



**Aleutian Pribilof Island Community Development Association**

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# **2001 Multi-Species CDQ Fourth Quarter Report**

**for the**

# **Aleutian Pribilof Island Community Development Association**

**January 30, 2002**

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## **I. Quarterly Highlights**

APICDA's employment goal for 2001 is to provide at least 80 jobs for APICDA residents. By the conclusion of the fourth quarter, a total of 352 job positions (134 discrete individuals) had been filled by APICDA and CDQ residents, generating wages of \$345,005 for the quarter and \$1,901,792 since the first of the year.

Four individuals attended various vocational education or specialized training programs during the fourth quarter, bringing the year's total to thirty-two scholarships.

Thirty-one individuals used APICDA higher education scholarships during the fourth quarter of the year. Each scholarship is in the amount of \$5,000 for the school year. A total of \$119,920 in higher education scholarships on behalf of APICDA residents was expended in 2001.

APICDA completed its Bering Sea "C/D" season pollock fishery during the fourth quarter. Over 99% of APICDA's allocation was harvested. PSC catch year-to-date consisted of less than four metric tons of halibut, 410 Chinook salmon, 241 non-Chinook salmon, and 10 crab.

The Area 4C halibut fishery in St. George was completed in the third quarter. A total of 97,000 pounds, approximately 96% of the allocation, was harvested. Production was lower in 2001 due to poor weather conditions throughout the fishing season.

The Area 4B halibut CDQ fishery in Atka concluded in the fourth quarter. A total of 867,000 pounds, approximately 88% of the allocation was harvested. Production was lower than in 2000 due to poor weather condition.

APICDA successfully harvested slightly less than 100% of their 2001 Bristol Bay king crab CDQ allocation.

Bering Pacific Seafoods processed cod in September and closed for the remainder of the year in early October. Bering Pacific Seafoods will be open to purchase Pacific cod in early January 2002.

The Ugladux Lodge (formerly referred to as the Nikolski Lodge) was essentially completed in early September (a few relatively minor details remain). Some clients are scheduled for January; otherwise, the lodge will begin full operations in the spring of 2002.

The following subsidiaries operated profitably or had positive cash flows during 2001: The Dipper L.L.C., the Konrad, L.L.C., the Prowler, L.L.C., the Ocean Prowler, L.L.C., the Starbound Partnership, and the Golden Dawn, L.L.C. In addition, with one exception, each vessel in APICDA's small boat fleet (consisting of eight vessels) posted revenues greater than expenditures.

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

## II. Community Development

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

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

1.) Employment: APICDA's employment goal for 2001 is to provide at least 80 jobs for APICDA residents. By the conclusion of the fourth quarter, a total of 352 job positions (134 discrete individuals) had been filled by APICDA and CDQ residents, generating wages of \$345,005 for the quarter and \$1,901,792 since the first of the year.

2.) Training: APICDA's goal is to provide vocational education and training assistance for any resident who desires the opportunity or needs help. During the fourth quarter, four APICDA residents attended various vocational education or specialized training programs. Total funds requested and approved were \$10,848. APICDA has awarded \$59,467 of supplemental scholarships funds to APICDA residents since the first of the year.

3.) Education: Thirty-one individuals used APICDA higher education scholarships during the fourth quarter. The scholarships totaled \$70,754. For the calendar year, 38 individuals received scholarships for a total of \$119,920. Higher education scholarships are generally \$5,000 per school year per individual.

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

5.) APICDA Vessels, Incorporated (AVI): AVI activities during the fourth quarter consisted of harvesting both IFQ and CDQ halibut and sablefish, and sport fishing charters in the near waters of Unalaska. This includes the five AP boats, the *Stardust*, the *Bonanza*, and the halibut sport charter vessel *Grand Aleutian*. The F/V *Stardust* has been fishing for CDQ and IFQ sablefish in the Bering Sea and Aleutian Islands and IFQ halibut in Area 4D. The vessel completed a halibut-tendering contract with Puffin Seafoods in early August and continued to fish for Aleutian Island CDQ black cod and Area 4B and 4C CDQ halibut. The M/V *Grand Aleutian* had no activity in the fourth quarter.

