

**2004 Multi-Species CDQ
Second Quarter Report
(Public Version)**

for the

**Aleutian Pribilof Island
Community Development
Association**

July 30, 2004

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I. Quarterly Highlights

APICDA's employment goal for 2004 is to provide at least 80 jobs for APICDA residents. By the conclusion of the second quarter, a total of 91 job positions (69 discrete individuals) had been filled by APICDA residents, generating wages of \$583,444.

During the second quarter, twenty-five individuals attended various supplemental education or specialized training programs. A total of \$20,336 was expended on supplemental scholarships on behalf of APICDA residents in the second quarter.

Forty individuals used APICDA higher education scholarships during the second quarter of the year. Each scholarship is up to \$5,000 for the school year. A total of \$104,692 in higher education scholarships was disbursed the second quarter.

APICDA's summer internship program started in the second quarter. Six individuals are participating at various companies with interests in the APICDA region. In general, APICDA contributes fifty percent of the wages. Through the second quarter, APICDA contributed \$21,425.

APICDA hosted its sixth annual Community Outreach Conference on April 21 and 22. 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 APICDA board and staff, representatives of the State of Alaska, NMFS CDQ staff, some of APICDA harvesting partners, and various private sector entities from the APICDA region. The purpose of the conference is to discuss the future of APICDA, its subsidiaries, its impacts upon the communities, and the goals and desires of the villages. Attendees also had the opportunity to contribute "first hand" to further development of the 2003-05 Community Development Plan (CDP). Approximately fifty people attended the two day conference.

APICDA General Manager John Moller attended two National Fisheries Institute "Future Leaders Program" seminars in Washington, D.C. and Boston, Ma. This prestigious, national program is targeted at individuals in the seafood industry who are expected to earn and occupy top leadership and management positions in the seafood industry.

APICDA leased a portion of its Bering Pacific Seafoods bunkhouse in False Pass to the Isanotski Corporation to provide the corporation with a location for its new False Pass store. The previous, and only, store in False Pass recently closed when Peter Pan Seafoods withdrew from the community.

Halibut CDQ fisheries in Atka and St. George started in May and June respectively. By the end of June, St. George's harvest was twice the amount harvested the same time as last year, while Atka's production was almost identical to last year.

In its second year of operation, the Akutan fishing venture provided positive results. Over sixty percent of the IFQ purchased through APICDA's loan program was harvested by the end of the second quarter.

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 2004 is to provide at least 80 jobs for APICDA residents. During the second quarter, a total of 61 job positions (57 discrete individuals) had been filled by APICDA and CDQ residents, generating wages of \$320,661. For the year, 91 job positions (69 discrete individuals) has been filled by APICDA residents and CDQ residents, generating wages of \$583,444.

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, 25 APICDA residents attended various vocational education or specialized training programs. Total funds requested, approved and expended were \$20,336.

3.) Education: Forty individuals used APICDA higher education scholarships during the second quarter of the year. Each scholarship is up to \$5,000 for the school year. A total of \$104,692 in higher education scholarships was spent through the second quarter.

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., 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 sablefish. This includes the five AP boats, *Konrad I*, *Bonanza*, and *Taty Z*.

6.) Atka Pride Seafoods (APS) Activities: The company is at the tail end of a \$500,000 construction project that expanded the production area of the plant and incorporated a value added fletching line. The project is on schedule for completion in the third quarter.

Atka Pride Seafoods commenced operations in May. Through June 30, the local fleet had harvested a total of 88,000 pounds of area 4B CDQ halibut and a small portion of CDQ/IFQ sablefish (8,500 pounds). In addition to the traditional H&G products, APS has produced approximately 16,000 pounds of value added fletches.

7.) Puffin Seafoods, L.L.C.: St. George fishermen, fishing for Puffin Seafoods, started fishing in June. The fish are being tendered to St. Paul, where Trident Seafoods is custom processing for Puffin. Through June 30, the local fleet had harvested a total of 21,000 pounds of halibut. Approximately twelve local residents are participating in the fishery.

8.) Nelson Lagoon Storage Company, L.L.C.: Nelson Lagoon Storage Company is experiencing a busier summer than in years past. In the off season, the Aleutians East Borough purchased a travel-lift, and the NLSC a forklift, so the company could better serve clients. As a result, the facility is more attractive to salmon fishermen operating in the area.

9.) OceanLogic, L.L.C.: OceanLogic updated and distributed its CatchPoint Classic software. The company also performed maintenance on its electronic logbook (ELB) programs. OceanLogic's immediate development focus is to integrate the CatchPlotter software with the ELB software.

10.) Bering Pacific Seafoods, L.L.C.: The McDowell Group presented their findings on the feasibility analysis for construction and operation of a shoreside processing plant in False Pass. The report was presented at the 6th Annual APICDA Community Conference in April.

