continuing.
Expand processing at APS, both by species and time of year.	Ongoing	In progress.
Offer water supply service for vessels at dock.	Spring, 1999	Complete.
	2000	Pending.
Evaluate possibilities for value-added production of sablefish, halibut and cod at APS.	2001	Pending.
	2001/02	Pending.
Complete feasibility analysis and business plan for proposed lodge. Start operations in fall. Provide six local jobs.	2001/02	Pending.
Provide limited vessel repair opportunity.	2001/02	Pending.
Provide fuel depot services.	2001/02	Pending.
Provide warehouse storage opportunity.	2001/02	Pending.

**Table 3**  
**False Pass Milestones**

Project	Completion Date	Status
Employ fifteen local residents in connection with Dipper operations.	Ongoing.	In progress.
Purchase and process 3 million pounds of Pacific cod and salmon.	2001/02	In progress.
Operate profitably.	2001/02	Pending.
Complete plan to transition to shoreplant.	2001/02	Pending.
Construct shore plant and expand operations.	2002/03	Pending.
Complete feasibility analysis and business plan for store. Construct if approved.	2001	In progress.
Open store and employ five residents.	2001/02	Pending.

**Table 4  
 Nelson Lagoon Milestones**

Project	Completion Date	Status
Open storage business	1999	Complete.
Construct ice delivery system.	2001/02	Pending.
Complete processing plant decision-making process.	Winter, 2001	In progress.
Construct processing plant (if approved)	2002	Pending.
Open processing plant.	2002	Pending.

**Table 5  
 Nikolski Milestones**

Project	Completion Date	Status
Evaluate near shore fishing opportunities.	2001	In progress.
Employ six local residents in lodge business.	2001	In progress.
Operate lodge profitably.	2002	Pending.
Commence mariculture operations.	2001	Pending.

**Table 6**  
**St. George Milestones**

Project	Completion Date	Status
Complete evaluation for construction of new processing plant.	Winter, 2001	Pending.
Construct processing plant.	2001/02	Pending.
Open processing plant for business.	2001/02	Pending.
Harvest 4C halibut CDQ and IFQ.	Continuing.	Continuing.
Initiate gear and vessel upgrade program	Continuing.	Continuing.
Identify Tract I tenants or generate revenue from facilities	Continuing.	Continuing.
Complete feasibility analysis and business plan for lodge operation. Commence operations, and employ six residents.	2001	Pending.

**Table 7**  
**Other APICDA Milestones**

Project	Completion Date	Status
Purchase large commercial fishing vessels.	Ongoing	Continuing.
Continue Quota Share Loan Guarantee Program.	Ongoing	Continuing.
Purchase Quota Shares.	Ongoing	Continuing.
Provide annual donation to local fishermen's associations.	Spring (each year)	Continuing.
Hold annual conference of Community Liaison Officers.	Winter (annual)	Continuing.
Hold annual APICDA Village Outreach Conference.	Spring (annual)	Continuing.
Assessment of Product Diversification Program expansion opportunities.	Ongoing	Ongoing
Develop flatfish operation.	Ongoing	In process.
Distribute annual school grants.	Winter (annual)	Continuing.
Establish higher education scholarship funding levels and identify recipients.	Spring (annual)	Ongoing.
Continue implementation of Small Vessel Acquisition Program.	Fall (annual)	In process.
Assess sea urchin resource.	Ongoing	Complete.
Develop mariculture proposal for Atka, Akutan, Nikolski, & False Pass.	2001	Submitted, April, 1999.
Implement limited mariculture program.	Ongoing	Pending.
Evaluate all joint venture and subsidiary investments from a goal, objective, and profit making perspective.	Ongoing	Continuing.
Maximize harvest of all APICDA MSCDQ allocations.	Ongoing	Continuing.
Maximize the harvest of target species and minimize the harvest of incidental species, particularly prohibited species.	Ongoing	Continuing.

Maximize the use of gear types that have minimize adverse impacts upon habitat.	Ongoing	Continuing.
Monitor MSCDQ vessel harvesting activities on an individual vessel basis to manage target and non-target harvests.	Ongoing	Continuing.
Monitor MSCDQ vessel activities to ensure compliance with all federal and state regulations.	Ongoing	Continuing.
Comply with all state and federal reporting requirements on a timely basis.	Ongoing	Continuing.
Achieve a royalty return from MSCDQ harvesting and processing operations that are fair to all parties involved.	Ongoing	Continuing.
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	Continuing.
Maximize the employment of local residents in all phases of MSCDQ harvesting, processing, and marketing.	Ongoing	Continuing.
Contribute ten percent of annual APICDA revenue into the Longterm Reserve Account (LRA).	Ongoing	Continuing.
Invest LRA funds in accordance with APICDA's Investment Guidelines.	Ongoing	Continuing.
Manage non-LRA funds to maximize liquidity while emphasizing security.	Ongoing	Continuing.
Normally generate one-half to one percent above prime as a rate of return for internal loans.	Ongoing	Continuing.
Establish annual board and administrative budgets, and monitor budgets on a continuing basis.	Ongoing	Continuing.
Maintain a cash flow projection twelve months into the future.	Ongoing	Continuing.
Establish annual board and administrative budgets, and monitor budgets on a continuing basis.	Ongoing	Continuing.
File quarterly and annual reports on a timely basis.	Ongoing	Continuing.
Comply with all CDQ federal and state rules and regulations.	Ongoing	Continuing.

