

I. QUARTERLY HIGHLIGHTS

1st Quarter 2001

- Implemented a new management structure: President/CEO, Chief Operating Officer and Chief Administrative Officer
- Hired Dorothy Wilson as Chief Operating Officer
- Finalized Purchase of an additional crave vessel, F/V Cascade
- Began due diligence on purchase of additional halibut IFQ's
- Increased non-fisheries voc/tech funding from 10% to 20%
- Began advertising for a Chief Administrative Officer
- Set scholarship award amount for 2001-2002 in the amount of \$115,740.00
- Hired LGL, biological consulting firm, for management of BBSRI

II. COMMUNITY DEVELOPMENT

A. Progress Towards Goals, Objectives, Milestones

ADMINISTRATION

1 *Maintain effective and efficient Board of Directors.*

1.1 Review board activities annually

- 1.1.1 Review policies, procedures, articles and bylaws:
No Activity during the first quarter. A policy committee meeting is scheduled to take place during the second quarter.
- 1.1.2 Review committee and officer positions:
Elections of officers and committee appointments are scheduled annually during the November meeting.
- 1.1.3 Review and revise board calendar:
The 2001 board calendar was reviewed and adopted at the November 2000 Annual meeting. The 2002 task and meeting calendar will be presented during the fourth quarter of 2001.
- 1.1.4 Conduct board training:
Staff is in the process of planning for a strategic planning session to take place for the Board and staff during the third quarter.

1.2 Develop and maintain strategic and annual plans

- 1.2.1 Review long range strategic plan and modify as needed:
As stated in 1.1.4, staff is in the process of organizing a strategic planning session during the third quarter of 2001.
- 1.2.2 Approve annual operating plan and budget:
The 2001 annual operating plan and budget were approved at the November 2000 Annual meeting. The 2002 plan and budget will be considered during the fourth quarter of 2001.
- 1.2.3 Monitor progress of annual operating plan:
This task is ongoing and is monitored by management staff on a daily and monthly basis. All management staff provides the Board of Director's with a monthly activity report. All activities are tracking as planned.

2 *Maintain effective and efficient staff and administration*

2.1 Review and maintain policies and procedures

- 2.1.1 Review job descriptions:
All job descriptions, staff structure, and personnel and board policies and procedures will be reviewed at the May 2001 Board meeting.
At the November 2000 Annual meeting, the Board of Directors adopted a President/Chief Executive Officer concept for managing the organization. The previous Executive Director position was eliminated and replaced by the Chief Operating Officer position. The Deputy Director position became the Chief Administrative Officer. These changes will become effective upon the hiring of the COO during the first quarter of 2001.
- 2.1.2 Review staff structure:
See 2.1.1 above. During the fourth quarter of 2000, the Board and Executive Committee conducted an intensive review of the existing staff structure and adopted a new management style outlined in 2.1.1 above. This new management structure has been fully implemented during this quarter.

2.2 Recruit and retain skilled staff

- 2.2.1 Perform staff evaluations:
Staff evaluations take place regularly as annual anniversary dates occur.

3 *Maintain budgeting, financial planning and reporting and financial controls*

3.1 Allocate royalty income

- 3.1.1 Allocate all royalties, 50% to ASIF, 45% to Operations, 5% to Scholarship Trust:
All Royalty funds continue to be allocated in the manner outlined in the CDP.

3.2 Prepare annual budgets

- 3.2.1 Develop consolidated and detailed budgets annually:
This objective is satisfied annually at the November meeting. The 2001 Operating, CIF, Scholarship and BBSRI Budgets were approved during the November 2000 meeting.

Additionally, a CIF budget amendment was submitted during the first quarter and was subsequently approved both by the State, NMFS and the BBEDC Board of Directors.

3.3 Prepare monthly and quarterly financial statements

- 3.3.1 Prepare and review monthly and quarterly financial statements:
Quarterly financial statements (as well as monthly statements) are prepared in a timely manner and reviewed by management. The Finance and Audit committee and Full Board review quarterly statements at their scheduled meetings.

3.4 Review fund manager's performance annually

- 3.4.1 Review fund manager's performance:
The investment portfolio is monitored continuously and an annual report was made available to the Finance and Audit committee and Board of Directors meetings in May. Quarterly reports are also made available to the Finance and Audit committee members.

