

**2002 Multi-Species CDQ
2nd Quarter Report
(Public Version)**

for the

**Aleutian Pribilof Island
Community Development
Association**

July 30, 2002

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(Public Version)

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I. Quarterly Highlights

APICDA's employment goal for 2002 is to provide at least 80 jobs for APICDA residents. By the conclusion of the second quarter, a total of 152 job positions (89 discrete individuals) had been filled by APICDA and CDQ residents, generating wages of \$949,044.

During the second quarter, nine individuals attended various vocational education or specialized training programs. A total of \$13,832 in vocational education scholarships on behalf of APICDA residents was spent this quarter, bringing the year's total to \$21,259.

Thirty 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. A total of \$67,548 in higher education scholarships on behalf of APICDA residents has been distributed since the first of the year.

APICDA hosted its fourth annual Community Outreach conference on April 16 and 17. 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 impacts upon the communities, and the goals and desires of the villages. Informative reports on the biological, physical, and chemical parameters of the Aleutian region were presented at this year's conference. Attendees also had the opportunity to contribute "first hand" in the development of the proposed 2003-05 proposed community development plan (CDP). Approximately fifty people attended the two day conference.

APICDA harvested approximately fifty percent of its Pacific cod CDQ allocation through the second quarter. Bycatch was kept to an acceptable level. The *Prowler* and *Bering Prowler* participated in the fishery.

APICDA harvested approximately twenty-five percent of its allocation of yellowfin sole in the second quarter.

Halibut CDQ fisheries in Atka and St. George started in mid and late June respectively.

APICDA is actively working with four of the other five CDQ groups to secure a comprehensive Group Health Insurance plan.

Please visit APICDA web site at: 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 2002 is to provide at least 80 jobs for APICDA residents. By the conclusion of the second quarter, a total of 152 job positions (89 discrete individuals) had been filled by APICDA and CDQ residents, generating wages of \$949,044.

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, nine APICDA residents attended various vocational education or specialized training programs. Total funds requested and approved for the quarter were \$13,832, bringing the year's total to \$21,259.

3.) Education: Thirty 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. A total of \$67,548 in higher education scholarships on behalf of APICDA residents have been distributed since the first of the year.

4.) APICDA Joint Ventures, Inc. (AJV) Activities: AJV activities during the second quarter consisted of overseeing the various subsidiary corporations, including Atka Pride Seafoods, Puffin Seafoods, L.L.C., Kayux Development, L.L.C., APICDA Vessels, Inc., Nelson Lagoon Storage Company, L.L.C., Nazan Bay Inn, Prowler, L.L.C., Ocean Prowler, L.L.C., Golden Dawn, L.L.C., Konrad 1, L.L.C., Bering Pacific Seafoods, L.L.C., and 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 gearing up for sablefish harvests in both the Bering sea and Aleutian Island regions. This includes the four AP boats, the *Stardust*, the *Bonanza*, and the *Konrad 1*. The vessel AP 1 is performing the tendering operations for Puffin Seafoods, LLC in St. George.

6.) Atka Pride Seafoods (APS) Activities: Atka Pride Seafoods commenced operations in May. Through June 30, the local fleet had harvested a total of 82,605 pounds of area 4B CDQ halibut. The fishery started in early June.

7.) Puffin Seafoods, L.L.C.: St. George fishermen, fishing for Puffin Seafoods, started fishing in late June. The fish will be tendered to St. Paul, where Trident

Seafoods will process them. Through June 30, the local fleet had harvested a total of 9,132 pounds of halibut. The fishery started in late June.

8.) OceanLogic, L.L.C.: The electronic logbook (ELB) is in phase 2 beta testing in the Bering Sea. It has also been deployed to Kodiak for Gulf of Alaska beta testing. The product should be commercially available later this fall for the 2003 fisheries.

9.) Bering Pacific Seafoods, L.L.C.: BPS purchased and processed 2.9 million pounds of Pacific cod this winter and spring.

10.) Ugludax Lodge: The Ugludax Lodge in Nikolski will have a grand opening July 30, with guests arriving August 1. The lodge has bookings in August and September.

11.) Konrad 1, L.L.C.: The company is in the process of being dissolved. At their April board meeting, the APICDA Joint Ventures, Inc. board passed a resolution to transfer all Konrad 1, LLC assets to APICDA Vessels, Inc.