Complete an annual audit.	Ongoing	Continuing.
Have regular board and sub-committee meetings.	Ongoing	Continuing.
Review by-laws on an annual basis.	Ongoing	Continuing.
Ensure that fishermen associations conduct their APICDA board representative elections in accordance with appropriate by-laws.	Ongoing	Continuing.
Ensure that staff implements board policies as enunciated.	Ongoing	Continuing.
Implement Quota Share Retention Program.	Ongoing	Continuing.
Implement College Intern Program.	Summer 2000	Continuing.

**Table 8**  
**CDQ Local Resident Employment for Second quarter, 2000 and Year-to-Date**

	Quarter Positions	Quarter Wages	Year-To-Date Positions	Year-To-Date Wages	Year-To-Date Discrete People
Management/Admin	21	\$ 142,530	40	\$ 267,751	21
CDQ "A" Season	0		9	56,037	9
CDQ "B" Season	9	118,850	9	118,850	9
Other Fishing	52	243,854	74	344,880	54
Internships <sup>2</sup>	3	0	4	0	4
Other Employment	13	81,942	29	178,714	20
Totals	98	\$ 587,176	165	\$ 966,231	117
Quarterly Discrete People	87	Yearly Discrete Positions	146	Yearly Discrete People	99

Note: "Positions" are the total number of individuals who received compensation for the quarter or year-to-date. "Discrete people" and "discrete positions" refers to the actual number of individuals or positions during the time period. Several individuals were employed in different categories during the quarter or year-to-date; this means that these individuals are double (or triple) counted in the "positions" column or category, and show up in more than one of the "discrete people" categories; however, they are only counted once in the bottom line under "discrete people" or "discrete positions." Additionally, see Table 9 below for a complete listing by name, category, and community for all individuals employed year-to-date.

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<sup>2</sup> Due to confidentiality, intern wages were rolled into "other fishing" during the first quarter. No wages were paid for the interns during the second quarter; these will be picked up in the third quarter.

**Table 10**

**Employees by Name, Community, and Category  
 (Year-to-Date)**

#	Name	Residence	Classification
1	Berikoff, Emil	Unalaska	A-Management/Admin
2	Berikoff, Harriet	Unalaska	A-Management/Admin
3	Dirks, George	Atka	A-Management/Admin
4	Dushkin, Arnold	Nikolski	A-Management/Admin
5	Golodoff, Victor	Atka	A-Management/Admin
6	Gundersen, Justine	Nelson Lagoon	A-Management/Admin
7	Gundersen, Paul	Nelson Lagoon	A-Management/Admin
8	Johnson, Nanette	Nelson Lagoon	A-Management/Admin
9	Merculief, Christopher	St George Island	A-Management/Admin
10	Mierzejek, Chris	Juneau	A-Management/Admin
11	Moller, John	Juneau	A-Management/Admin
12	Muschett, Dennis	Unalaska	A-Management/Admin
13	Nickels, John J	False Pass	A-Management/Admin
14	Pelkey, Hugh	Akutan	A-Management/Admin
15	Philemonof, Ilarion	St George Island	A-Management/Admin
16	Prokopeuff, Lawrence	Atka	A-Management/Admin
17	Shaishnikoff, Bill	Unalaska	A-Management/Admin
18	Shaishnikoff, Russell	Unalaska	A-Management/Admin
19	Shellikoff, Gilda	False Pass	A-Management/Admin
20	Stepetin, Jacob	Unalaska	A-Management/Admin
21	Webster, Jennie	Akutan	A-Management/Admin

#	Name	Residence	Classification
1	Dirks, Jason	Atka	C-CDQ
2	Horn, Wilson	Emmonak, AK	C-CDQ
3	Kromwell, Dennis	Bethel	C-CDQ
4	Lokanin, Chris	Atka	C-CDQ
5	Lokanin, Margaret	Atka	C-CDQ
6	Nevzoroff, Vasha	Atka	C-CDQ
7	Prokopeuff, Jimmy	Atka	C-CDQ
8	Waska, Bruce	Kotlik	C-CDQ
9	Weaver, Ronald	Alakanuk	C-CDQ

#	Name	Residence	Classification
1	Lestenkof, Todd	St George Island	C-Other Fishing
2	Bavosa, Deborah	False Pass	A-Other Fishing
3	Bereskin, John	Unalaska	A-Other Fishing

