

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

for the

**Aleutian Pribilof Island
Community Development
Association**

October 30, 2002

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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 third quarter, a total of 251 job positions (131 discrete individuals) had been filled by APICDA and CDQ residents, generating wages of \$1,448,253.

During the third quarter, six individuals attended various vocational education or specialized training programs. A total of \$11,471 in vocational education scholarships on behalf of APICDA residents was spent this quarter, bringing the year's total to \$32,730.

Thirty-seven individuals used APICDA higher education scholarships during the third quarter of the year. Each scholarship is in the amount of \$5,000 for the school year. A total of \$154,015 in higher education scholarships on behalf of APICDA residents has been distributed since the first of the year.

The second year of APICDA's summer internship program concluded in the third quarter. Five individuals participated with various companies with interests in the APICDA region. In general, APICDA will contribute fifty percent of the wages. Through the third quarter, APICDA contributed \$9,227.

APICDA's latest addition to the management team is from Unalaska and was a recipient of APICDA's scholarship program through out her higher education academia. Laura Gilman brings a masters degree in the "Human Resource" field to the APICDA team.

APICDA harvested approximately ninety-nine percent of its pollock CDQ allocation through the third quarter. Our harvesting partners Starbound and Trident combined to conduct a clean efficient fishery.

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

Halibut CDQ fisheries in both area 4B and 4C continued into the third quarter. The St. George fishery ended in early August with the local fleet harvesting ninety-six percent of the halibut CDQ quota. At the conclusion of the third quarter, the local Atkan fleet harvested approximately 500,000 pounds of Area 4B halibut.

The *F/V Konrad I*, wholly owned by APICDA Joint Ventures, harvested nearly one hundred percent of APICDA's Bering Sea CDQ fixed gear sablefish allocation using pot gear. In addition to CDQ, the *Konrad I* harvested over 37,000 pounds of APICDA Joint Ventures' Bering Sea IFQ sablefish. Harvests will continue in the fourth quarter.

Bering Pacific Seafoods reopened in September to purchase and process Pacific cod. The plant purchased over 300,000 pounds of Pacific cod from a jig fleet almost entirely comprised of local area fishermen.

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 third quarter, a total of 251 job positions (131 discrete individuals) had been filled by APICDA and CDQ residents, generating wages of \$1,448,253.

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 third quarter, nine APICDA residents attended various vocational education or specialized training programs. Total funds requested and approved for the quarter were \$11,471 bringing the year's total to \$32,730.

3.) Education: Thirty individuals used APICDA higher education scholarships during the third quarter of the year. Each scholarship is in the amount of \$5,000 for the school year. A total of \$154,015 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 third 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., Ugludax Lodge, 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 third quarter consisted of harvesting both IFQ and CDQ halibut and 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 performed the tendering operations for Puffin Seafoods, LLC in St. George.

6.) Atka Pride Seafoods (APS) Activities: Atka Pride Seafoods commenced operations in May. Through September 30, the local fleet had harvested a total of 533,133 pounds of area 4B CDQ halibut.

7.) Puffin Seafoods, L.L.C.: St. George fishermen, fishing for Puffin Seafoods, began their harvest operations in mid-June and finished in late August. The halibut were tendered to St. Paul, where Trident Seafoods processed the catch. The local fleet harvested a total of 97,104 pounds of CDQ halibut (96% of their allocation), with a fair amount of their personal IFQ harvested as well (18,000 lbs.).

8.) OceanLogic, L.L.C.: OceanLogic's ELB has nearly completed the final phase of beta testing. The product has generated support from the National Marine Fisheries Service and most of the vessels who participated in the testing. The ELB will be commercially available before the start of the 2003 fisheries.

9.) Bering Pacific Seafoods, L.L.C.: Bering Pacific Seafoods reopened in September to purchase and process Pacific cod. The plant purchased over 300,000 pounds of Pacific cod from a jig fleet almost entirely comprised of local area fishermen.

10.) Ugludax Lodge: The lodge had its grand opening on July 29, and the first clients arrived in August. There have been five groups of client visits to the lodge in the third quarter. Management anticipates a few early winter hunting trips. The lodge received very positive reviews.

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: This past August, in conjunction with ADF&G and Ocean Ventures, APICDA conducted an urchin resource assessment in the nearshore waters of St. George. The assessment revealed a healthy population of green sea urchins that could sustain a fishery in excess of 100,000 pounds. In September, APICDA harvests approximately 4,000 pounds of urchins to test the market as well as shipping feasibility to Japan. The Japanese liked the product, but challenges in shipping arose.