12.) Sea Urchins: St. George's sea urchin test fishery is scheduled to commence on August 12, 2002 with an assessment survey of the green sea urchins in near-shore waters of St. George. An outline of the project provided by the Alaska Department of Fish and Game, Commercial Fisheries division "news release" is attached in **Appendix 17**.

This project is intended to evaluate the resource strength and logistical issues related to a possible commercial sea urchin fishery 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 fourth annual Community Outreach conference on April 16 and 17. 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 impacts upon the communities, and the goals and desires of the villages. Informative reports on biological, physical, and chemical parameters of the Aleutian region were presented at this year's conference. Attendees also had the opportunity to contribute "first hand" in the development of the 2003-05 Community Development Plan (CDP). Approximately fifty people attended the two day conference. A detailed report on the conference's proceedings will be available in August.

APICDA’s Human Resource department is actively recruiting APICDA residents for available positions and anticipated future positions with APICDA, APICDA subsidiaries, and APICDA harvesting partners.

APICDA is working with four of the other five CDQ groups to develop a comprehensive health insurance program.

C. Employment

CDQ Local Resident Employment for Second Quarter, 2002 and Year-to-Date

	Quarter		Year-To-Date		Year-To-Date
	Positions	Wages	Positions	Wages	Discrete People
Management/Admin	23	\$137,324	41	\$ 243,537	21
CDQ A/B Season	8	75,740	15	130,725	8
CDQ C/D Season	0	0	0	0	0
Other Fishing	35	180,443	63	503,753	46
Internships	2	3,032	2	3,032	2
Other Employment	18	23,185	31	67,997	14
Totals	86	\$419,724	152	\$ 949,044	91
Quarterly Discrete People	25	Yearly Discrete Positions	143	Yearly Discrete People	89

Note: “Positions” are the total number of individuals who receive compensation for the quarter or year-to-date. “Discrete people” and “discrete positions” refer 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, **Appendix 15** provides a complete listing by name, category, and community for all individuals employed for the second quarter. **Appendix 16** provides a complete list of Alaska Residents employed by APICDA and subsidiaries in the second quarter.

Summary

Management/Administrative: During the second quarter, there were twenty-three APICDA 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 \$137,324.

Direct Employment from CDQ Pollock Fishing: Eight CDQ residents (two from APICDA communities) were employed in pollock fishing and/or processing operations at-sea on the *C/P Starbound* during the quarter. Total wages were \$75,740.

Other Fishing: Thirty-five CDQ residents (thirty-four from APICDA communities), were employed in the "other fishing" category: One CDQ resident participated in the Pacific cod fishery on the *F/LL Ocean Prowler*; six APICDA residents generated wages from the Bering Pacific Seafoods operation; twenty-six APICDA residents generated wages from the Atka Pride Seafoods operations; and three APICDA residents participated in fishing operations on the vessels *Barbara J*, *Farwest Leader*, and *Konrad I*. Total wages for all other fishing activities combined for the second quarter was \$180,443.

Other Employment: Eighteen APICDA CDQ residents were employed in a variety of non-direct fishery activities, including the Nazan Bay Inn, L.L.C., Bering Pacific Seafoods, L.L.C. operation, stevedoring, and maintenance/construction projects directly related to APICDA CDP projects, and other activities. Total wages generated for the second quarter were \$23,185.

Interns: By the conclusion of second quarter, two APICDA residents received wages from APICDA's summer college intern program. Total wages generated were \$3,032. Management anticipates approximately seven students to be enrolled in the internship program this summer.

Ancillary Employment and Economic Impacts: The activities of APICDA and its subsidiaries generate 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 through the second quarter resulting from Bering Pacific Seafoods operations in False Pass. BPS employed forty-four individuals total during the quarter; of these, six were False Pass residents, twenty-five were Alaska residents from non-CDQ communities, and thirteen were non-Alaska residents. In addition, BPS purchased Pacific cod and/or salmon from twenty-one different vessels through the second quarter; many of these vessels employed CDQ community residents and other Alaska residents.