The APICDA board, with the endorsement of the False Pass steering committee, elected to contract the McDowell Group to perform Phase II of the project which entails the development of the False Pass Seafood plant business plan. The proposed business plan will provide a detailed blueprint for the building and operating seafood processing plant that meets the goals of APICDA and the needs of the False Pass community. A proposed draft is expected to be ready for review by the early fall of 2004.

11.) Ugludax Lodge: Bookings for the lodge in Nikolski are higher than last year. Operations began in May, with the second clients arriving in early summer. Management continues to work on the transportation problems experienced last season.

12.) Akutan Fishing Venture: In 2003, APICDA established a loan program to assist local Akutan residents to purchase halibut quota shares. Over \$235,000 was loaned to help local Akutan residents purchase about 30,000 pounds of IFQ halibut. Due to logistics and timing issues, only a small portion of the IFQ was harvested last year.

In its second year of operation, the Akutan fishing venture is providing positive results for the individual fishermen as well as the community. Over sixty percent of the IFQ purchased through APICDA's loan program had been harvested through the second quarter. In addition to the program purchased IFQ, a majority of the local fishermen are utilizing the AP 4 as their fishing platform for harvesting tier personally owned halibut IFQ's.

The APICDA board supports this fishery and has committed \$200,000 for 2004 for additional IFQ purchases. A steering committee has been established to identify additional Akutan residents that are interested in purchasing IFQ halibut.

B. Outreach

APICDA management and 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. Management and staff spent approximately 150 "person days" in the APICDA region in the second quarter. Project development, project maintenance, and community outreach are some of the activities/purposes for their trips to the APICDA communities.

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 hosted its sixth annual Community Outreach Conference on April 21 and 22. 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 APICDA board and staff, representatives of the State of Alaska, NMFS CDQ staff, some of APICDA's 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. Attendees also had the opportunity to contribute "first hand" to further development of the 2003-05 Community Development Plan (CDP). Approximately fifty people attended the two day conference. A report on this year's conference is expected to be sent out to all attendees early in the third quarter.

In addition to the annual Community Outreach Conference, APICDA provides each entity within our eligible communities a copy of the Community Development Plan (CDP), and public version of the quarterly reports. Quarterly news letters and a continuously upgraded website are vehicles used by management to increase awareness of all that APICDA and its subsidiaries have to offer for our community members.

C. Employment

CDQ Local Resident Employment for Second Quarter, 2004 and Year-to-Date

	Quarter	Year-To-Date	Year-To-Date		
	Positions	Wages	Positions	Wages	
				Discrete People	
Management/Admin	8	\$124,156	14	\$230,559	8
Board Members	9	22,393	18	45,551	9
Community Liaisons	7	10,000	14	19,500	7
CDQ A/B Season	5	18,867	10	54,654	5
CDQ C/D Season					
Other Fishing	36	143,611	49	242,474	39
Internships	6	21,425	7	22,243	6
Other Employment	6	12,602	16	33,512	12
Totals	61	\$320,611	96	\$583,444	70
		Yearly		Yearly	
Quarter Discrete	57	Discrete Positions	91	Discrete People	69

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 eight APICDA residents who received compensation for management/administrative duties. These functions ranged from staff employment to subsidiary managers and staff. The total expended during the quarter was \$124,156.

Board Members: During the second quarter, nine board members from various boards received compensation for their duties and responsibilities. Total compensation for the quarter totaled \$22,393 (this figure IS NOT included in the above financial statistics).

Community Liaison Officers: During the second quarter, there were seven APICDA residents who received compensation for CLO duties. The total expended during the quarter was \$10,000. (this figure IS NOT included in the above financial statistics).

Direct Employment from CDQ Pollock Fishing: Five APICDA residents were employed in pollock fishing and/or processing operations at-sea on the *C/P Starbound* during the quarter. Total wages were \$18,867.

Other Fishing: Thirty-six APICDA residents were employed in the "other fishing" category: Two APICDA residents participated in the Pacific cod fishery on the *F/LL Bering Prowler*; two APICDA residents participated as deck hands on the *F/V Barbara J*; eighteen APICDA residents generated wages from the Atka Pride Seafoods operation; eight APICDA residents generated wages from the Puffin Seafoods operation, three APICDA residents participated in the 4B halibut fishery aboard the *Taty Z*, one APICDA resident participated in the 4B halibut fishery aboard the *Bonanza*, one APICDA resident participated in the 4B halibut fishery and AI sablefish fishery on the *Konrad 1* and one APICDA resident earned wages on the *AP 4* which is involved with the Akutan Fishery Venture.. Total wages for all other fishing activities combined for the second quarter was \$143,611.

Other Employment: Six APICDA residents were employed in a variety of non-direct fishery activities, including the Bering Pacific Seafoods, L.L.C. operations, Nelson Lagoon Storage Company LLC, stevedoring, diving operation, and maintenance/construction projects directly related to APICDA CDP projects. Total wages generated for the second quarter were \$12,602.