The initial plan was to perform the assessment, establish a test fishery allocation, harvest the urchins, and establish a market. The fishery is weather dependent both in harvesting and shipping the product. APICDA decided to postpone the fishery until a time of year when the weather is more conducive to operations.

B. Outreach

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

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 continues to work with four of the other five CDQ groups to develop a comprehensive health insurance program.

APICDA's latest addition to the management team is from Unalaska and was a recipient of APICDA's scholarship program through out her higher education academia Laura Gilman brings a masters degree in the "Human Resource" field to the APICDA team.

C. Employment

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

	Quarter		Quarter-To-Date		Year-To-Date
	Positions	Wages	Positions	Wages	Discrete People
Management/Admin	23	\$130,815	64	374,351	24
CDQ A/B Season	0		15	130,725	8
CDQ C/D Season	0		0	0	0
Other Fishing	55	323,518	118	827,271	77
Internships	5	6,195	7	9,227	5
Other Employment	16	38,682	47	106,679	19
Totals	99	\$499,210	251	\$1,448,253	133
Quarterly	Yearly		Yearly		
Discrete People	94	Discrete Positions	237	Discrete People	131

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 16** provides a complete listing by name, category, and community for all individuals employed for the third quarter. **Appendix 17** provides a complete list of Alaska Residents employed by APICDA and subsidiaries in the third quarter.

Summary

Management/Administrative: During the third 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 \$130,615.

Direct Employment from CDQ Pollock Fishing: No CDQ community residents were employed on APICDA's pollock harvesting vessels during the 2002 "C/D" season.

Other Fishing: Fifty-five CDQ residents (fifty-four from APICDA communities), were employed in the "other fishing" category: five APICDA residents generated wages from the Bering Pacific Seafoods operation; thirty-five APICDA residents generated wages from the Atka Pride Seafoods operations; thirteen APICDA residents received wages from the Puffin Seafoods operation; and one APICDA resident participated in fishing operations on the F/V *Konrad 1*. Total wages for all other fishing activities combined for the third quarter was \$323,518.

Other Employment: Sixteen 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., Ugludax Lodge, LLC operations, stevedoring, and maintenance/construction projects directly related to APICDA CDP projects, and other activities. Total wages generated for the third quarter were \$38,682.

Interns: By the conclusion of third quarter, five APICDA residents received wages from APICDA's summer college intern program. Total wages generated were \$9,227. One summer position has been extended into the fall. Misha Daniels, is performing her internship with the World Trade Center out of Anchorage. Her extension was granted to allow her to continue her "on hands" training in Europe. Total extension of her program is one month.

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 third quarter resulting from Bering Pacific Seafoods operations in False Pass. BPS employed thirty-nine individuals

total during the quarter; of these, five were False Pass residents, seventeen were Alaska residents from non-CDQ communities, and seventeen were non-Alaska residents. In addition, BPS purchased Pacific cod from seventeen different vessels through the third quarter; many of these vessels employed CDQ community residents and other Alaska residents.

Category	1st Quarter	2nd Quarter	3rd Quarter	Total
State Raw Fish Tax (3%)	\$19,078	\$2,489	\$1,838	\$23,405
AEB Tax (2%)	12,719	1,659	1,226	15,604
City of False Pass Tax (2%)	12,719	1,659	1,226	15,604
ASMI Tax (3%)	1,908	249	184	2,341
Fish Purchases	635,925	77,949	61,289	775,163
City of False Pass Berthing Fees	9,125	0	0	9,125
City of False Pass Wharfage	7,268	5,878	1,171	14,317
Employee Wages	261,212	115,259	61,201	437,672
Rent	13,250	53,169	10,600	77,019
Utilities	16,841	22,754	25,842	65,437
Fuel	20,288	28,982	26,256	75,526
Total	\$1,010,333	\$310,047	\$190,833	\$1,511,213

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 third quarter from the APS operation.