Category	1st Quarter	2nd Quarter	3 rd Quarter	Total
Salmon Marketing Tax	\$ 0	0	0	\$ 0
State Raw Fish Tax (3%)	19,078	2,489	0	21,567
Aleutians East Borough Tax (2%)	12,719	1,659	0	14,378
City of False Pass Tax (2%)	12,719	1,659	0	14,378

ASMI Tax (.3%)	1,908	249	0	2,157
Total Fish Purchases	635,925	77,949	0	713,874
City of False Pass Berthing Fees	9,125	0	0	9,125
City of False Pass Warfage	7,268	5,878	0	13,146
Total Employee Wages	261,212	115,259	0	376,471
Rent	13,250	53,169	0	66,419
Utilities	10,635	11,794	0	22,429
Fuel	20,288	28,982	0	49,270
Total	\$ 1,004,127	\$ 299,087	0	\$ 1,303,214

Atka Pride Seafoods is another operation that provides similar ancillary employment and regional benefits as BPS that are not captured by the employment and earning tables. The following table shows payments made through the second quarter from the APS operation.

Category	1st Quarter	2nd Quarter	3 rd Quarter	Total
Salmon Marketing Tax	\$ 0	\$ 0	0	\$ 0
State Raw Fish Tax (3%)	0	3,122	0	3,122
City of Atka Tax (2%)	0	2,081	0	2,081
ASMI Tax (.3%)	0	312	0	312
Total Fish Purchases	0	104,065	0	104,065
City of Atka Warfage	0	21	0	21
Total Employee Wages	0	49,071	0	49,071
Utilities	0	9,358	0	9,358
Total	0	\$ 168,030	0	\$ 168,030

D. Training & Education

Training and Education for Second Quarter, 2002 and Year-to-Date

Quarter

Year-To-Date

		People	Expenditures	People	Expenditures
Scholarships					
	Post Secondary	27*	\$4,996	27	\$67,548
	Vocational	9	13,832	12	21,259
Voc-Tech Classes					
	Basic	0	0	0	0
	Advanced	0	0	0	0
Other Training					
	Fisheries Related	0	0	0	0
	Student Loans	0	0	0	0
	CDQ Staff/Board	6	4,921	10	18,809
	Other	0	0	0	0
Other Expenditures					
	To Educational Institutions	0		0	0
	Education Endowment Funds	0		0	0
	Community Conference	43	45,860	43	45,860
	Fish Association Grants	N/A	0	N/A	140,000
	School Grants	N/A	0	N/A	0
	Miscellaneous Grants	N/A	2,500	N/A	5,357
	Total	61	\$72,109	92	\$298,833

* This figure includes all residents who attended higher education facilities during the quarter. The funds expended in the second quarter were for scholarship tuition payments for three students on a trimester basis.

Summary

1.) Vocational Education: During the second quarter nine individuals attended various vocational education or specialized training programs. A total of \$13,832 in vocational education scholarships on behalf of APICDA residents was spent this quarter.

2.) Higher Education: Thirty 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. A total of \$67,548 in higher education scholarships on behalf of APICDA residents was spent since the first of the year.

3.) Summer Intern Program: Two APICDA residents were participating in the Summer Intern Program in the second quarter. One student is working with OceanLogic in Juneau, and one student is working with the Aleut Corporation in Anchorage. Management is anticipating five additional students to participate in the program in the third quarter.

4.) Other Expenditures: APICDA provides various programs to the communities that derive funds from the Training & Education Program. These programs provide benefits to APICDA communities in education, experience, and good will services.

APICDA awards grants in the amount of \$20,000 yearly to the fishermen's association in each community. These grants provide seed money to the associations for projects, participation in the fishery management process, and other activities. A total of \$140,000 was awarded through the second quarter.

The Miscellaneous Grant program is available for projects in the community that otherwise do not fit in the existing APICDA programs. An amount up to \$2,857 can be awarded to eligible community. The Executive Committee reviews each proposal before funds are awarded. Two grants for a total of \$5,357 was distributed through the second quarter.

The School Grant is available to schools in each of the eligible communities. A total of \$6,000 per year is available. No grants were proposed this quarter.

APICDA also provides education and training opportunities to employees of APICDA and its subsidiaries. In the second quarter, seven staff members attended various training and educational programs. Total expenders were \$4,921 for the quarter.

APICDA had a total expenditure of \$45,860 for costs related to the 2002 Community Outreach Conference held in Homer, Alaska. Approximately fifty people attended the two day conference. Of those fifty, thirty-five individuals were from, or represented, community entities in the APICDA region.

E. Other Issues

There are no other issues not otherwise addressed.

III. Administration

A. Board Activities

1.) Changes in Board Members: There were no changes in board members during the quarter.