Student Internships: Six individuals are participated at various companies with interests in the APICDA region. In general, APICDA contributes fifty percent of the wages. Through the second quarter, APICDA contributed \$21,425. Following is list of interns:

Name	Community	Internship
Dolores Mack	Unalaska	The Aleut Corporation, Anchorage
Layton Lockett	Nelson Lagoon	Nelson Lagoon Corp., Nelson Lagoon
Mary Swetzof	Atka	APICDA HR assistant, Anchorage
Jana Nickels	False Pass	Alaska DOL, Anchorage
Megan Kemp	Unalaska	Unalaska Clinic, Unalaska
Viola Stepetin	Atka	Kakivik Assessment Mgt. Firm, Valdez

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 Atka Pride Seafoods facility in Atka purchases fish from resident fishermen. Similarly, APS (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.

D. Training & Education

Training and Education for Second Quarter, 2004 and Year-to-Date

	Quarter		Year-To-Date	
	People	Expenditures	People	Expenditures
Scholarships				
Post Secondary	40	\$14,162	40	\$104,692
Vocational	25	20,336	34	42,885
Voc-Tech Classes				
Basic		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	5	10,117	9	15,743
Other	0	0	0	0
Other Expenditures				
To Educational Institutions				
Education Endowment Funds				
Community Conference	40	67,000	40	67,000
Fish Association Grants	N/A	100,000	N/A	100,000
School Grants	N/A	42,000	N/A	42,000
Miscellaneous Grants		5,714		5,714
Total	93	\$259,329	123	\$378,034

Summary

1.) Vocational Education: During the second quarter twenty-five individuals attended various vocational education or specialized training programs. A total of \$20,336 in vocational education scholarships on behalf of APICDA residents was spent this quarter.

2.) Higher Education: Forty individuals used APICDA higher education scholarships during the second quarter of the year. Each scholarship is up to \$5,000 for the school year. A total of \$104,692 in higher education scholarships on behalf of APICDA residents was disbursed through the second quarter.

3.) 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 Fishermen Association grants in the amount of \$20,000 yearly to our seven participating fishermen's associations. These grants provide seed money to the associations for

fishery-related projects, organizational expenses, and funds to participate in regulatory fishery management meetings. A total of \$100,000 was been awarded through the second quarter.

The Miscellaneous Grant program is available for projects in the community that otherwise do not fit within 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. A total of \$5,714 has been distributed year-to-date.

The School Grant is available to schools in each of the eligible communities. A total of \$6,000 per year is available. At the November 2002 APICDA Board of Directors meeting, the board adopted a motion to convert the school grant program to a school year basis vice a calendar year basis with an effective date of September, 2004. Seven grants for a total of \$42,000 have been awarded for the 2003-04 school year. A brief description of the school grant awarded is as follows:

<u>School</u>	<u>Amount</u>	<u>Program</u>
Akutan	\$6,000	Field trip to fishery facilities in Seward, Alaska
Atka	\$6,000	NOAA Globe weather station software
False Pass	\$6,000	Field trip to fishery facilities in Unalaska
Nelson Lagoon	\$6,000	Sea survival skill training course
Nikolski	\$6,000	Field trip to Coast Guard base in Kodiak
St. George School	\$6,000	Greenhouse and fishery science kit
Unalaska	\$6,000	Fish hatchery facility and equipment upgrades

APICDA also provides education and training opportunities to employees of APICDA and its subsidiaries. In the second quarter, four staff members attended various training and educational programs. Total expenditures were \$10,117.

Appendix 17 provides a breakdown of each individual enrolled/attending APICDA funded education and training programs.

III. Administration

A. Board Activities

1.) Changes in Board: There were no APICDA/AJV board member changes during the quarter.

2.) Decisions/Actions: The Board of Directors for APICDA met in April. The APICDA Budget and Audit Committee, APICDA Financial Investment Committee, APICDA Executive Committee, APICDA Joint Ventures board, APICDA Vessels Inc. board, and the OceanLogic board 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 is scheduled for September, 2004, although committees will meet throughout the quarter.