3.5 Prepare annual audit and approve

- 3.5.1 Prepare and approve annual audit/agreed upon procedures:
Staff will present the FY 2000 Audited financial statements and Agreed Upon Procedures to the Board of Directors at their May 2001 meeting.
- 3.5.2 Review and approve auditors:
At the May 2001 Board meeting, appointment of the FY 2001 auditing firm will be made.

4 *Meet all regulatory requirements*

4.1 Prepare quarterly reports

- 4.1.1 Prepare and file quarterly reports:
The First Quarter 2001 Report was filed with the State in a timely manner.

4.2 Prepare annual report and audit

- 4.2.1 Prepare and file annual report and audit:

The 2001 "Annual" Report will be included in the consolidated Fourth Quarter 2001 report to the State in January of 2002. The 2000 Audit will be submitted to the State after Board review and approval at the May 2001 Board meeting.

4.3 Maintain Community Development Plan

- 4.3.1 Prepare and submit updates and changes to CDP as needed: BBEDC management submits technical and substantial amendments periodically whenever necessary. See Confidential Section IV, B. Amendment Status, for more information.

COMMUNITY DEVELOPMENT

5 Manage CDQ's to maximize benefit to BBEDC and limit bycatch

5.1 Provide oversight and management of all CDQ fishing

- 5.1.1 Maintain active CDQ fishery management: BBEDC's Fisheries Quota Manager is in regular contact with all CDQ harvesting and processing partners to assure full prosecution and compliance with CDQ quotas. The Quota Manager also monitors each CDQ fishery while in progress.

5.2 Support and maintain real-time management system

- 5.2.1 Maintain real-time management system: In 1998, BBEDC joined with several other CDQ groups and contracted with Sea State to monitor CDQ catch, bycatch and PSQ on a real time basis. This relationship has continued into FY 2001.

5.3 Review and approve annual CDQ fishing plans

- 5.3.1 Review and approve Arctic Storm CDQ Fishing Plan: The 2001 Fishing Plan was received and approved during the first quarter of 2001.
- 5.3.2 Review and approve Bristol Leader CDQ Fishing Plan: The 2001 Fishing Plan was received and approved during the first quarter of 2001.
- 5.3.3 Review and approve North Pacific CDQ Fishing Plan: The 2001 Fishing Plan was received and approved during the first quarter of 2001.
- 5.3.4 Review and approve Kaldestad CDQ Fishing Plan: The 2001 Fishing Plan was received and approved during the first quarter of 2001.
- 5.3.5 Review and approve Icicle CDQ Marketing Plan: The 2001 CDQ Marketing Plan with Icicle was received and approved during the first quarter of 2001.

5.4 Hold annual review meeting with CDQ partners

- 5.4.1 Arctic Storm Annual Mtg/Review Royalty and Employment Agreements: The Arctic Storm Annual Meeting took place in December 2000 in Anchorage, Alaska. The 2001 Annual Meeting is expected to take place again in the fourth quarter this year.
- 5.4.2 Bristol Leader Annual Mtg/Review Royalty and Employment Agreements:

The Annual Meeting with Bristol Leader group took place during the first quarter in Seattle with the COO, lead consultant and Quota Manager in attendance.

- 5.4.3 North Pacific Annual Mtg/Review Royalty and Employment Agreements: The Annual Meeting with North Pacific took place during the first quarter in Seattle with the COO, Lead Consultant and Quota Manager in attendance.
- 5.4.4 Kaldestad Annual Mtg/Review Royalty and Employment Agreements: The Annual Meeting with Kaldestad took place during the first quarter in Seattle with the COO, Lead Consultant and Quota Manager in attendance.
- 5.4.5 Icicle Annual Mtg/Review Royalty and Employment Agreements: The Annual Meeting with Icicle took place during the first quarter in Seattle with the COO, Lead Consultant and Quota Manager in attendance.

5.5 Manage 4E halibut fishery to maximize benefits to residents

- 5.5.1 Manage fishery to maximize benefits to residents:
During the first quarter staff widely advertised the availability of 4E CDQ halibut permits to residents. The deadline for applications is set for April 13, 2001. This provided a 6-week application period. Solicitation efforts included notifications to every CDQ community village, city and tribal offices. All BBEDC Board members were sent the notification as well as advertisements on local cable TV stations, newspaper ads, flyer and posters. Additionally the local radio stations carried announcements and staff regularly contacted the public radio station KDLG and make announcements on the live air show, Open Line.
- 5.5.2 Facilitate the establishment of stable markets for 4E Halibut:
Staff was successful in obtaining commitments from Woodbine Alaska Fish Company and Togiak Fisheries to provide commercial markets for the local halibut fleet this quarter.