Category	1st Quarter	2nd Quarter	3rd Quarter	Total
State Raw Fish Tax (3%)	\$0	\$3,122	\$15,859	\$18,981
City of Atka Tax (2%)	0	2,081	10,942	13,023
ASMI Tax (.3%)	0	312	1,586	1,898
Fish Purchases	0	104,065	528,624	632,689
City of Atka Wharfage	0	21	2,652	2,673
Employee Wages	7,094	54,104	86,408	147,606
Utilities	2,209	7,625	2,869	12,703
City of Atka Bed Tax	233	1,364	980	2,577
Total	\$9,536	\$172,694	\$649,920	\$832,150

D. Training & Education

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

		Quarter		Year-To-Date	
		People	Expenditures	People	Expenditures
Scholarships					
	Post Secondary	37	\$86,467	49	\$154,015
	Vocational	6	11,471	8	32,730
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	2	631	10	19,440
	Other	0	0	0	0
Other Expenditures					
	To Educational Institutions				
	Community Conference			43	45,860
	Fish Association Grants	0		N/A	140,000
	School Grants	0			
	Miscellaneous Grants	N/A		N/A	5,357
	Total	45	\$98,569	110	\$397,402

Summary

1.) Vocational Education: During the third quarter six individuals attended various vocational education or specialized training programs. A total of \$11,471 in vocational education scholarships on behalf of APICDA residents was spent this quarter.

2.) Higher Education: Thirty-seven individuals used APICDA higher education scholarships during the third quarter of the year. Each scholarship is in the amount of \$5,000 for the school year. A total of \$154,015 in higher education scholarships on behalf of APICDA residents was spent since the first of the year.

3.) Summer Intern Program: Five APICDA residents were participating in the Summer Intern Program in the third quarter. Jessica Borenin (Akutan), interned at the Aleut Corporation in Anchorage in an administrative capacity. Zara Kutchuten and Jess Morrison (Unalaska), completed their summer internship with the Qawalangin Tribe. Zara participated in

the Environmental Recycle Program and Rommel Stake Removal Program for the Tribe, while Jess focused his efforts on the Rommel Stake Program. Layton Lockett (Nelson Lagoon) was employed by APICDA and worked within various departments in the Juneau office. He worked with OceanLogic on a GIS program and APICDA on website design. Rochelle Magpantay (Unalaska), worked for the National Marine Fisheries Service, enforcement division in Unalaska. Misha Daniels (Unalaska) is currently working at the World Trade Center, Anchorage, Alaska. She will complete her internship in December.

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 third 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 were distributed through the third 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 third quarter, two staff members attended various training and educational programs. Total expenditures were \$631 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: At their August 2, 2002 board meeting, Bering Pacific Seafoods, LLC, approved the election of the following officers:

Gilda Shellikoff, Chair
Rick Lauber, Vice Chair
Pete Crandall, Secretary/Treasurer

There were no other changes for APICDA and its subsidiaries.

2.) Decisions/Actions: The Board of Directors for APICDA met in June. The Executive committee, Bering Pacific Seafoods, LLC, APICDA Vessels, Inc., and Atka Pride Seafoods, Inc. met at various times in the third 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 November, 2002.

4.) Minutes: Approved minutes from board meetings in the third quarter are attached as **Appendix 15** 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 third quarter:

2002 Technical / Substantial Amendments				
Numbers	Technical or Substantial	Description	Submitted	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	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
TA#02-14	Technical	Transfer Atka Mac/POP from CVRF	08/07/02	08/08/02
TA#02-15	Technical	Transfer 'Other Species' to CVRF	08/07/02	08/08/02
TA#02-16	Technical	Transfer Atka Mac/POP from YDFDA	08/07/02	08/08/02
TA#02-17	Technical	Transfer Atka Mac/POP from CBSFA	08/07/02	08/08/02
TA#02-18	Technical	Sale of 5% Prowler L.L.C. ownership to CVRF	08/19/02	08/25/02
TA#02-19	Technical	Addition of vessels Terrigail, Tenacious, Kanerva	09/16/02	09/17/02
SA#02-20	Substantial	Transfer of annual allocations from YDFDA	09/18/02	09/23/02

D. Other Issues

There are no other issues not otherwise addressed.