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

7.) Atka Pride Seafoods (APS) Activities: APS commenced operations in May. By the conclusion of the fourth quarter, the total harvest was 867,694 pounds (of this amount, the local fleet harvested 666,896 pounds, with the remainder of the harvest coming from

lease operations). Poor weather conditions kept the local, small boat fishermen off the grounds for long periods of time this year. Additionally, local fishermen reported that the presence of mothership cod operation, supported by several catcher vessels, (normally not seen in the area) resulted in reductions in halibut catch rates. Payment to fishermen and fish processing workers, most of whom are local Atkans or western Alaskans, total approximately \$1.8 million for the year. The fish deliveries to Atka have generated over \$30,000 in local raw fish taxes for the year.

8.) Puffin Seafoods, L.L.C.: St. George fishermen, fishing for Puffin Seafoods, started fishing in mid-June and shut down the operation in early August. The fish were tendered to St. Paul, where Trident Seafoods handled the processing. The local fleet harvested a total of 84,049 pound (83% of their allocation) of halibut CDQ. Production was down due to poor weather conditions throughout the fishing season.

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

10.) OceanLogic, L.L.C.: OceanLogic will be installing their Electronic Logbook (ELB) on several vessels in Unalaska for beta testing in January. The company is planning to conclude beta testing in the spring and begin marketing the ELB for the remainder of the season and beyond.

OceanLogic completed their first version of the vessel verification system software (VVS) in late May. The company is currently in the process of gaining approval from NMFS enforcement to use the VVS as an alternative or backup to the expensive but required vessel monitoring system (VMS).

APICDA Joint Ventures, Inc., also acquired complete ownership of OceanLogic during the fourth quarter.

11.) Bering Pacific Seafoods, L.L.C. and the Barge Dipper: Bering Pacific Seafoods processed Pacific cod during September and early October before closing for the remainder of the year. BPS will reopen in January to process Pacific cod.

12.) Ugladux Lodge: The Ugladux Lodge (formerly referred to as the Nikolski Lodge) was essentially completed in early September (a few relatively minor details remain). Some clients are scheduled for January; otherwise, the lodge will begin full operations in the spring of 2002.

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

## **B. Outreach**

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

APICDA hosted its third annual Community Outreach Conference on April 25 and 26. Representatives from the local government, the village corporation, and the local traditional council or IRA from each of APICDA's eligible communities attended the conference. Also attending were the APICDA board and staff, representatives of the state of Alaska, some of APICDA harvesting partners, and various private sector entities from the APICDA region. The purpose of the conference was to discuss the future of APICDA, its subsidiaries, its impact upon each of the villages, and the goals and desires of the villages. A total of fifty-nine people participated. The fourth annual conference is tentatively schedule for mid-April, 2002.

APICDA staff produced, and mailed out a September, 2001 newsletter, to all APICDA residents, CDQ partners, and various agencies associated with APICDA and the CDQ program.

APICDA's Human Resource department is actively recruiting APICDA and CDQ residents for available positions and anticipated future positions with APICDA, APICDA subsidiaries, and APICDA harvesting partners. Management traveled to our communities in the fourth quarter to recruit community members for positions currently available as well as gather base line data for a "Job Bank" program that is being developed. All communities were visited except for Atka (poor weather conditions).

## C. Employment

### CDQ Local Resident Employment for Fourth Quarter, 2001 and Year-to-Date

	Quarter		Year-To-Date		Year-To-Date
	Positions	Wages	Positions	Wages	Discrete People
Management/Admin	20	\$157,625	80	\$537,971	23
CDQ A/B Season	0	0	18	174,887	18
CDQ C/D Season	7	38,616	9	48,331	3
Other Fishing	44	133,129	179	884,347	72
Internships	0	0	7	11,318	4
Other Employment	10	15,635	59	244,938	23
Totals	81	\$345,005	352	\$1,901,792	143
Quarterly Discrete People	76	Yearly Discrete Positions	320	Yearly Discrete People	134

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 fourth quarter. **Appendix 17** provides a complete list of Alaska Residents employed by APICDA and subsidiaries in the fourth quarter.