Unfortunately Capilano Pacific will not be actively participating in the commercial buying of halibut this season.

Other contacts were made to local processors, but they did not commit to buying halibut.
- 5.5.3 Hold Workshops to enhance good fishing practices, limit bycatch and hook loss:
Staff will be coordinating at least two workshops to take place prior to the fishery commencing sometime during the second quarter.

5.6 Work continuously with other CDQ groups on harvesting issues

- 5.6.1 Work with other CDQ groups on CDQ harvesting issues:
BBEDC's Fisheries Quota Manager is in regular contact with other CDQ group FQM's to discuss, evaluate and streamline harvesting issues the groups face. A considerable amount of time was spent this quarter working with other CDQ Quota Managers to resolve some of the "other species" quota shortages that may affect the efficient prosecution of the cod and other quotas.

B. OUTREACH

6 Maintain and improve outreach and communications

6.1 Provide quarterly newsletter to all residents/entities

6.1.1 Distribute quarterly newsletter:

BBEDC staff produced and distributed a quarterly edition of the “BBEDC Tide, for information that flows” Newsletter during the first quarter and sent it to 2,650 individuals, communities, groups and regulatory agencies. BBEDC Board and staff regularly evaluate the newsletter for effectiveness, information and evaluate suggestions from the public.

BBEDC is discovering that the general public in the region do read the quarterly newsletter. The amount of questions, job and training inquiries greatly increases immediately after the mailing of the newsletter. Staff periodically uses hidden questions and prizes in the newsletter to entice residents to open and read the information that is contained in it, in an effort to keep residents informed of activities of BBEDC.

6.2 Maintain informational bulletin board in each community

6.2.1 Update information monthly:

BBEDC Sub-Regional Technicians in the three sub regions and staff keep the “Opportunities” bulletin boards up to date in each community. BBEDC also utilizes tribal council and city offices to post notices on a regular basis. The regional radio station, KDLG, is used weekly to keep residents informed of opportunities and news related to BBEDC.

6.3 Prepare and distribute Annual Activities Report

6.3.1 Prepare and distribute Annual Activities Report:

Staff members and a graphic design contractor met several times during the first quarter of 2001 to layout the 2000 Annual Report to the public. Although we intended to have the public annual report distributed by the end of the first quarter, the current workload for the staff prevented this from happening. However, we are continuing to refine the content and layout and will be fulfilling this objective during the second quarter.

6.4 Maintain an Internet web page for BBEDC

6.4.1 Offer a website with current BBEDC information:

BBEDC staff periodically updates their web page, www.bbcdc.com, in an effort to provide information to the public and other interested entities. BBEDC Quarterly reports are also made available on the web page. Staff is working on adding job, training and scholarship applications on the web site to accommodate interested persons.

6.5 Travel to CDQ communities to promote BBEDC activities and projects

6.5.1 Attend community meeting with IRS, BBNA, Job Fairs, etc.:

During the first quarter BBEDC participated in community or agency meetings with the following entities:
State Dept. of Labor, REDI Conference participants on a monthly basis;
Bristol Bay Native Association, Administration and Workforce Development divisions;
Dillingham City and Southwest Regional School Districts, Career Fair planning;
Participated in Career Fairs in Dillingham and King Salmon;

Southwest Alaska Voc/Education Center Board meeting;
UAF, Bristol Bay Campus;
IRS, Bristol Bay Crew.

6.6 Advertise projects, training, employment, scholarship opportunities in communities

6.6.1 Send out flyers, radio, cable announcements periodically:
During the first quarter the following items were advertised in the region through flyers, radio announcements, faxes to community offices, Board member weekly mail-outs and cable advertisements:

- Applications available, 4E Halibut fishery
- Chief Operating Officer position opening
- Chief Administrative Officer position opening
- Grant Writer/Manager position opening
- Icicle Seafood's processing positions for Opilio
- Icicle Seafood's processing positions for Herring
- Arctic Storm Office Internship position opening
- Dillingham Career and Job Fair
- Seafood Processor Training announcement

6.7 Promote the interests of the CDQ program

6.7.1 Represent CDQ interests at NPFMC and IPHC meeting and other forums: BBEDC has representation at all meetings that affect the organization, region, residents or fisheries. Board member Robin Samuelsen sits on the NPFMC, Board member Hazel Nelson serves on the NPFMC-Advisory Panel and BBEDC representatives attend IPHC, Alaska Board of Fisheries and other related forum meetings that impact the region.