IV. Harvesting Report

A. Target Fishery Harvest Activity

Pollock CDQ Harvest: The pollock “C/D” season CDQ fishery was completed in the first quarter. The *C/P Starbound* and *C/P Kodiak Enterprise* harvested APICDA’s pollock

	Metric Tons Harvested					YTD Harvest	Target Fishery Information % of Target Harvest
	CDQ Allocation	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.		
A/B Season	8,257.221	8,257.221	0.000			8,257.221	
C/D Season	12,532.779			12,523.135		12,523.135	
Total	20,790.000					20,780.356	99.2%
Bycatch							
Sablefish, Trawl - BS		0.000	0.000	0.214	0.000	0.214	0.0%
Sablefish, Trawl - AI		0.000	0.000	0.000	0.000	0.000	0.0%
Pacific Cod		25.009	0.000	22.132	0.000	47.141	0.2%
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	0.045	0.000	0.051	0.0%
Yellowfin sole		30.440	0.000	0.099	0.000	30.539	0.1%
Rock sole		36.655	0.000	0.766	0.000	37.421	0.2%
Greenland Turbot BS		0.043	0.000	0.208	0.000	0.251	0.0%
Greenland Turbot AI		0.000	0.000	0.000	0.000	0.000	0.0%
Arrowtooth flounder		0.782	0.000	7.243	0.000	8.025	0.0%
Flathead sole		15.421	0.000	10.449	0.000	25.870	0.1%
Other flatfish		0.954	0.000	6.044	0.000	6.998	0.0%
Alaska Plaice		0.727	0.000	0.000	0.000	0.727	0.0%
True POP - BS		0.000	0.000	0.715	0.000	0.715	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	0.365	0.000	0.365	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	0.109	0.000	0.109	0.0%
Other rockfish - AI		0.000	0.000	0.000	0.000	0.000	0.0%
Other species		9.176	0.000	4.031	0.000	13.207	0.1%
TOTAL		8,376.434	0.000	12,575.555	0.000	20,951.989	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	0.0%
PSQ Baridi Tanner Zone 2		6	0	6	0	12	0.1%
PSQ Opilio Tanner Crab		8	0	0	0	8	0.0%
Halibut mortality		0.534	0	0.863	0	1.397	0.0%
PSQ Chinook		221	0	51	0	272	1.3%
PSQ Non-Chinook salmon		0	0	352	0	352	1.7%

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

	CDQ Allocation	Metric Tons Harvested				YTD Harvest	Target Fishery Information % of Target
		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.		Harvest
Pacific Cod	2,400.000	776.029	416.940	481.482	0.000	1,674.451	84.33%
Bycatch							
Sablefish, FG - BS		0.000	0.000	0.231	0.000	0.231	0.01%
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	3.290	0.000	3.290	0.17%
Rock sole		0.104	0.002	0.105	0.000	0.211	0.01%
Greenland Turbot BS		0.043	0.014	0.541	0.000	0.598	0.03%
Greenland Turbot AI		0.000	0.000	0.000	0.000	0.000	0.00%
Arrowtooth flounder		0.826	0.223	19.022	0.000	20.071	1.01%
Flathead sole		2.121	0.811	2.465	0.000	5.397	0.27%
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	0.00%
Other rockfish - AI		0.000	0.000	0.000	0.000	0.000	0.00%
Other species		108.291	63.047	58.022	0.000	229.360	11.55%
Non-Pollock Quota							
BS		18.930	10.851	22.096	0.000	51.877	2.61%
TOTAL		906.393	492.004	587.254	0.000	1,985.651	100.00%

PSQ Bycatch

Halibut mortality	1.557	0.610	7.325	0.000	9.492	0.48%
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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. Through the third quarter, APICDA received a total of 1,700 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 1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	YTD Harvest	Target Fishery Information % of Target Harvest
Total Atka Mackerel	2802.650	245.495	1575.048	794.295	0.000	2614.838	69.57%
Totals by Areas:							
WAI	1,257.650	0.000	879.443	285.116	0.000	1164.559	30.98%
CAI	1,265.350	0.000	695.605	509.179	0.000	1204.784	32.05%
EAI	279.650	245.495	0.000	0.000	0.000	245.495	6.53%
Bycatch							
Sablefish, Trawl - BS		0.000	0.000	0.000	0.000	0.000	0.00%
Sablefish, Trawl - AI		0.000	0.000	0.199	0.000	0.199	0.01%
Pacific Cod		3.810	90.171	25.266	0.000	119.247	3.17%
Yellowfin sole		0.000	0.000	0.000	0.000	0.000	0.00%
Rock sole		0.101	2.321	0.864	0.000	3.286	0.09%
Greenland Turbot BS		0.000	0.000	0.000	0.000	0.000	0.00%
Greenland Turbot AI		0.000	0.000	15.632	0.000	15.632	0.42%
Arrowtooth flounder		2.749	3.933	26.167	0.000	32.849	0.87%
Flathead sole		0.042	0.440	0.125	0.000	0.607	0.02%
Other flatfish		0.000	0.393	0.338	0.000	0.731	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	166.554	0.000	324.355	8.63%
CAI POP		0.000	27.880	106.532	0.000	134.412	3.58%
EAI POP		70.768	47.937	32.730	0.000	151.435	4.03%
BS other red rockfish		0.000	0.000	0.000	0.000	0.000	0.00%
AI Northern		6.528	153.619	109.877	0.000	270.024	7.18%
AI Shortraker/Rougheye		0.000	3.702	6.202	0.000	9.904	0.26%
Other rockfish - BS		0.000	0.000	0.000	0.000	0.000	0.00%
Other rockfish - AI		0.081	5.397	5.290	0.000	10.768	0.29%
Other species		0.266	20.182	11.140	0.000	31.588	0.84%
Non-Pollock Quota AI		1.889	22.105	14.802	0.000	38.796	1.03%
TOTAL		331.729	2110.929	1316.013	0.000	3758.671	100.00%