### Summary

**Management/Administrative:** During the fourth quarter, there were twenty 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 \$157,625 (or \$537,971 for the year).

**Direct Employment from CDQ Pollock Fishing:** There were seven CDQ residents employed in pollock fishing and/or processing operations at-sea on the *C/P Starbound* during the quarter. Total wages were \$38,616 for the quarter, or \$223,218 for the year.

**Other Fishing:** Forty-four CDQ residents (42 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*; eight APICDA residents generated earnings from the Bering Pacific operation; thirty APICDA residents, and one non-APICDA CDQ resident, were

employed at Atka Pride Seafoods in a variety of processing and harvesting jobs; one APICDA resident was employed in conjunction with Puffin Seafoods; and, three APICDA residents participated in tendering/fishing operations for Trident Seafoods in Akutan. Total wages for all other fishing activities for the fourth quarter were \$133,129 and \$884,347 for the year.

Other Employment: Ten CDQ residents (nine from APICDA communities) were employed in a variety of non-direct fishery activities, including the gear storage warehouse in Nelson Lagoon, construction projects directly related to APICDA CDP projects, and other activities. Total wages generated for the fourth quarter were \$15,635 and \$244,938 for the year.

Interns: Three APICDA residents participated in APICDA's summer college intern program. Total wages generated were \$11,318.

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 examples, shown below are summaries of payments made during the first through fourth quarters resulting from Bering Pacific Seafoods operations in False Pass and Atka Pride Seafoods in Atka. BPS employed ninety-seven individuals total through the fourth quarter; of these, fourteen were False Pass residents, forty were Alaska residents from non-CDQ communities, and forty-three were non-Alaska residents. In addition, BPS purchased Pacific cod and/or salmon from 95 different vessels through the fourth quarter; many of these vessels employed CDQ community residents and other Alaska residents.

### Bering Pacific Seafoods:

Category	1st Quarter	2nd Quarter	3 <sup>rd</sup> Quarter	4th Quarter	Total
Salmon Marketing Tax	\$ 0	\$ 89	\$ 0	\$ 0	\$ 89
State Raw Fish Tax (3%)	16,311	9,844	3,235	995	30,385
Aleutians East Borough Tax (2%)	10,874	6,562	2,157	663	20,256
City of False Pass Tax (2%)	11,250	6,755	2,157	663	20,825
ASMI Tax (.3%)	1,631	984	323	100	3,038
Total Fish Purchases	547,705	328,143	107,827	33,166	1,016,841
City of False Pass Berthing Fees	9,519	0	0	0	9,519
City of False Pass Warfage	2,781	5,613	1,518	3,668	13,580
Total Employee Wages	239,735	145,856	99,924	66,142	551,657
Rent	3,674	45,300	66,274	48,482	163,730
Utilities	3,588	5,194	10,188	7,032	26,002
Fuel	22,144	80,768	15,106	31,956	149,974
<b>Total</b>	<b>\$ 869,212</b>	<b>\$ 635,109</b>	<b>\$308,709</b>	<b>\$192,867</b>	<b>\$2,005,896</b>

### Atka Pride Seafoods:

Category	Total
City of Atka Tax (2%)	\$ 15,883
State Raw Fish Tax (3%)	23,825
Total Fish Purchases	764,161
Total Employee Wages	230,306
Utilities	15,760
Fuel	30,053
<b>Total</b>	<b>\$ 1,079,988</b>