2.) Decisions/Actions: The Board of Directors for APICDA met in April and June. AJV board members met in April. The Executive committee, Puffin Seafoods, LLC, Bering Pacific Seafoods, LLC, APICDA Vessels, Inc., and Atka Pride Seafoods, Inc. met at various times in the second quarter. There were no other decisions 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 held in September, 2002.

4.) Minutes: Approved minutes from board meetings in the second quarter are attached as **Appendix 14** in the confidential section of this report.

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 approved through the second quarter:

2002 Technical / Substantial Amendments

Numbers	Technical or Substantial	Description	Date Submitted	Date Approved
TA#02-01	Technical	Add a vessel - Seattle Enterprise	02/04/02	02/05/02
SA#02-02	Substantial	BPS/Dipper Partnership Buy-Out	02/07/02	02/25/02
TA#02-03	Technical	Trident/Starbound 2002-2003 CDQ pollock contract	02/13/02	03/22/02
SA#02-04	Substantial	2002 Budget Revisions	02/14/02	03/05/02
SA#02-05	Substantial	Transfer Atka Mac/POP from CVRF	02/19/02	02/25/02
SA#02-06	Substantial	Transfer Atka Mac/POP from CBSFA	02/20/02	02/25/02
SA#02-07	Substantial	Transfer Atka Mac/POP from YDFDA	03/04/02	03/06/02
TA#02-08	Technical	Add a vessel - Northern Hawk	03/05/02	03/05/02
TA#02-09	Technical	Transfer Opilio Crab from YDFDA	04/05/02	04/05/02
TA#02-10	Technical	Addition of Flatfish Contract to CDP Ch. 4	05/14/02	05/15/02
TA#02-11	Technical	Addition of MUM AK, L.L.C Info.	05/16/02	05/16/02
SA#02-11	Substantial	Transfer of 543 Atka Mac/POP from BBEDC	05/31/02	06/03/02
TA#02-12	Technical	Transfer NSR to Other Species	05/31/02	06/03/02
TA#02-13	Technical	Add a vessel - Konrad 1	06/28/02	07/01/02

D. Other Issues

There are no other issues not otherwise addressed.

IV. Harvesting Report

A. Target Fishery Harvest Activity

Pollock CDQ Harvest: No activity in the second quarter.

	Metric Tons Harvested					Target Fishery Information	
	CDQ Allocation	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	YTD Harvest	% of Target Harvest
A/B Season	8,316.000	8,257.221	0.000			8,257.221	98.6%
C/D Season	12,474.000					0.000	
Total	20,790.000					8,257.221	98.6%
Bycatch							
Sablefish, Trawl - BS		0.000	0.000	0.000	0.000	0.000	0.0%
Sablefish, Trawl - AI		0.000	0.000	0.000	0.000	0.000	0.0%
Pacific Cod		25.009	0.000	0.000	0.000	25.009	0.3%
WAI Atka mackerel		0.000	0.000	0.000	0.000	0.000	0.0%
CAI Atka mackerel		0.000	0.000	0.000	0.000	0.000	0.0%
EAI Atka mackerel		0.006	0.000	0.000	0.000	0.006	0.0%
Yellowfin sole		30.440	0.000	0.000	0.000	30.440	0.4%
Rock sole		36.655	0.000	0.000	0.000	36.655	0.4%
Greenland Turbot BS		0.043	0.000	0.000	0.000	0.043	0.0%
Greenland Turbot AI		0.000	0.000	0.000	0.000	0.000	0.0%
Arrowtooth flounder		0.782	0.000	0.000	0.000	0.782	0.0%
Flathead sole		15.421	0.000	0.000	0.000	15.421	0.2%
Other flatfish		0.954	0.000	0.000	0.000	0.954	0.0%
Alaska Plaice		0.727	0.000	0.000	0.000	0.727	0.0%
True POP - BS		0.000	0.000	0.000	0.000	0.000	0.0%
WAI POP		0.000	0.000	0.000	0.000	0.000	0.0%
CAI POP		0.000	0.000	0.000	0.000	0.000	0.0%
EAI POP		0.000	0.000	0.000	0.000	0.000	0.0%
BS other red rockfish		0.000	0.000	0.000	0.000	0.000	0.0%
AI Northern		0.000	0.000	0.000	0.000	0.000	0.0%
AI Shortraker/Rougheye		0.000	0.000	0.000	0.000	0.000	0.0%
Other rockfish - BS		0.000	0.000	0.000	0.000	0.000	0.0%
Other rockfish - AI		0.000	0.000	0.000	0.000	0.000	0.0%
Other species		9.176	0.000	0.000	0.000	9.176	0.1%
TOTAL		8,376.434	0.000	0.000	0.000	8,376.434	100.0%
PSQ Bycatch							
PSQ Red King Crab Zone 1		0	0	0	0	0	0.0%
PSQ Baridi Tanner Zone 1		9	0	0	0	9	0.1%
PSQ Baridi Tanner Zone 2		6	0	0	0	6	0.1%
PSQ Opilio Tanner Crab		8	0	0	0	8	0.1%
Halibut mortality		0.534	0	0	0	1	0.0%
PSQ Chinook		221	0	0	0	221	2.6%
PSQ Non-Chinook salmon		0	0	0	0	0	0.0%