During the first quarter, President/CEO Robin Samuelsen spend in excess of 35 days attending and advocating for western Alaska salmon interests at the marathon Board of Fisheries meetings held in Anchorage.

6.7.2 Promote CDQ's and their continuance:
One of BBEDC's long-term goals is to preserve and extend the CDQ program well into the future. Staff is constantly monitoring issues concerning the promotion of new CDQ's and extension of the current program. At the Boards May 1999 meeting a decision was made to adopt a pro-active role in the protection and continuation of the CDQ program. Promotion of the CDQ program in ongoing effort undertaken by BBEDC.

7 Provide Work Readiness training through Education Initiative

7.1 Develop and implement Work Readiness curriculum for regional school districts

7.1.1 Implement Work Readiness program in classroom:
Each of our four school districts has implemented a Work Readiness/ STW curriculum to some extent. Some districts are definitely farther than others,

however each district is making progress. Some students from SWRSD and LPSD participated in the “Choices” program. BBEDC is working with BBBSD and DCSD to have their middle school students participate in the program before the school year ends. BBEDC helped plan a teacher training on March 2nd and provided a presenter (Ron Gleason) to provide in-service training to all the teachers, administration, and staff of BBBSD. The training focused on integrating work readiness skills into the classroom. Effective learning practices, performance standards, and projects tied to partnerships were also emphasized. Three teachers from LPSD also attended the training. The teachers that attended gave positive feedback and all felt that the training was helpful.

7.2 Continue to refine and individualize curriculum

7.2.1 Make program suitable for individual community needs:
Refinement and individualization of the work readiness curriculum continues. Representative from each district attended Anchorage School District’s Vocational, & Tech Ed conference to find ways to improve their individual districts STW/Work Readiness programs. Some of the Districts are implementing curriculum from NCCER that teaches middle school students about different careers in the construction industry.

7.3 Monitor and support delivery of Work Readiness Program

7.3.1 Provide support for program delivery:
On 1/29/01 we held a Work Readiness Consortium meeting with representative from each school district in attendance, also in attendance was representative from BBNA Workforce development, the Bristol Bay Campus, Shawn Asplend from BP Exploration and Ellen Maling from the Alaska Funding Exchange. Shawn presented some ideas and opportunities for the consortium to consider, a discussion followed about developing job-shadowing activities for students on the North Slope with BP. Ellen facilitated a group discussion on “working together”, funding options and grant proposals were discussed. The districts were encouraged to work together on a grant proposal.

SWRSD and DCSD each applied for the Century 21 grant with support from BBEDC. BBEDC assisted BBBSD in developing and submitting Century 21 grant proposal that focuses on developing and enhancing the work readiness skills of not only our student but for community members as well.

7.4 Plan for development of stable local workforce

7.4.1 Conduct regional survey of available and future jobs:
Staff continues to work on developing the “jobs” survey. One grant application to conduct the study was not funded. However, staff continues to pursue two other sources of funding to accomplish this goal. As of the writing of this report, no announcements for awards have been made. We continue to pursue funding sources to conduct the survey.

7.4.2 Develop plan for training residents and providing needed skills:

Although refinement of the plan will not occur until the “jobs” survey is completed and analyzed, staff started to work on this objective this quarter.

BBEDC in collaboration with BBNA, SWRSD, and DCSD planned and hosted a Career/Job fair in Dillingham. Student and community members had a wonderful opportunity to explore different careers and discover opportunities that are available in our region. Students attended breakout session on 9 different career clusters.

The same type of Career/Job fair was held in King Salmon this quarter for the L&P School District students.

- 7.4.3 Develop educational funding plan to encourage participants to return to region: Staff has started to research and develop options for consideration in enticing residents to return to the region once training and education programs are completed. More work and research needs to be done on this issue before presenting the plan to the Board for approval. BBEDC will now have a full staff to dedicated time to the development of this objective later this year, since almost all administrative and program positions are filled.