## D. Training & Education

### Training and Education for Fourth Quarter, 2001 and Year-to-Date

	Quarter		Year-To-Date	
	People	Expenditures	People	Expenditures
<b>Scholarships</b>				
Post Secondary	31	0	38	\$119,920
Vocational	4	\$10,848	32	59,467
<b>Voc-Tech Classes</b>				
Basic	0	0	0	0
Advanced	0	0	0	0
<b>Other Training</b>				
Fisheries Related	0	0	0	0
Student Loans	0	0	0	0
CDQ Staff/Board	5	2,719	17	15,061
Other	0	0	0	0
<b>Other Expenditures</b>				
To Educational Institutions	0	0	0	0
Education Endowment Funds	0	0	0	0
Community Conference	0	0	49	44,733
Fish Association Grants	N/A		N/A	120,000
School Grants	N/A	17,985	N/A	17,985
Miscellaneous Grants	N/A		N/A	8,264
<b>Total</b>	<b>40</b>	<b>\$31552</b>	<b>136</b>	<b>\$385,430</b>

### Summary

1.) Vocational Education: During the fourth quarter, four individuals attended various vocational education or specialized training programs. For the year, APICDA awarded \$59,467 in scholarship funds to thirty-two APICDA residents

2.) Higher Education: Thirty-one individuals used APICDA higher education scholarships during the fourth quarter of the year. Each scholarship is in the amount of \$5,000 for the school year. A total of \$119,920 in higher education scholarships on behalf of APICDA residents has been spent this calendar year.

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

they continue to maintain eligibility for higher education scholarships. Eventually, interns could be offered full-time positions with APICDA or its subsidiaries.

Three APICDA residents participating in the Summer Intern Program in the year 2001. Two individuals worked at the Museum of the Aleutians in Unalaska, and one individual had an internship with Altman, Rogers & Company, accountant firm, in Anchorage. Total wages paid out were \$11,318.

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 Fishermen Association grants in the amount of \$20,000 yearly to each of the eligible communities. These grants provide seed money to the associations for projects and other expenses generated by a business. A total of \$120,000 has been awarded through the fourth quarter.

The Miscellaneous Grant program is available for projects in the community that otherwise do not fit within 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. A total of \$8,264 was distributed through the fourth quarter.

The School Grant is available to schools in each of the eligible communities. A total of \$6000 per year is available. Three grants were awarded in the year 2001 totaling \$17,985.

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

3.) Schedule for Next Quarter: The next APICDA board meeting will be in January, 2002.

## **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 from the fourth quarter:

Numbers	Technical or Substantial	Description	Date Submitted	Date Approved
TA#19	Technical	Add a vessel - Ocean Rover	10/12/00	10/13/00
TA#20	Technical	Pollock Transfer to CVRF	10/31/00	10/31/00
SA#21	Substantial	Atka Mackerel Transfer From YDFDA	10/31/00	11/07/00
SA#22	Substantial	Atka Mackerel Transfer from CVRF	10/31/00	11/07/00
SA#23	Substantial	Turbot Transfer to NSEDC	11/03/00	11/07/00
SA#24	Substantial	Sharpchin/Rougheye Transfer from YDFDA	11/10/00	11/13/00
SA#25	Substantial	CAI Atka Mackerel Transfer to NSEDC	11/16/00	11/17/00
SA#26	Substantial	Sharpchin/Rougheye Transfer to NSEDC	11/27/00	11/28/00

## **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 fourth quarter. The following table is a report on all species harvested. The *C/P Starbound* harvested the majority of APICDA's pollock, with 976 metric tons harvested by the *C/P American Triumph*.