Pacific Cod CDQ Harvest: Through the second quarter, approximately fifty percent of APICDA's annual Pacific cod allocation has been harvested. The *F/LL Prowler*, and *Bering Prowler* harvested APICDA's quota through the second quarter.

	CDQ Allocation	Metric Tons Harvested				YTD Harvest	Target Fishery Information
		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.		% of Target Harvest
Pacific Cod	2,400.000	776.029	416.940	0.000	0.000	1,192.969	85.65%
Bycatch							
Sablefish, FG - BS		0.000	0.000	0.000	0.000	0.000	0.00%
Sablefish, FG - AI		0.000	0.000	0.000	0.000	0.000	0.00%
Sablefish, Trawl - BS		0.000	0.000	0.000	0.000	0.000	0.00%
Sablefish, Trawl - AI		0.000	0.000	0.000	0.000	0.000	0.00%
WAI Atka mackerel		0.000	0.000	0.000	0.000	0.000	0.00%
CAI Atka mackerel		0.000	0.000	0.000	0.000	0.000	0.00%
EAI Atka mackerel		0.009	0.000	0.000	0.000	0.009	0.00%
Yellowfin sole		0.000	0.000	0.000	0.000	0.000	0.00%
Rock sole		0.104	0.002	0.000	0.000	0.106	0.01%
Greenland Turbot BS		0.043	0.014	0.000	0.000	0.057	0.00%
Greenland Turbot AI		0.000	0.000	0.000	0.000	0.000	0.00%
Arrowtooth flounder		0.826	0.223	0.000	0.000	1.049	0.08%
Flathead sole		2.121	0.811	0.000	0.000	2.932	0.21%
Other flatfish		0.000	0.000	0.000	0.000	0.000	0.00%
Alaska Plaice		0.000	0.000	0.000	0.000	0.000	0.00%
True POP - BS		0.010	0.000	0.000	0.000	0.010	0.00%
WAI POP		0.000	0.000	0.000	0.000	0.000	0.00%
CAI POP		0.000	0.000	0.000	0.000	0.000	0.00%
EAI POP		0.000	0.000	0.000	0.000	0.000	0.00%
BS other red rockfish		0.026	0.034	0.000	0.000	0.060	0.00%
AI Northern		0.000	0.000	0.000	0.000	0.000	0.00%
AI Shortraker/Rougheye		0.000	0.000	0.000	0.000	0.000	0.00%
Other rockfish - BS		0.004	0.082	0.000	0.000	0.086	0.01%
Other rockfish - AI		0.000	0.000	0.000	0.000	0.000	0.00%
Other species		108.291	63.047	0.000	0.000	171.338	12.30%
Non-Pollock Quota							
BS		18.930	5.216	0.000	0.000	24.146	1.73%
TOTAL		906.393	486.369	0.000	0.000	1,392.762	100.00%

PSQ Bycatch

Halibut mortality 1.557 0.610 0.000 0.000 2.167 0.16%

**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. Through the second quarter, APICDA received a total of 1,683 metric tons of Atka mackerel and related bycatch from CVRF, YDFDA, CBSFA, and BBEDC combined. These transfers, including APICDA's allocation, represents seventy-six percent of the total Atka mackerel 2002 CDQ allocation. The F/T *Seafisher* harvests APICDA's Atka mackerel and Pacific Ocean Perch.