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

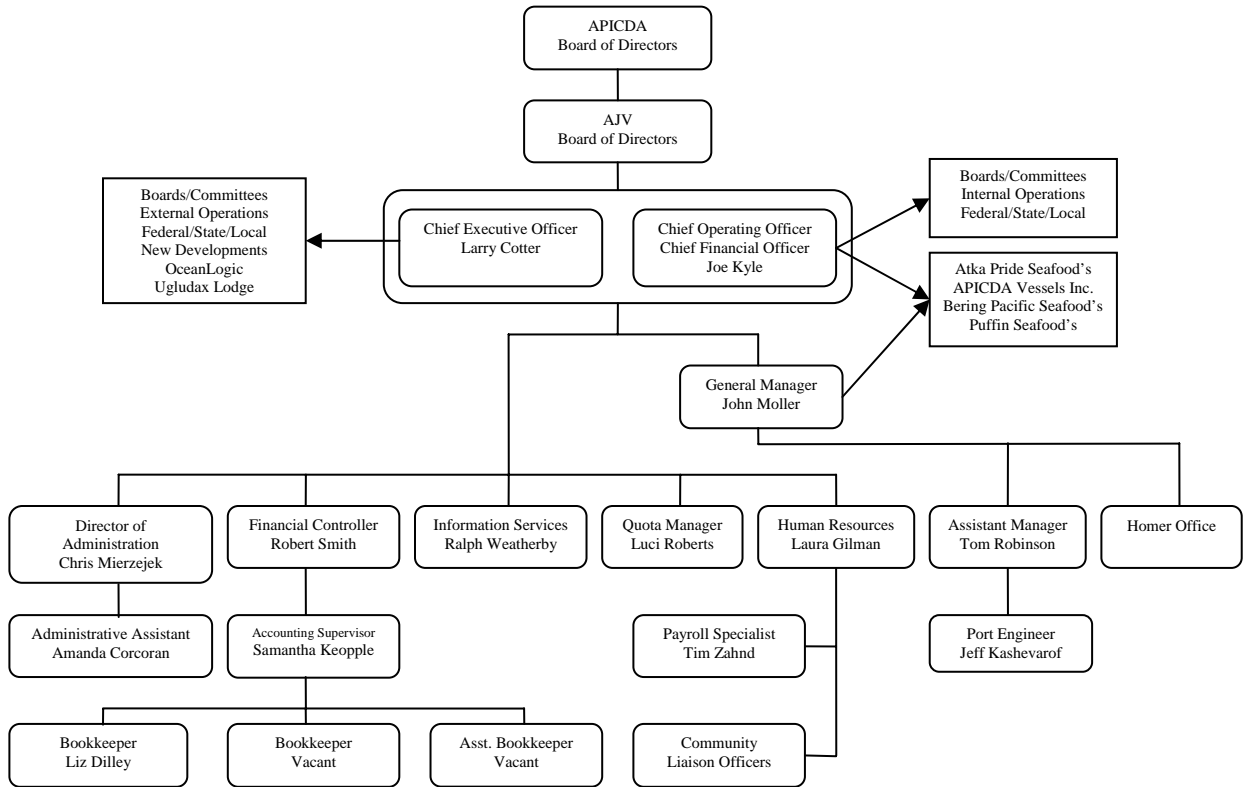
APICDA and its subsidiaries are and were in full compliance with all State of Alaska CDQ reporting regulations.

C. CDP Amendment Status

Shown below are the plan amendments approved through the second quarter.

2004 Technical / Substantial Amendments				
Numbers	Technical or Substantial	Description	Date Submitted	Date Approved
SA#04-01	Technical	2004 Budget Revision	03/03/04	03/30/04
TA#04-02	Technical	Transfer Opilio crab from CVRF	03/03/04	not approved by ADF&G
TA#04-03	Technical	Transfer Pacific cod to NSEDC	03/18/04	03/18/04
TA#04-04	Technical	Higher Education Policy and Procedures	03/31/04	04/05/04
SA#04-05	Technical	LRA Policy Amendment	04/02/04	04/07/04
TA#04-06	Technical	Transfer Pacific cod to NSEDC	04/08/04	04/08/04
SA#04-07	Technical	Transfer Pacific cod to BBEDC	04/09/04	04/12/04
TA#04-08	Technical	APICDA, AJV, and OceanLogic Budgets	05/27/04	07/28/04
TA#04-09	Technical	Transfer Pacific cod from BBEDC	06/14/04	06/15/04
SA#04-10	Substantial	Transfer Pacific cod from NSEDC	06/14/04	06/15/04