	CDQ Allocation	Metric Tons Harvested				Target Fishery Information	
		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	YTD Harvest	% of Target Harvest
A/B Season	7,840.000	6,851.593	983.783			7,835.376	
C/D Season	<u>11,760.000</u>			8,267.457	3,482.400	<u>11,749.857</u>	
Total	19,600.000					19,585.233	99.38%
<b>Bycatch</b>							
Sablefish, Trawl - BS		0.002	0.000	0.190	0.218	0.410	0.00%
Sablefish, Trawl - AI		0.000	0.000	0.000	0.000	0.000	0.00%
Pacific Cod		31.088	11.273	2.727	3.201	48.289	0.25%
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		0.004	0.000	0.290	0.004	0.298	0.00%
Yellowfin sole		0.073	0.000	0.000	0.388	0.461	0.00%
Rock sole		11.582	2.262	0.298	0.218	14.360	0.07%
Greenland Turbot BS		0.049	0.005	0.991	0.437	1.482	0.01%
Greenland Turbot AI		0.000	0.000	0.000	0.000	0.000	0.00%
Arrowtooth flounder		1.919	0.016	1.655	2.075	5.665	0.03%
Flathead sole		20.060	2.008	4.891	6.025	32.984	0.17%
Other flatfish		0.301	0.001	2.792	1.280	4.374	0.02%
True POP - BS		0.000	0.000	0.872	0.695	1.567	0.01%
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	0.012	0.000	0.012	0.00%
AI Sharpchin/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	0.000	0.022	0.026	0.052	0.00%
Other rockfish - AI		0.000	0.000	0.000	0.000	0.000	0.00%
Other species		7.825	1.830	2.168	0.718	12.541	0.06%
TOTAL		6,924.500	1,001.178	8,284.365	3,497.685	19,707.728	100.00%
<b>PSQ Bycatch</b>							
PSQ Red King Crab Zone 1		0	0	0	0	0	0.00%
PSQ Baridi Tanner Zone 1		3	0	0	0	3	0.02%
PSQ Baridi Tanner Zone 2		0	9	0	0	9	0.05%
PSQ Opilio Tanner Crab		6	4	0	0	10	0.05%
Halibut mortality		0.858	0.042	2.403	0.517	3.820	0.02%
PSQ Chinook		318	11	24	57	410	2.08%
PSQ Non-Chinook salmon		0	0	201	40	241	1.22%

Pacific Cod CDQ Harvest: The 2001 Pacific cod CDQ fishery was concluded late in the fourth quarter. Approximately seventy-five percent of APICDA's annual Pacific cod has been harvested. The F/V *Prowler*, *Bering Prowler*, and *North Cape*, harvested APICDA's Pacific cod.

	CDQ Allocation	Metric Tons Harvested				Target Fishery Information	
		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	YTD Harvest	% of Target Harvest
Pacific Cod	2,256.000	85.838	779.251	0.000	836.193	1,701.282	84.30%
<b>Bycatch</b>							
Sablefish, FG - BS		0.000	0.000	0.000	0.020	0.020	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		0.000	0.028	0.000	0.000	0.028	0.00%
Yellowfin sole		0.000	0.000	0.000	0.030	0.030	0.00%
Rock sole		0.043	0.815	0.000	0.036	0.894	0.04%
Greenland Turbot BS		0.000	0.254	0.000	0.234	0.488	0.02%
Greenland Turbot AI		0.000	0.000	0.000	0.000	0.000	0.00%
Arrowtooth flounder		0.311	2.268	0.000	5.753	8.332	0.41%
Flathead sole		0.355	2.075	0.000	3.212	5.642	0.28%
Other flatfish		0.000	0.271	0.000	0.087	0.358	0.02%
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	0.310	0.000	0.044	0.354	0.02%
AI Sharpchin/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	0.157	0.000	0.085	0.242	0.01%
Other rockfish - AI		0.000	0.000	0.000	0.000	0.000	0.00%
Other species		9.234	127.051	0.000	57.672	193.957	9.61%
<u>Non-Pollock Quota BS</u>		<u>2.740</u>	<u>31.030</u>	<u>0.000</u>	<u>72.781</u>	<u>106.551</u>	<u>5.28%</u>
<b>TOTAL</b>		<b>98.521</b>	<b>943.510</b>	<b>0.000</b>	<b>976.147</b>	<b>2,018.178</b>	<b>100.00%</b>

**PSQ Bycatch**

Halibut mortality	0.097	2.841	0.000	4.300	7.238	0.36%
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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 fourth quarter, APICDA received a total of 2,374 metric tons of Atka mackerel and related bycatch from CVRF, YDFDA, CBSFA, and BBEDC combined. These transfers, including APICDA's allocation, represents 46 percent of the total Atka mackerel 2001 CDQ allocation. The F/T *Seafisher* harvests APICDA's Atka mackerel and Pacific Ocean Perch.