	CDQ Allocation	Metric Tons Harvested				YTD Harvest	Target Fishery Information
		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.		% of Target Harvest
Total Atka Mackerel	2786.050	245.495	1575.048	0.000	0.000	1820.543	74.53%
Totals by Areas:							
WAI	1,249.150	0.000	879.443	0.000	0.000	879.443	36.00%
CAI	1,257.250	0.000	695.605	0.000	0.000	695.605	28.48%
EAI	279.650	245.495	0.000	0.000	0.000	245.495	10.05%
Bycatch							
Sablefish, Trawl - BS		0.000	0.000	0.000	0.000	0.000	0.00%
Sablefish, Trawl - AI		0.000	0.000	0.000	0.000	0.000	0.00%
Pacific Cod		3.810	90.171	0.000	0.000	93.981	3.85%
Yellowfin sole		0.000	0.000	0.000	0.000	0.000	0.00%
Rock sole		0.101	2.321	0.000	0.000	2.422	0.10%
Greenland Turbot BS		0.000	0.000	0.000	0.000	0.000	0.00%
Greenland Turbot AI		0.000	0.000	0.000	0.000	0.000	0.00%
Arrowtooth flounder		2.749	3.933	0.000	0.000	6.682	0.27%
Flathead sole		0.042	0.440	0.000	0.000	0.482	0.02%
Other flatfish		0.000	0.393	0.000	0.000	0.393	0.02%
Alaska Plaice		0.000	0.000	0.000	0.000	0.000	0.00%
True POP - BS		0.000	0.000	0.000	0.000	0.000	0.00%
WAI POP		0.000	157.801	0.000	0.000	157.801	6.46%
CAI POP		0.000	27.880	0.000	0.000	27.880	1.14%
EAI POP		70.768	47.937	0.000	0.000	118.705	4.86%
BS other red rockfish		0.000	0.000	0.000	0.000	0.000	0.00%
AI Northern		6.528	153.619	0.000	0.000	160.147	6.56%
AI Shortraker/Rougheye		0.000	3.702	0.000	0.000	3.702	0.15%
Other rockfish - BS		0.000	0.000	0.000	0.000	0.000	0.00%
Other rockfish - AI		0.081	5.397	0.000	0.000	5.478	0.22%
Other species		0.266	20.182	0.000	0.000	20.448	0.84%
Non-Pollock Quota AI		1.889	22.105	0.000	0.000	23.994	0.98%
TOTAL		331.729	535.881	0.000	0.000	2442.658	100.00%

PSQ Bycatch

Halibut mortality	0.519	0.641	0.000	0.000	1.160	0.05%
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**Halibut in the Atka mackerel fishery is the only species deducted from PSQ allocations

The other PSQ catch, such as crab and salmon do not count against PSQ allocations

Yellowfin Sole Harvesting: In the second quarter, the F/T *SeaFisher* harvested 434 metric tons of yellowfin sole. Along with yellowfin, the vessel harvested a fair amount of rock sole.

	CDQ Allocation	Metric Tons Harvested				YTD Harvest	Target Fishery Information
		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.		% of Target Harvest
Yellowfin sole	1,806.000	0.000	434.878	0.000	0.000	434.878	73.47%
Bycatch							
Sablefish, FG - BS		0.000	0.000	0.000	0.000	0.000	0.00%
Sablefish, FG - AI		0.000	0.000	0.000	0.000	0.000	0.00%
Sablefish, Trawl - BS		0.000	0.000	0.000	0.000	0.000	0.00%
Sablefish, Trawl - AI		0.000	0.000	0.000	0.000	0.000	0.00%
Pacific Cod		0.000	0.931	0.000	0.000	0.931	0.16%
WAI Atka mackerel		0.000	0.000	0.000	0.000	0.000	0.00%
CAI Atka mackerel		0.000	0.000	0.000	0.000	0.000	0.00%
EAI Atka mackerel		0.000	0.000	0.000	0.000	0.000	0.00%
Rock sole		0.000	108.147	0.000	0.000	108.147	18.27%
Greenland Turbot BS		0.000	0.000	0.000	0.000	0.000	0.00%
Greenland Turbot AI		0.000	0.000	0.000	0.000	0.000	0.00%
Arrowtooth flounder		0.000	0.000	0.000	0.000	0.000	0.00%
Flathead sole		0.000	0.000	0.000	0.000	0.000	0.00%
Other flatfish		0.000	1.336	0.000	0.000	1.336	0.23%
Alaska Plaice		0.000	27.662	0.000	0.000	27.662	4.67%
True POP - BS		0.000	0.000	0.000	0.000	0.000	0.00%
WAI POP		0.000	0.000	0.000	0.000	0.000	0.00%
CAI POP		0.000	0.000	0.000	0.000	0.000	0.00%
EAI POP		0.000	0.000	0.000	0.000	0.000	0.00%
BS other red rockfish		0.000	0.000	0.000	0.000	0.000	0.00%
AI Northern		0.000	0.000	0.000	0.000	0.000	0.00%
AI Shortraker/Rougheye		0.000	0.000	0.000	0.000	0.000	0.00%
Other rockfish - BS		0.000	0.000	0.000	0.000	0.000	0.00%
Other rockfish - AI		0.000	0.000	0.000	0.000	0.000	0.00%
Other species		0.000	13.768	0.000	0.000	13.768	2.33%
Non-Pollock Quota BS		0.000	5.216	0.000	0.000	5.216	0.88%
TOTAL		0.000	591.938	0.000	0.000	591.938	100.00%
PSQ Bycatch							
Halibut mortality		0.000	2.830	0.000	0.000	2.830	0.48%