D. Corporate Organizational Structure



IV. Harvesting Report

A. Target Fishery Harvest Activity

1.) Pollock CDQ Harvest: No activity in the second quarter

CDQ Reserve Category	Units	Allocation after transfers	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Harvest	% of Target Harvest
A Season (40%)	mt	8,355.200	8,340.149				8,340.149	100.000%
B Season (60%)	mt	12,532.800					0.000	0.000%
BS Pollock Total	mt	20,888.000	8,340.149	0.000	0.000	0.000	8,340.149	100.000%
Bycatch								
Pacific Cod	mt	2,182.450	33.761				33.761	0.405%
BS FG Sablefish	mt	43.500					0.000	0.000%
AI FG Sablefish	mt	65.100					0.000	0.000%
BS Sablefish	mt	22.890					0.000	0.000%
AI Sablefish	mt	15.080					0.000	0.000%
WAI Atka Mackerel 543	mt	465.000					0.000	0.000%
CAI Atka Mackerel 542	mt	699.900					0.000	0.000%
EAI/BS Atka Mackerel 541	mt	252.800	0.013				0.013	0.000%
Yellowfin Sole	mt	1,807.680	11.842				11.842	0.142%
Rock Sole	mt	738.000	40.161				40.161	0.482%
BS Greenland Turbot	mt	32.480	0.004				0.004	0.000%
AI Greenland Turbot	mt	10.200					0.000	0.000%
Arrowtooth Flounder	mt	198.000	0.772				0.772	0.009%
Flathead Sole	mt	285.000	28.505				28.505	0.342%
Other Flatfish	mt	53.500	0.377				0.377	0.005%
Alaska Plaice	mt	105.000	0.034				0.034	0.000%
BS Pacific Ocean Perch	mt	18.020					0.000	0.000%
WAI Pacific Ocean Perch 543	mt	116.700					0.000	0.000%
CAI Pacific Ocean Perch 542	mt	65.700					0.000	0.000%
EAI Pacific Ocean Perch 541	mt	68.700					0.000	0.000%
BSAI Northern Rockfish	mt	0.000	0.001				0.001	0.000%
BSAI Shortraker Rockfish	mt	0.000					0.000	0.000%
BSAI Rougheye Rockfish	mt	0.000					0.000	0.000%
BS Other Rockfish	mt	7.350					0.000	0.000%
AI Other Rockfish	mt	10.080					0.000	0.000%
Other Species	mt	0.000	13.979				13.979	0.168%
PSQ Reserve Category								
Zone 1 Red King Crab	ea	3,546	0				0	0.000%
Zone 1 Bairdi Tanner Crab	ea	19,110	3				3	0.034%
Zone 2 Bairdi Tanner Crab	ea	53,460	23				23	0.278%
Opilio Tanner Crab	ea	81,563	36				36	0.430%
Pacific Halibut (mortality)	mt	75.460	0.713				0.713	0.009%
Chinook Salmon	ea	305	180				180	2.157%
Non-Chinook Salmon	ea	441	0				0	0.000%

- 2.) Pacific Cod CDQ Harvest: No activity in the second quarter
- 3.) Atka Mackerel CDQ Harvest: No activity in the second quarter
- 4.) Yellowfin Sole CDQ Harvest: No activity in the second quarter

CDQ Crab Harvest

- 5.) Opilio CDQ Harvests: A total of 142,566 pounds of opilio CDQ was harvested during the first quarter. Vessels participating in the 2004 opilio harvest were the *Farwest Leader*, and *Billikin*. No activity in the second quarter.

CDQ Reserve Category	Units	Annual Allocation	Trans. In	Trans. Out	Allocation after transfers	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Harvest	Percent Harvested	Remaining Allocation
Bering Sea C. <i>Opilio</i>	lbs	142,566			142,566	144,007				144,007	101.01%	-1,441
Bering Sea C. <i>Bairdi</i>	lbs				0					0	0.00%	0
Bristol Bay Red King crab	lbs				0					0	0.00%	0
Norton Sound Red King crab	lbs	0			0					0	0.00%	0
Pribilof Red & Blue King crab	lbs	0			0					0	0.00%	0
St Matthew Blue King crab	lbs	0			0					0	0.00%	0

- 6.) Halibut Harvesting: Atka Pride Seafoods commenced operations in May. Through June 30, the local fleet had harvested a total of 87,918 pounds of area 4B CDQ and IFQ halibut.

St. George fishermen, fishing for Puffin Seafoods, started fishing in mid June. The fish are being tendered to St. Paul, where Trident Seafoods is custom processing for Puffin. Through June 30, the local fleet had harvested a total of 21,206 pounds of halibut. Approximately 12 local residents are involved in the fishery

CDQ Category	Units	Annual Allocation	Trans. In	Trans. Out	Allocation after trans.	1 st Qtr	2 rd Qtr	3 rd Qtr	4 th Qtr	YTD Harvest	Percent Harvested	Remaining Allocation
4B Halibut	lbs	562,000			836,000		87,918			87,918	15.64%	474,082
4C Halibut	lbs	129,000			152,250		21,206			21,206	16.44%	107,794
4D Halibut	lbs	0			0					0	0.00%	0
4E Halibut	lbs	0			0					0	0.00%	0

Total **109,124** **581,876**

- 7.) Sablefish Harvesting: The F/V *Konrad 1* harvested a small portion of APICDA's AI Sable CDQ quota in the second quarter. Other harvesting obligations and time of year prevented the F/V *Konrad 1* from continuing its efforts in this fishery.