	CDQ Allocation	Metric Tons Harvested				Target Fishery Information	
		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	YTD Harvest	% of Target Harvest
Total Atka Mackerel	3625.400	0.000	3071.191	389.724	248.325	3709.240	77.29%
Totals by Areas:							
WAI	1,464.900	0.000	1046.981	302.607	248.325	1597.913	33.30%
CAI	1,768.000	0.000	1645.787	87.117	0.000	1732.904	36.11%
EAI	392.500	0.000	378.423	0.000	0.000	378.423	7.89%
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		0.000	192.517	3.953	11.392	207.862	4.33%
Yellowfin sole		0.000	0.000	0.000	0.000	0.000	0.00%
Rock sole		0.000	0.634	0.010	0.258	0.902	0.02%
Greenland Turbot BS		0.000	0.000	0.000	0.000	0.000	0.00%
Greenland Turbot AI		0.000	6.849	0.000	0.000	6.849	0.14%
Arrowtooth flounder		0.000	5.076	4.180	6.739	15.995	0.33%
Flathead sole		0.000	0.056	0.000	0.000	0.056	0.00%
Other flatfish		0.000	0.265	0.039	0.000	0.304	0.01%
True POP - BS		0.000	0.000	0.000	0.000	0.000	0.00%
WAI POP		0.000	205.253	68.269	13.512	287.034	5.98%
CAI POP		0.000	77.356	53.671	0.000	131.027	2.73%
EAI POP		0.000	131.591	0.000	0.000	131.591	2.74%
BS other red rockfish		0.000	0.000	0.000	0.000	0.000	0.00%
AI Sharpchin/Northern		0.000	118.733	100.436	15.552	234.721	4.89%
AI Shortraker/Rougheye		0.000	2.284	12.374	0.000	14.658	0.31%
Other rockfish - BS		0.000	0.000	0.000	0.000	0.000	0.00%
Other rockfish - AI		0.000	3.222	2.180	1.337	6.739	0.14%
Other species		0.000	12.849	3.424	2.870	19.143	0.40%
Non-Pollock Quota BS		0.000	29.948	2.010	1.168	33.126	0.69%
<b>TOTAL</b>		<b>0.000</b>	<b>3839.017</b>	<b>640.270</b>	<b>301.153</b>	<b>4799.247</b>	<b>100.00%</b>

#### PSQ Bycatch

Halibut mortality	0.000	2.390	0.111	0.561	3.062	0.06%
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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

## CDQ Crab Harvest

Opilio CDQ Harvests: All of APICDA's opilio CDQ was harvested in the first quarter. Unless additional allocations are received, this fishery is complete for the year. Vessels participating in the opilio harvest were the *Farwest Leader*, and *Billikin*.

Bristol Bay Red King Crab: The Bristol Bay red king crab CDQ fishery occurred during the fourth quarter. Slightly less than 100% of APICDA's allocation was harvested. Vessels participating in the harvest were the *Farwest Leader*, *Royal Viking*, and *Golden Dawn*.

	CDQ	Metric Tons Harvested				YTD	
	Allocation	1st Qrt.	2nd Qrt.	3rd Qrt.	4th Qrt.	Harvest	% of Harvest
Opilio Crab	187,807	189,302	0	0	0	189,302	100.8%
Bristol Bay King Crab	111,172	0	0	0	110,912	110,912	99.77%

Halibut Harvesting: A total of 876,694 pounds of Area 4B halibut was harvested by the conclusion of the fourth quarter. Of this amount, 666,896 pounds was harvested by local Atka fishermen and the remainder by outside vessels. Poor weather conditions (higher winds than normal) kept local, small boat fishermen off the grounds for long periods this year.