Yellowfin Sole Harvesting: No activity in the third quarter.

	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: No landing of Opilio crab was recorded in the third quarter.

	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%

Bristol Bay Red King Crab: No landings of Bristol Bay red king crab were recorded in the third quarter.

	CDQ		Pounds Harvested			YTD	
	Allocation	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Harvest	% of Harvest
Bristol Bay King Crab	125,151					0	0.00%

Halibut Harvesting: A total of 533,133 pounds of Area 4B halibut has been harvested through the third quarter. Of this amount, 493,858 was harvested by the local Atka fishermen and the remainder by outside vessels. The local fleet also harvested approximately 9,000 pounds of their 4B IFQ halibut. Harvests will continue in the fourth quarter.

In St. George, a total of 97,103 pounds of Area 4C halibut CDQ was harvested through the third quarter. The fleet took approximately 15,000 pounds of IFQ halibut as well. The fishery ended in early August.

Halibut CDQ Harvest	Allocation (lbs)	Harvest (lbs)	% of Allocation	Remaining Allocation (lbs)
Area 4B	836,000	533,133	63.8%	302,867
Area 4C	101,500	97,104	95.7%	4,396
Total	937,500	630,237	67.2%	307,263

Sablefish Harvesting: The *F/V Konrad 1*, wholly owned by APICDA Joint Ventures, harvested nearly 100 % of APICDA's Bering Sea CDQ sablefish using pot gear. Efforts in will continue in the fourth quarter.

The following table reflects combined fixed gear and trawl gear allocations harvested. A vessel fishing fixed gear is permitted to "tap" into the trawl gear sablefish allocation once the fixed gear allocation is exhausted. In the case of the trawl gear category, only direct harvests for sablefish are recorded in the allocation and harvest columns of this table. Bycatch of sablefish in other fisheries is reflected in the total harvest table included in this report. In addition to CDQ, the *Konrad 1* harvested over 37,000 pounds of APICDA Joint Ventures Bering Sea IFQ sablefish.

Sablefish CDQ Harvest	Allocation (lbs)	Harvest (lbs)	% of Allocation	Remaining Allocation (lbs)
Bering Sea (fixed gear)	63,823	63,314	99.2%	509
Bering Sea (trawl gear)	14,100	14,079	99.9%	21
Aleutian Islands	126,654	42	0.0%	126,612
Total	204,577	77,435	37.9%	127,142

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

Pollock Harvested by Non-Pollock Vessels:

	Harvest(mt)	Retained (mt)	Discarded (mt)	% Retained
Fixed Gear	51.877	29.665	22.212	57.18%
Trawl Catcher Processor	44.012	40.900	3.112	92.93%
Total	95.889	70.565	25.324	73.59%

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	118	143	135
Trawl Catcher-Processor	3	0	0	0	0
Trawl Catcher Vessel	0	0	0	0	0
Total	3	0	118	143	135