Aleutian Islands Sablefish Target Fishery Harvest Activity								
2nd Quarter as of June 30, 2004								
CDQ Reserve Category	Units	Allocation after transfers	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Harvest	% of Target Harvest
AI FG Sablefish	mt	65.100		3.241			3.241	100.000%
Bycatch								
Non Pollock Quota	mt	N/A					0.000	0.000%
Pacific Cod	mt	2,424.450					0.000	0.000%
BS FG Sablefish	mt	43.500					0.000	0.000%
BS Sablefish	mt	22.890					0.000	0.000%
AI Sablefish	mt	15.080					0.000	0.000%
WAI Atka Mackerel 543	mt	465.000					0.000	0.000%
CAI Atka Mackerel 542	mt	699.900					0.000	0.000%
EAI/BS Atka Mackerel 541	mt	252.800					0.000	0.000%
Yellowfin Sole	mt	1,807.680					0.000	0.000%
Rock Sole	mt	738.000					0.000	0.000%
BS Greenland Turbot	mt	32.480					0.000	0.000%
AI Greenland Turbot	mt	10.200					0.000	0.000%
Arrowtooth Flounder	mt	198.000					0.000	0.000%
Flathead Sole	mt	285.000					0.000	0.000%
Other Flatfish	mt	53.500					0.000	0.000%
Alaska Plaice	mt	105.000					0.000	0.000%
BS Pacific Ocean Perch	mt	18.020					0.000	0.000%
WAI Pacific Ocean Perch 543	mt	116.700					0.000	0.000%
CAI Pacific Ocean Perch 542	mt	65.700					0.000	0.000%
EAI Pacific Ocean Perch 541	mt	68.700					0.000	0.000%
BSAI Northern Rockfish	mt	0.000					0.000	0.000%
BSAI Shortraker Rockfish	mt	0.000					0.000	0.000%
BSAI Rougheye Rockfish	mt	0.000					0.000	0.000%
BS Other Rockfish	mt	7.350					0.000	0.000%
AI Other Rockfish	mt	10.080		0.117			0.117	3.610%
Other Species	mt	0.000					0.000	0.000%
PSQ Reserve Category								
Zone 1 Red King Crab	ea	3,546					0	0.000%
Zone 1 Bairdi Tanner Crab	ea	19,110					0	0.000%
Zone 2 Bairdi Tanner Crab	ea	53,460					0	0.000%
Opilio Tanner Crab	ea	81,563					0	0.000%
Pacific Halibut (mortality)	mt	75.460					0.000	0.000%
Chinook Salmon	ea	305					0	0.000%
Non-Chinook Salmon	ea	441					0	0.000%

PSC Harvests

- 8.) Pollock Harvested by Non-Pollock Vessels: No activity in the second quarter.
- 9.) PSC Not Accrued Against PSQ Allocations: No activity in the second quarter.

Transfers

10.) CDQ Allocation Transfers: APICDA transferred 242 metric tons of Pacific Cod to NSEDC in the second quarter.

CDQ Group: APICDA CDQ Reserve Category	Units	Initial Allocation	Transferred In			Transferred Out			Total After Transfers
						NSEDC			
BS Pollock	mt	20,888.000							20,888.000
Pacific Cod	mt	2,424.450	404	242		404.000	242.000		2,424.450
BS FG Sablefish	mt	43.500							43.500
AI FG Sablefish	mt	65.100							65.100
BS Sablefish	mt	22.890							22.890
AI Sablefish	mt	15.080							15.080
WAI Atka Mackerel 543	mt	465.000							465.000
CAI Atka Mackerel 542	mt	699.900							699.900
EAI/BS Atka Mackerel 541	mt	252.900							252.900
Yellowfin Sole	mt	1,807.680							1,807.680
Rock Sole	mt	738.000							738.000
BS Greenland Turbot	mt	32.480							32.480
AI Greenland Turbot	mt	10.200							10.200
Arrowtooth Flounder	mt	198.000							198.000
Flathead Sole	mt	285.000							285.000
Other Flatfish	mt	58.500							58.500
Alaska Plaice	mt	105.000							105.000
BS Pacific Ocean Perch	mt	18.020							18.020
WAI Pacific Ocean Perch 543	mt	116.700							116.700
CAI Pacific Ocean Perch 542	mt	65.700							65.700
EAI Pacific Ocean Perch 541	mt	68.700							68.700
BSAI Northern Rockfish	mt	0.000							0.000
BSAI Shortraker Rockfish	mt	0.000							0.000
BSAI Rougheye Rockfish	mt	0.000							0.000
BS Other Rockfish	mt	7.350							7.350
AI Other Rockfish	mt	10.080							10.080
Other Species	mt	0.000							0.000
PSQ Reserve Category									
Zone 1 Red King Crab	ea	3,546							3,546
Zone 1 Bairdi Tanner Crab	ea	19,110							19,110
Zone 2 Bairdi Tanner Crab	ea	53,460							53,460
Opilio Tanner Crab	ea	81,563							81,563
Pacific Halibut (mortality)	mt	75.460							75.460
Chinook Salmon	ea	305							305
Non-Chinook Salmon	ea	441							441