In St. George, a total of 97,103 pounds of Area 4C halibut was harvested (84,089 pounds by local fishermen and the remainder by the F/V *Stardust*, owned by AVI). Weather conditions played a major role in the reduced production by the small boat fleet. The fishery ended in early August.

### Halibut CDQ Harvest

	Allocation (lbs)	Harvest (lbs)	% of Allocation	Remaining Allocation (lbs)
Area 4B	982,000	867,694	88.36%	114,306
Area 4C	101,500	97,103	95.67%	4,397
Total	1,083,500	964,797	89.04%	118,703

Sablefish Harvesting: Sablefish CDQ fishing in the Bering Sea increased during the third quarter as we begin to fish using pots. Three vessels harvested CDQ sablefish for APICDA in the third quarter. The F/V *Guiding Star* harvested the majority of APICDA's Bering Sea CDQ sablefish allocation. Difficulty in obtaining CDQ observers was the limiting factor that curtailed harvests in both the Bering Sea and Aleutians for the skipper of the *Guiding Star*. The *Guiding Star* is an Unalaska vessel. We are particularly pleased with the results of fishing sablefish with pots and anticipate expanding that effort next year.

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

since 80% of the catch historically occurs inside state waters. This issue needs to be addressed by the state. In effect, current state regulation precludes a CDQ sablefish fishery.

<b>Sablefish</b>	<u>Allocation (lbs)</u>	<u>Harvest (lbs)</u>	<u>% of Allocation</u>	<u>Remaining Allocation (lbs)</u>
Bering Sea	51,587	43,192	83.73%	8,395
Aleutian Islands	124,008	7,403	5.97%	116,605
Total	175,595	50,595	28.81%	125,000

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

**Pollock Harvested by Non-Pollock Vessels:**

	<u>Harvest(mt)</u>	<u>Retained (mt)</u>	<u>Discarded (mt)</u>	<u>% Retained</u>
Fixed Gear	106.552	75.703	30.849	71.05%
Trawl Catcher Processor	33.126	31.593	1.533	95.37%
Total	139.678	107.296	32.382	76.82%

**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	123
Trawl Catcher-Processor	5	12	0	0	0
Trawl Catcher Vessel	0	0	0	0	0
<b>Total</b>	<b>5</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>123</b>