8 *Maintain in-region ownership of Bristol Bay salmon limited entry permits*

8.1 Provide for continued operation of the Bristol Bay Permit Brokerage

- 8.1.1 Fund the Bristol Bay Permit Brokerage:
BBEDC continues to fund the BBPB in its administrative budget as a project.

8.2 Retain permits in regional resident ownership

- 8.2.1 Retain 20 permits through tax counseling and brokerage services:
No permits were classified as “saved” during the first quarter.

8.3 Work with residents to resolve tax and debt problems affecting permit ownership

- 8.3.1 Contact 150 permit holders in arrears with IRS:
During the first quarter, a total of 66 resident permit holders were contacted by telephone or in person regarding IRS debt issues or problems.

Staff continues to have a close relationship with the IRS and will persist in representing clients to the best of our ability. During this quarter, staff traveled with the IRS Fish Group to Iliamna, King Salmon and Levelock. Additionally, BBEDC provided travel funds to the Alaska Business Development Center to conduct outreach and tax assistance through the VITA program to the Chignik communities and Port Heiden this quarter.

During the first quarter, BBEDC hosted the IRS team at our offices on two different trips to the region to assist residents in filing their 2000 Tax returns. In excess of 500 resident tax returns were filed during the first quarter.

- 8.3.2 Maintain working relationship with IRS and other debt agencies:

Staff continues to maintain a good working relationship with the IRS and other lending institutions advocating on behalf of resident permit holders. The following contacts were made during the fourth quarter:

- 1 regarding BIA Credit and Finance information;
- 14 regarding CFEC services or assistance required in filling out forms;
- 7 CFEC emergency transfer inquiries or actions;
- 18 regarding loan issues;
- 66 inquiries were made regarding sales or purchases of limited entry permits or vessels;
- 21 contacts were regarding other related issues.

8.4 Provide counseling and support to non-CDQ communities through grant funds

8.4.1 Provide assistance to non-CDQ community residents:

BBEDC continues to provide Brokerage contact services to non-CDQ communities through the Bristol Bay Native Associations BIA Credit and Finance grant funds. The following non-CDQ communities were serviced during the first quarter: Chignik Lake, Chignik Lagoon and Iliamna.

9 Enhance and expand regional fisheries opportunities in Bristol Bay

9.1 Develop an annual regional fisheries work plan

9.1.1 Select several initiatives annually for regional development:

The 2001 work-plan is being implemented and the Regional Fisheries Development committee met twice this quarter. In light of the dismal forecasts and market conditions for salmon in recent years, greater emphasis was placed on salmon (specifically sockeye) strategies and market development and underutilized species development. Several of the committees' priorities were refined and plans for a trip to Europe to establish sockeye markets was reviewed. Committee member Steven Angasan will accompany two BBEDC consultants to develop relationships and establish test markets in the UK.

The BBEDC Board will allow the committee to utilize funds to purchase Bristol Bay sockeye for such test markets as described above.

9.1.2 Implement annual fisheries development priorities:

Work is being accomplished on a number of priorities described below.

9.2 Investigate and identify under-utilized species

9.2.1 Perform test fisheries in various areas of Bristol Bay:

The RFD Committee recommended to the BBEDC Board that the selected resident from last year be allowed to conduct an early cod jig test fishery this season. If you recall, the selected test fisher for 2000 suffered an injury and was unable to fulfill his obligations. In an effort to cut costs and save time, the Board authorized not re-advertising the test fishery and re-awarding the bid to a Naknek resident.

Plans and preparation began this quarter to conduct the test fishery. Actual prosecution of the test fishery will take place during the second quarter.

- 9.2.2 Perform survey of surf clam zone:
This project is on hold until the impact of the MARAD regulations are more fully understood and the impacts on this project can be evaluated.
- 9.2.3 Continue product and market research on identified and possible commercial species:
BBEDC continues to look at markets for such species as snails and other products. Although BBEDC will continue to research the possible production and marketing of salmon fish oil and other products, significant need to refocus on the sockeye marketing efforts has taken priority. However, investigative work on developing bait products for longline and other groundfish will be ongoing throughout the year.

Once the results from the cod jig test fishery are analyzed, additional work in this area may be conducted.