B. Pollock & MSCDQ Harvested by Quarter and Y-T-D

CDQ Group: APICDA CDQ Reserve Category	Units	Initial	Transferred	Transferred	Allocation	CDQ / PSQ Catch Reported				YTD	Percent	CDQ /	Percent
		Allocation	In	Out	after transfers	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Harvest	Harvested	PSQ	Remaining
BS Pollock	mt	20,888.000	0.000	0.000	20,888.000	8,340.149	0.000	0.000	0.000	8,340.149	39.9%	12,547.851	60.07%
Pacific Cod	mt	2,424.450	646.000	646.000	2,424.450	33.761	0.000	0.000	0.000	33.761	1.4%	2,390.689	98.61%
BS FG Sablefish	mt	43.500	0.000	0.000	43.500	0.000	0.000	0.000	0.000	0.000	0.0%	43.500	100.00%
AI FG Sablefish	mt	65.100	0.000	0.000	65.100	0.000	0.000	3.241	0.000	3.241	5.0%	61.859	95.02%
BS Sablefish	mt	22.890	0.000	0.000	22.890	0.000	0.000	0.000	0.000	0.000	0.0%	22.890	100.00%
AI Sablefish	mt	15.080	0.000	0.000	15.080	0.000	0.000	0.000	0.000	0.000	0.0%	15.080	100.00%
WAI Atka Mackerel 543	mt	465.000	0.000	0.000	465.000	0.000	0.000	0.000	0.000	0.000	0.0%	465.000	100.00%
CAI Atka Mackerel 542	mt	699.900	0.000	0.000	699.900	0.000	0.000	0.000	0.000	0.000	0.0%	699.900	100.00%
EAI/BS Atka Mackerel 541	mt	252.900	0.000	0.100	252.800	0.013	0.000	0.000	0.000	0.013	0.0%	252.787	99.99%
Yellowfin Sole	mt	1,807.680	0.000	0.000	1,807.680	11.842	0.000	0.000	0.000	11.842	0.7%	1,795.838	99.34%
Rock Sole	mt	738.000	0.000	0.000	738.000	40.161	0.000	0.000	0.000	40.161	5.4%	697.839	94.56%
BS Greenland Turbot	mt	32.480	0.000	0.000	32.480	0.004	0.000	0.000	0.000	0.004	0.0%	32.476	99.99%
AI Greenland Turbot	mt	10.200	0.000	0.000	10.200	0.000	0.000	0.000	0.000	0.000	0.0%	10.200	100.00%
Arrowtooth Flounder	mt	198.000	0.000	0.000	198.000	0.772	0.000	0.000	0.000	0.772	0.4%	197.228	99.61%
Flathead Sole	mt	285.000	0.000	0.000	285.000	28.505	0.000	0.000	0.000	28.505	10.0%	256.495	90.00%
Other Flatfish	mt	58.500	0.000	5.000	53.500	0.377	0.000	0.000	0.000	0.377	0.7%	53.123	99.30%
Alaska Plaice	mt	105.000	0.000	0.000	105.000	0.034	0.000	0.000	0.000	0.034	0.0%	104.966	99.97%
BS Pacific Ocean Perch	mt	18.020	0.000	0.000	18.020	0.000	0.000	0.000	0.000	0.000	0.0%	18.020	100.00%
WAI Pacific Ocean Perch 543	mt	116.700	0.000	0.000	116.700	0.000	0.000	0.000	0.000	0.000	0.0%	116.700	100.00%
CAI Pacific Ocean Perch 542	mt	65.700	0.000	0.000	65.700	0.000	0.000	0.000	0.000	0.000	0.0%	65.700	100.00%
EAI Pacific Ocean Perch 541	mt	68.700	0.000	0.000	68.700	0.000	0.000	0.000	0.000	0.000	0.0%	68.700	100.00%
BSAI Northern Rockfish	mt	0.000	0.000	0.000	0.000	0.001	0.000	0.000	0.000	0.001	N/A	N/A	N/A
BSAI Shortraker Rockfish	mt	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	N/A	N/A	N/A
BSAI Rougheye Rockfish	mt	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	N/A	N/A	N/A
BS Other Rockfish	mt	7.350	0.000	0.000	7.350	0.000	0.000	0.000	0.000	0.000	0.0%	7.350	100.00%
AI Other Rockfish	mt	10.080	0.000	0.000	10.080	0.000	0.000	0.117	0.000	0.117	1.2%	9.963	98.84%
Other Species	mt	0.000	0.000	0.000	0.000	13.979	0.000	0.000	0.000	13.979	N/A	N/A	N/A
PSQ Reserve Category													
Zone 1 Red King Crab	ea	3,546	0	0	3,546	0	0	0	0	0	0.00%	3,546	100.00%
Zone 1 Bairdi Tanner Crab	ea	19,110	0	0	19,110	3	0	0	0	3	0.01%	19,107	99.99%
Zone 2 Bairdi Tanner Crab	ea	53,460	0	0	53,460	23	0	0	0	23	0.04%	53,437	99.96%
Opilio Tanner Crab	ea	81,563	0	0	81,563	36	0	0	0	36	0.04%	81,527	99.96%
Pacific Halibut (mortality)	mt	75.460	0.000	0.000	75.460	0.713	0.000	0.000	0.000	0.713	0.94%	74.747	99.06%
Chinook Salmon	ea	305	0	0	305	180	0	0	0	180	58.97%	125	41.03%
Non-Chinook Salmon	ea	441	0	0	441	0	0	0	0	0	0.00%	441	100.00%

C. Compliance

APICDA and its harvesting partners were in full compliance.