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

Species	APICDA 2002 CDQ Harvests By Quarter & Yearly Total								
	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	729.850		0.000	695.605	509.179	0.000	1,204.784	95.21%
Western 543	443.400	814.250		0.000	879.443	285.116	0.000	1,164.559	92.60%
Arrowtooth	144.000	33.000		4.357	4.156	52.361	0.000	60.874	34.39%
Flathead Sole	375.000			17.584	1.251	13.039	0.000	31.874	8.50%
Other Flatfish	56.250			0.954	1.729	6.382	0.000	9.065	16.12%
Alaska Plaice	225.000			0.727	0.000	27.662	0.000	28.389	12.62%
Turbot (BS)	80.400			0.086	0.014	3.494	0.000	3.594	4.47%
Turbot (AI)	31.680	5.000		0.000	0.000	15.673	0.000	15.673	42.73%
Pacific Cod	2,400.000	131.000		804.848	508.042	528.877	0.000	1,841.767	72.77%
Pollock BS	20,790.000			8,257.221	0.000	12,523.135	0.000	20,780.356	99.95%
A Season	8,257.221			8,257.221	0.000	0.000	0.000	8,257.221	100.00%
B Season	12,532.779			0.000	0.000	12,523.135	0.000	12,523.135	99.92%
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	22.096	0.000	57.093	N/A
Non- Pollock Quota - AI	N/A			1.889	22.105	14.802	0.000	38.796	N/A
Pacific Ocean Perch (BS)	35.460			0.010	0.000	0.715	0.000	0.725	2.04%
Pacific Ocean Perch (AI)									
Eastern 541	78.000	96.000		70.768	47.937	32.731	0.000	151.436	87.03%
Central 542	69.000	92.250		0.000	27.880	106.532	0.000	134.412	83.36%
Western 543	127.500	224.100		0.000	157.801	166.554	0.000	324.355	92.25%
Other Red Rockfish BS	2.300			0.026	0.034	0.365	0.000	0.425	18.48%
Northern (AI)	151.800	153.000		6.528	153.619	109.877	0.000	270.024	88.59%
Shorthead/Rougheye (AI)	14.960	9.760		0.000	3.702	6.202	0.000	9.904	40.06%
Other Rockfish BS	6.750			0.004	0.082	0.109	0.000	0.195	2.89%
Other Rockfish AI	11.730	5.500		0.081	5.397	5.314	0.000	10.792	62.63%
Rock sole	972.000			41.957	110.470	1.735	0.000	154.162	15.86%
Sablefish Trawl (BS)	12.240			0.000	0.000	6.600	0.000	6.600	53.92%
Sablefish Trawl (AI)	11.520			0.000	0.000	0.199	0.000	0.199	1.73%
Sablefish Fixed Gear (BS)	28.950			0.000	0.000	28.950	0.000	28.950	100.00%
Sablefish Fixed Gear (AI)	57.450			0.000	0.000	0.019	0.000	0.019	0.03%
Yellowfin Sole	1,806.000			30.440	434.878	3.389	0.000	468.707	25.95%
Other species	353.736	161.424	5.000	117.733	96.997	75.909	0.000	290.639	56.97%
Non Specific Reserve	206.424		156.424						
4B Halibut (lbs)	836,000			0	82,605	450,528	0	533,133	63.77%
4C Halibut (lbs)	101,500			0	9,132	87,972	0	97,104	95.67%
BS Opilio (lbs)	245,856	2,223		0	247,013	0	0	247,013	99.57%
BB Red King Crab (lbs)	125,151			0	0	0	0	0	0.00%
Prohibited Species									
Halibut (MT)	75.460			2.610	4.081	12.928	0.000	19.619	26.00%
Baridi Zone 1 (#s)	19,110			9	0	0	0	9	0.05%
Baridi Zone 2 (#s)	51,233			6	0	6	0	12	0.02%
Opilio Tanner Crab (#s)	78,300			8	0	0	0	8	0.01%
Red King Crab (#s)	2,110			0	0	0	0	0	0.00%
Chinook Salmon (#s)	416			221	0	51	0	272	65.38%
Other Salmon (#s)	473			0	0	352	0	352	74.42%

C. Compliance

Two fishery violations involving APICDA's harvesting participants occurred in the third quarter. On July 21, 2002, Atka Pride Seafoods failed to send in an IFQ/CDQ Shipment report. NMFS enforcement classified this violation as a reporting error. Atka Pride Seafoods paid a \$750 fine and submitted the corrected shipment report.

The F/V *Stardust* was sited by NMFS enforcement for a "no transit zone" violation. This violation occurred while the vessel was on route to fish area 4B CDQ halibut.

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	\$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.