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

Species	2001 CDQ Allocation	Trans In	Trans Out	Metric Tons Harvested				YTD Harvest	Percent of Allocation
				1st Qtr	2nd Qtr	3rd Qtr	4th Qtr		
Atka Mackerel									
Eastern 541	175.500	217.000		0.000	378.455	0.029	0.004	378.488	96.43%
Central 542	756.000	1,012.000	30.000	0.000	1,640.309	92.595	0.000	1,732.904	99.71%
Western 543	627.900	1,145.000	170.000	0.000	1,046.630	302.958	248.325	1,597.913	99.69%
Arrowtooth	198.120	20.000		2.230	7.720	7.938	14.995	32.883	15.08%
Other Flatfish	525.000	2.000		0.301	0.537	3.879	0.319	5.036	0.96%
Flathead Sole	600.000	2.000		20.415	4.139	5.287	9.237	39.078	6.49%
Turbot (BS)	84.400			0.049	0.853	5.091	0.689	6.682	7.92%
Turbot (AI)	33.280	8.000		0.000	7.403	0.000	0.000	7.403	17.93%
Pacific Cod	2,256.000	171.000	50.000	116.926	981.854	12.097	852.332	1,963.209	82.59%
Pollock BS	19,600.000			6,851.593	983.783	8,267.457	3,482.400	19,585.233	99.92%
A/B Season	7,840.000			6,851.593	983.783	0.000	0.000	7,835.376	99.94%
C/D Season	11,760.000			0.000	0.000	8,267.457	3,482.400	11,749.857	99.91%
Pollock AI	28.000			0.000	0.000	0.000	0.000	0.000	0.00%
Non- Pollock Quota - BS	N/A			2.740	31.030	0.000	72.782	106.552	N/A
Non- Pollock Quota - AI	N/A			0.000	29.948	2.010	1.168	33.126	N/A
Pacific Ocean Perch (BS)	23.400			0.000	0.000	1.015	0.552	1.567	6.70%
Pacific Ocean Perch (AI)									
Eastern 541	65.400	78.000		0.000	131.591	0.000	0.000	131.591	91.76%
Central 542	57.600	67.000		0.000	81.765	49.262	0.000	131.027	105.16%
Western 543	106.800	187.200		0.000	188.588	84.934	13.512	287.034	97.63%
Other Red Rockfish BS	2.300			0.000	0.000	0.322	0.044	0.366	15.91%
Sharpchin/Northern (AI)	151.800	120.000	15.000	0.000	114.744	104.425	15.552	234.721	91.40%
Shorthead/Rougheye (AI)	14.960	6.760		0.000	2.284	13.032	0.005	15.321	70.54%
Other Rockfish BS	6.750			0.004	0.305	0.024	0.111	0.444	6.58%
Other Rockfish AI	11.730	2.500		0.000	3.195	2.286	1.337	6.818	47.91%
Rock sole	1,350.000	2.000		11.625	3.706	0.115	0.512	15.958	1.18%
Sablefish Trawl (BS)	10.030			0.002	0.000	0.190	0.218	0.410	4.09%
Sablefish Trawl (AI)	11.280			0.000	0.000	0.000	0.000	0.000	0.00%
Sablefish Fixed Gear (BS)	23.400			0.000	2.468	17.124	0.020	19.612	83.81%
Sablefish Fixed Gear (AI)	56.250			0.000	1.207	2.151	0.536	3.894	6.92%
Yellowfin Sole	2,373.000			0.073	0.000	0.000	0.418	0.491	0.02%
Other species	304.164	259.796		17.059	141.787	10.393	61.996	231.235	41.00%
Non Specific Reserve	251.796		251.796					251.796	100.00%
4B Halibut (in lbs)	982,000				141,037	643,348	83,309	867,694	88.36%
4C Halibut (in lbs)	101,500				9,972.5	87,130.5	0	97,103	95.67%
BS Opilio	187,807			189,302	0	0	0	189,302	100.80%
BB Red King Crab	111,172			0	0	0	110,912	110,912	99.77%
<b>Prohibited Species</b>									
Halibut (MT)	75.400			0.955	5.273	2.305	5.378	13.911	18.45%
Bairdi Zone 1 (#s)	14,235			3	0	0	0	3	0.02%
Bairdi Zone 2 (#s)	35,708			0	9	0	0	9	0.03%
Opilio Tanner Crab (#s)	78,300			6	4	0	123	133	0.17%
Red King Crab (#s)	2,110			0	0	0	0	0	0.00%
Chinook Salmon (#s)	461			318	11	24	57	410	88.94%
Other Salmon (#s)	473			0	0	201	40	241	50.95%

### **C. Compliance**

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

### **D. Other Fishing Issues/Activities**

There were no other fishing issues or activities.

**Table 1  
Akutan Milestones**

Project	Completion Date	Status
Identify funding for harbor.	2004	\$1 million commitment by APICDA and \$2 million by AEB. Permitting underway.
Complete species/production identification plan, complete harvest and marketing plans, and complete corporate structure for seafood company.	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.
Continue to identify cost efficiencies to minimize operating losses.	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.	2002/3	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 (each year)	Continuing.
Establish higher education scholarship funding levels and identify recipients.	Spring (each year)	Ongoing.
Continue implementation of Small Vessel Acquisition Program.	Fall (each year)	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.

### Other APICDA Milestones (continued)

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

### 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.