D. Other Fishing Issues/Activities

There were no other fishing issues or activities.

E. APICDA's 2003-05 Measurable Milestones

**Table 1
Akutan Milestones**

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

**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.
Negotiate a <i>quid pro quo</i> agreement in 2003 with the Atxam Corporation. If successful, distribute a grant for partial federal matching funds up to \$125,000 towards the hydro project.	2003	Completed
If 2003 <i>quid pro quo</i> agreement is in place, distribute the remaining grant funds up to \$250,000 as requested by the City of Atka in 2004-05	2004-05	Completed
Monitor progress towards construction of a hydroelectric facility.	2003-05	Ongoing
Expand and up-grade the Atka Pride Seafoods Processing Plant	2004	Partially completed
Extend the existing dock by 600 square feet.	2004	Completed

Table 3
False Pass Milestones

Project	Completion Date	Status
Employ fifteen or more local residents in connection with Dipper operations.	Ongoing.	Bering Pacific Seafoods in sleep mode.
Purchase and process 3 million pounds of Pacific cod, with focus on local fishermen.	Ongoing.	Bering Pacific Seafoods in sleep mode.
Maximize financial return.	Ongoing.	BPS in sleep mode..
Complete plan to transition to shoreplant.	2004	In progress.
Construct shore plant and expand	2005	Pending.

operations.		
Complete joint venture discussions for store.	2003	Completed.
Pursue development of a small boat harbor in False Pass.	2005	Ongoing.

**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.
To provide up to \$150,000 for the purchase of various navigational aides and installation costs associated with the project.	2003	In progress
Monitor progress of installation of navigational aides in Nikolski in	2003-04	In Progress

2003-04		
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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.

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	Ongoing
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.
Maximize the use of gear types that have	Ongoing	Ongoing.

minimized adverse impacts upon habitat.		
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 \$10 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.

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.
Implement a comprehensive set of board administrative policies developed and adopted by the APICDA and AJV Board of Directors.	Winter 2003	Ongoing
Implement an investment criteria matrix developed and adopted by the APICDA and AJV Board of Directors.	Winter of 2003	Completed
Establish standards/guidelines for due	Winter of 2003	Completed

diligence analysis of potential investments developed and adopted by APICDA and AJV Board of Directors.		
Evaluate newly developed corporate governance structure and provide recommendations for improvement of governance considered.	Spring of 2005	Completed
Define responsibilities for the completion of strategic assessment planning.	Summer of 2003	Completed
Board affirms APICDA purpose and defines long-term vision for the corporation.	Fall of 2003.	Completed
The APICDA board trained on use of strategic plan and instrument panel to monitor performance of projects.	Fall of 2003	Completed
Strategic investment completed using new Board of Directors investment criteria.	Winter of 2003	Completed
Develop corporate internal assessment and priority initiatives.	Spring of 2004	Completed
Identify planning of strategic and internal improvement initiatives.	Spring of 2004	Completed
Provide an effective method for tracking progress on initiatives developed and implemented.	Spring of 2004	Completed
Identify responsibilities, authorities, and accountabilities of each management member.	Summer 2003	Completed
Clarify and define new management job descriptions implemented and disseminated.	Fall of 2003	Completed
Identify method to measure performance	Fall of 2003	Completed

on accountabilities defined and implemented.		
New management structure evaluated by management team and by staff.	Spring of 2004	Completed
Establish criteria for projects to be managed by new internal project management system.	Summer of 2003	Completed
Develop a template/process for completion of due diligence on new ventures planned and approved by the board of directors.	Fall of 2003	Completed
Provide alternatives for project management system researched and system selected.	Fall of 2003	Completed
Develop a template/process for due diligence on new ventures implemented.	Winter of 2003	Completed
Incorporate policy/procedure for launching projects that defines structure and authority implemented.	Winter of 2003	Completed
Project management system implemented	Spring 2004	Completed
Monitor Cannon Fish Company investments to ensure operation maximizes financial return	Ongoing	Ongoing
Monitor employment opportunities at Cannon Fish Company for local and regional residents, as well as residents from other CDQ regions.	Ongoing	Ongoing
Monitor Cannon Fish Company's activities to ensure compliance with all federal and state regulations.	Ongoing	Ongoing