4	Dirks, Jason	Atka	A-Other Fishing
5	Dirks, Keith	Atka	A-Other Fishing
6	Dirks, Nick	Atka	A-Other Fishing
7	Dirks, Paul	Unalaska	A-Other Fishing
8	Fox, Steven	Egegik, AK	A-Other Fishing
9	Golodoff, Dennis	Atka	A-Other Fishing
10	Golodoff, Gregory	Atka	A-Other Fishing
11	Golodoff, John	Atka	A-Other Fishing
12	Golodoff, Nina L	Atka	A-Other Fishing
13	Golodoff, Randy	Atka	A-Other Fishing
14	Golodoff, Raymond	Atka	A-Other Fishing
15	Golodoff, Victor	Atka	A-Other Fishing
16	Golodoff, Vincent	Atka	A-Other Fishing
17	Hapoff, Stephan T	Unalaska	A-Other Fishing
18	Higgins, Judy	False Pass	A-Other Fishing
19	Hoblet, Tommy	False Pass	A-Other Fishing
20	Journeau, Jaya	False Pass	A-Other Fishing
21	Lake, Michael L.	Kwigillinguk, AK	A-Other Fishing
22	Lekanoff Sr, Peter L	Unalaska	A-Other Fishing
23	Lokanin, Leonty	Atka	A-Other Fishing
24	Lyle, Alexander	Unalaska	A-Other Fishing
25	Nevzoroff, Ann L	Atka	A-Other Fishing
26	Nevzoroff, Edward	Atka	A-Other Fishing
27	Nevzoroff, Kathleen	Atka	A-Other Fishing
28	Nevzoroff, Louise	Atka	A-Other Fishing
29	Nevzoroff, Lucinda L	Atka	A-Other Fishing
30	Nevzoroff, Nick	Atka	A-Other Fishing
31	Nevzoroff, Vasha	Atka	A-Other Fishing
32	Prokopeuff, Debbie	Atka	A-Other Fishing
33	Prokopeuff, Jimmy	Atka	A-Other Fishing
34	Prokopeuff, Larisa	Atka	A-Other Fishing
35	Prokopeuff, Lawrence	Atka	A-Other Fishing
36	Radder, Rob	Unalaska	A-Other Fishing
37	Shellikoff, Gary	False Pass	A-Other Fishing
38	Shellikoff, John	False Pass	A-Other Fishing
39	Shellikoff, Tammy	False Pass	A-Other Fishing
40	Snigaroff, Daniel	Atka	A-Other Fishing
41	Snigaroff, Mark	Atka	A-Other Fishing
42	Snigaroff, Ronald	Atka	A-Other Fishing
43	Snigaroff, Simeon	Atka	A-Other Fishing
44	Swetzof, Mary	Atka	A-Other Fishing
45	Thompson, Jeffery	Atka	A-Other Fishing
46	Thompson, Julian	Atka	A-Other Fishing

47	Zaachney, Andrew	Atka	A-Other Fishing
48	Zaachney, Andy J	Atka	A-Other Fishing
49	Zaachney, Loretta	Atka	A-Other Fishing
50	Zaachney, Martin	Atka	A-Other Fishing
51	Zaachney, Nancy	Atka	A-Other Fishing
52	Zaachney, Spiridon	Atka	A-Other Fishing

#	Name	Residence	Classification
1	Dushkin, William	False Pass	A-Other Employment
2	Dushkin, William, John	Unalaska	A-Other Employment
3	McGlashan, Greg P	Nikolski	A-Other Employment
4	Nevzoroff, Kathleen	Atka	A-Other Employment
5	Ross, Jonnie M	Nikolski	A-Other Employment
6	Shapsnikoff, Gregory	Nikolski	A-Other Employment
7	Shellikoff, George	False Pass	A-Other Employment
8	Shellikoff, Robert	False Pass	A-Other Employment
9	Stamm, John	Nikolski	A-Other Employment
10	Tingstrom, David M.	False Pass	A-Other Employment
11	Zaachney, Loretta	Atka	A-Other Employment
12	Guthrie, Tommy	Akutan	C-Other Employment
13	Pelkey, Hugh	Akutan	C-Other Employment

#	Name	Residence	Classification
1	Kimberly Philemonof	St George Island	College Internship
2	Lisa Dirks	Atka	College Internship
3	David Honan	Unalaska	College Internship

**Table 10**  
**Training and Education for Second quarter, 2000 and Year-to-Date**

Category	Quarter		Year-to-Date	
	People	Expenditures	People	Expenditures
<b>Scholarships</b>				
Post-secondary	20 <sup>3</sup>	\$ 5,834	20	\$ 49,166
Vocational	17	28,557	21	35,360
<b>Voc-Tech Classes</b>				
Basic	0	0	0	0
Advanced	0	0	0	0
<b>Other Training</b>				
Fisheries Related	0	0	0	0
Student Loans	0	0	0	0
CDQ Staff/Board	1	362	8	5,882
<b>Other Expenditures</b>				
To Educational Institutes	0	0	0	0
Other: (Community Conference)	49	44,733	49	44,733
Other (Fish Association grants)	0	0	0	0
<b>Total</b>	<b>87</b>	<b>\$ 79,486</b>	<b>98</b>	<b>\$ 135,141</b>

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<sup>3</sup> This figure includes all residents who attended higher education facilities during the quarter. The funds expended were quarterly scholarship tuition payments.