CDQ Crab Harvest

Opilio CDQ Harvests: A total of 247,013 pounds of CDQ opilio crab was harvested in the second quarter. Vessels participating in the 2002 opilio harvest were the *Farwest Leader* and *Billikin*.

	CDQ		Pounds Harvested			YTD	
	Allocation	1st Qrt.	2nd Qrt.	3rd Qrt.	4th Qrt.	Harvest	% of Harvest
Opilio Crab	248,079	0	247,013	0	0	247,013	99.6%

Halibut Harvesting: Both the Area 4B and 4C fisheries commenced during the second quarter. The rate of harvest for both areas is significantly slower than in the past few years. This is primarily due to poor weather and the late arrival of halibut into shallow waters.

Halibut CDQ Harvest

	Allocation (lbs)	Harvest (lbs)	% of Allocation	Remaining Allocation (lbs)
Area 4B	836,000	82,605	9.9%	753,395
Area 4C	101,500	9,132	9.0%	92,368
Total	937,500	91,737	9.8%	845,763

Sablefish Harvesting: No activity in the second quarter

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

Pollock Harvested by Non-Pollock Vessels:

	Harvest(mt)	Retained (mt)	Discarded (mt)	% Retained
Fixed Gear	29.781	12.682	17.099	42.58%
Trawl Catcher Processor	29.210	26.098	3.112	89.35%
Total	58.991	38.780	20.211	65.74%

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	46
Trawl Catcher-Processor	3	0	0	0	0
Trawl Catcher Vessel	0	0	0	0	0
<u>Total</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>46</u>

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

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APICDA 2002 CDQ Harvests By Quarter & Yearly Total