9.3 Develop value-added products and new markets for existing fisheries in Bristol Bay

- 9.3.1 Investigate market opportunities:
This is an ongoing process and now with our past participation in Capilano Pacific, specific market identification can be put to the test. BBEDC was successful in convincing the Orvis Company (a sporting goods and high end housewares company with \$500 million in sales) to continue to carry our Bristol Bay *Wildfish* smoked salmon in its widely circulated consumer catalogue after their announcement to reject further use of farmed product because of ecological concerns. BBEDC continues to work with Orvis to expand their product line to include other Bristol Bay salmon species. Additionally, development work began this quarter regarding pilot sockeye programs with a major high-end retailer in the UK. Two consultants will accompany a regional fisheries committee member on a salmon introduction trip to Europe early in the second quarter.
- 9.3.2 Promote emphasis on quality of Bristol Bay salmon:
A small project to promote regional name identification and improve quality was conducted in partnership with Capilano Pacific last year. Capilano successfully implemented our contract for installing slush ice systems on a number of local boats in 2000. Four boats were successfully converted, and quality results were very positive. As a result, this project was again approved and budget for 2001 and will include other processors into the program. Research is also continuing in regard to protecting the "Bristol Bay" region name for products generated from the area.
- 9.3.3 Explore value-added and shoulder season opportunities in-region:
In 1999, BBEDC started the process of development of a design for a self-contained processing facility for preparing H&G and fillet salmon. The time line for the completion of the project was delayed due to non-performance of the contractor.

Another contractor was identified and retained during the third quarter to fulfill BBEDC's desire to have a "plan-in-a-can" model available to resident entrepreneurs to use for containerized mini-plants, specifically for value added

salmon projects. All blue print drawings were completed late in 2000 as well as the model. Since the finished model is fragile, one of BBEDC's consultants hand carried it to Dillingham for board review during their first quarter of 2001 Board meeting. The Board and staff are please how this project has developed.

Plans to distribute the financial information and pictures of the plant to participating communities will take place during the second quarter. BBEDC is also reviewing a draft "How to start a Fishing Business" plan compiled by AFDF and UAF to be used to enhance the program. The Regional Business and Infrastructure Development programs also compliment this project and will all be made available to the CDQ communities for consideration. The newly created Infrastructure Matching Fund may also play a role in the participating communities plans for the development of mini processing plants in their villages.

9.4 Promote Arctic Surf Clam Alaska Inc.

9.4.1 Continue efforts to win regulatory approval for projects:
See 9.2.2

9.4.2 Maintain ongoing discussions between BBEDC and Clearwater Seafood's:
See 9.2.2

10 *Develop program for Sustainable Flatfish*

10.1 Non Profit-Active / Community Development Project

10.1.1 Research and develop the markets for CDQ flatfish:
No activity this quarter.

10.1.2 Work to improve the overall harvest and royalty return for CDQ flatfish:
This in an ongoing activity that the Fisheries Quota Manager closely monitors and continually works on.

10.1.3 Research and develop harvest techniques that would reduce bycatch:
No activity this quarter.

10.1.4 Endeavor to establish working relationships with other CDQ groups:
This in ongoing, as the Quota Manager is in weekly, if not daily, contact with other CDQ groups and their FQM's to share information and refine harvesting abilities.

11 *Provide professional planning assistance for regional business and infrastructure projects*

11.1 Provide professional team to offer technical assistance

11.1.1 Advertise availability of business and infrastructure technical assistance:
In an effort to conduct outreach in CDQ communities, the technical assistance team attempted to travel to Ekwok and Manokotak during the first quarter to provide information and conduct financial planning workshops. However, soft runways and weather prevented them from actually meeting with the residents in person. Rescheduled travel plans to present are ongoing.

Plans are in the works to provide these workshops in three additional communities on business development and BBEDC's programs during the second quarter of 2001. The communities of Togiak, Naknek and South Naknek are being scheduled.

New brochures were developed this quarter to better advertise the program to residents and communities. The Technical Assistance Team also participated in the AVI Small Business Development Conference held for villages in Anchorage in early March in an effort to make contacts and advertise BBEDC programs.

- 11.1.2 Provide technical assistance for development of business and infrastructure proposals:
The following projects are ongoing and are being followed up during the first quarter of 2001:

Technical assistance continues to be provided to the community of Naknek regarding their interest in developing a processing plant; the community of Togiak regarding their interest in a fresh fish project; and a South Naknek regarding a residents interest in a small processing facility.