Species	2002 CDQ Allocation	Trans In	Trans Out	Metric Tons Harvested				YTD Harvest	Percent of Allocation
				1st Qtr	2nd Qtr	3rd Qtr	4th Qtr		
Atka Mackerel									
Eastern 541	123.900	155.750		245.510	0.000	0.000	0.000	245.510	87.79%
Central 542	535.500	721.750		0.000	695.605	0.000	0.000	695.605	55.33%
Western 543	443.400	805.750		0.000	879.443	0.000	0.000	879.443	70.40%
Arrowtooth	144.000	13.000		4.357	4.156	0.000	0.000	8.513	5.42%
Flathead Sole	375.000			17.584	1.251	0.000	0.000	18.835	5.02%
Other Flatfish	56.250			0.954	1.729	0.000	0.000	2.683	4.77%
Alaska Plaice	225.000			0.727	0.000	0.000	0.000	0.727	0.32%
Turbot (BS)	80.400			0.086	0.014	0.000	0.000	0.100	0.12%
Turbot (AI)	31.368	5.000		0.000	0.000	0.000	0.000	0.000	0.00%
Pacific Cod	2,400.000	131.000		804.848	508.042	0.000	0.000	1,312.890	51.87%
Pollock BS	20,790.000			8,257.221	0.000	0.000	0.000	8,257.221	39.72%
A Season	8,316.000			8,257.221	0.000	0.000	0.000	8,257.221	99.29%
B Season	12,474.000			0.000	0.000	0.000	0.000	0.000	0.00%
Pollock AI	14.000			0.000	0.000	0.000	0.000	0.000	0.00%
Non- Pollock Quota - BS	N/A			18.930	16.067	0.000	0.000	34.997	N/A
Non- Pollock Quota - AI	N/A			1.889	22.105	0.000	0.000	23.994	N/A
Pacific Ocean Perch (BS)	35.460			0.010	0.000	0.000	0.000	0.010	0.03%
Pacific Ocean Perch (AI)									
Eastern 541	78.000	96.000		70.768	47.937	0.000	0.000	118.705	68.22%
Central 542	69.000	86.000		0.000	27.880	0.000	0.000	27.880	17.99%
Western 543	127.500	217.000		0.000	157.801	0.000	0.000	157.801	45.81%
Other Red Rockfish BS	2.300			0.026	0.034	0.000	0.000	0.060	2.61%
Northern (AI)	151.800	138.000		6.528	153.619	0.000	0.000	160.147	55.26%
Shortraker/Rougheye (AI)	14.960	8.760		0.000	3.702	0.000	0.000	3.702	15.61%
Other Rockfish BS	6.750			0.004	0.082	0.000	0.000	0.086	1.27%
Other Rockfish AI	11.730	2.500		0.081	5.397	0.000	0.000	5.478	38.50%
Rock sole	972.000			41.957	110.470	0.000	0.000	152.427	15.68%
Sablefish Trawl (BS)	12.240			0.000	0.000	0.000	0.000	0.000	0.00%
Sablefish Trawl (AI)	11.520			0.000	0.000	0.000	0.000	0.000	0.00%
Sablefish Fixed Gear (BS)	28.950			0.000	0.000	0.000	0.000	0.000	0.00%
Sablefish Fixed Gear (AI)	57.450			0.000	0.000	0.000	0.000	0.000	0.00%
Yellowfin Sole	1,806.000			30.440	434.878	0.000	0.000	465.318	25.77%
Other species	353.736	161.424		117.733	96.997	0.000	0.000	214.730	41.68%
Non Specific Reserve	206.424		156.424						
4B Halibut (lbs)	836,000			0	82,605	0	0	82,605	9.88%
4C Halibut (lbs)	101,500			0	9,132	0	0	9,132	9.00%
BS Opilio (lbs)	245,856	2223		0	247,013	0	0	247,013	99.57%
BB Red King Crab (lbs)	N/A			0	0	0	0	0	0.00%
Prohibited Species									
Halibut (MT)	75.460			2.610	4.081	0.000	0.000	6.691	8.87%
Baridi Zone 1 (#s)	19110			9	0	0	0	9	0.05%
Baridi Zone 2 (#s)	51233			6	0	0	0	6	0.01%
Opilio Tanner Crab (#s)	78300			8	0	0	0	8	0.01%
Red King Crab (#s)	2110			0	0	0	0	0	0.00%
Chinook Salmon (#s)	416			221	0	0	0	221	53.13%
Other Salmon (#s)	473			0	0	0	0	0	0.00%

C. Compliance

APICDA and its partners are and were in full compliance with all NMFS and State of Alaska reporting requirements in the second quarter.

D. Other Fishing Issues/Activities

There were no other fishing issues or activities.

Project	Completion Date	Status
Identify funding for harbor.	2004	\$850,000 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.	2002	Pending.
Initiate seafood company.	2003	Pending.
Continue seafood company operations.	2004	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.
Evaluate possibilities for value-added production of sablefish, halibut and cod at APS.	2001	Continuing.
Complete feasibility analysis and business plan for proposed lodge. Start operations in fall. Provide six local jobs.	2003	Proposed.
Provide limited vessel repair opportunity.	2001/02	Complete.
Provide fuel depot services.	2003	Pending.
Provide warehouse storage opportunity.	2003	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	Pending.
Complete plan to transition to shoreplant.	2004	Pending.
Construct shore plant and expand operations.	2004	Pending.
Complete feasibility analysis and business plan for store.	2002	Pending.
Open store and employ five residents.	2003	Pending.

Table 4
Nelson Lagoon Milestones

Project	Completion Date	Status
Construct ice delivery system.	2001/02	Pending.
Complete processing plant decision-making process.	2002/03	Pending.
Construct processing plant (if approved)	2004	Pending.
Open processing plant.	2004	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.

Table 6
St. George Milestones

Project	Completion Date	Status
Complete evaluation for construction of new processing plant.	Winter, 2001	Completed.
Construct processing plant.	2004	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.

Table 7
Other APICDA Milestones

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 APICDA Village Outreach Conference.	Spring (each year)	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.
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.

Table 7 Other APICDA Milestones (continued)

Maximize the use of gear types that have minimized 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.

Table 7 Other APICDA Milestones (continued)

Maintain a cash flow projection six 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.	Ongoing	Continuing.