With the assistance of BBEDC, the Naknek processing plan project did receive the grant they applied for in late 2000. The RDA Mini-grant funds were approved for their first step in acquiring a processing facility. This grant will allow Naknek to initiate a training program for seafood sanitation/handling. This would bring the users of the facility current with DEC regulations and prevent the plant from being closed and the permits being lost from not following the regulations.

The program is receiving more and more interest from the communities and residents. This program was again budgeted for the year 2001.

11.2 Provide for professional review of funding requests

- 11.2.1 Review funding requests and make recommendation to the BOD:
No activity this quarter.

12 "Jump start" in-region businesses

12.1 Provide a regional business fund for investment in approved business proposals

- 12.1.1 Maintain a \$500,000 fund balance from ASIF income each year for possible investment:
This item was budgeted for 2001.

12.2 Provide financial support for approved proposals

- 12.2.1 Review, approve and invest in recommended proposals when feasible:
Not applicable at this time.

12.3 Monitor businesses receiving BBEDC financial support

- 12.3.1 Monitor activities of business where BBEDC has financial participation:
Not applicable at this time.

13 *Jump start in-region infrastructure development*

13.1 Provide a regional infrastructure fund to help finance approved infrastructure proposals

- 13.1.1 Maintain a \$500,000 fund balance in reserves each year for possible investment:
This was budgeted for in the 2001 budget.

13.2 Provide matching funds for approved proposals

- 13.2.1 Review, approve and provide matching funds for recommended proposals when feasible:
The first project was approved at the May 2000 Board of Directors Meeting. Matching funds have not been distributed by the end of this quarter, but are identified for funding in 2001.

13.3 Provide \$100,000 per community in matching funds during allocation cycle

- 13.3.1 Advertise Program:
Since the late CDP approval process followed the new year, staff plans on promoting this program through advertisements, meetings and letters to qualified communities during the second and subsequent quarters.
- 13.3.2 Review Applications:
See 13.2.1. No other applications have been submitted during the first quarter.
- 13.2.3 Award Funding to projects that meet criteria:
One award was pre-approved in the fourth quarter of 2000. This was the City of Egegik's proposal to purchase the local electric utility from a private owner. As of this writing, a request for the matching funds has not been received.

13.4 Monitor proposals receiving BBEDC financial support

- 13.4.1 Monitor approved proposals for completion and operations:
Not applicable at this time.

14 *"Learn, Practice, Do" Marketing and Sales*

14.1 Marketing and sales goals

- 14.1.1 Revise existing Partner Royalty Agreements to provide for more frequent and detailed
Information pertaining to sales planning and monitoring:
When BBEDC met with its harvesting and processing partners at the beginning to this quarter, the request for more frequent and detailed marketing information was discussed and agreed.
- 14.1.2 Diversion of product from partner's sales channel to different markets, if applicable:
Work is just beginning on this objective and will continue to be developed as the year progresses.
- 14.1.3 Investigate the potential utility of providing financing that could permit partners the ability to approach new markets and/or develop new product:
Work is just beginning on this objective and will continue to be developed as the

year progresses.

- 14.1.4 Research investment opportunities in marketing:
BBEDC invested in Capilano Pacific, Qsea and Swiftsure Seafoods. The latter are custom or reprocessing businesses with marketing components included, as is CP. BBEDC will continue to refine and investigate investment opportunities in the marketing arena.
- 14.1.5 Undertake projects to enhance the image & reputation of regional seafood products:
This project is ongoing. BBEDC has made significant progress in the area through the investment in Capilano and will continue to develop relationships with potential markets for regional products. See section 9.3 for additional information.
- 14.1.6 Consider formation of standing Marketing and Sales Committee of BBEDC's Board of Directors to guide and monitor the new initiative:
No activity this quarter. BBEDC anticipates discussing this objective later in the year.

15 *Manage the Capital Investment Fund to provide revenues to BBEDC in perpetuity*

15.1 Manage CIF to provide max. return within established investment policy.

- 15.1.1 Monitor fund to insure adequate performance:
This is done on a monthly basis by staff and Investment Managers.
- 15.1.2 Reserve funds to meet one year debt service payments:
This item is budgeted in the 2001 approved CIF budget.
- 15.1.3 Reserve funds to meet cash call requirements of investments:
This item is budgeted in the 2001 approved CIF budget.

15.2 Invest in opportunities that meet ASIF investment criteria

- 15.2.1 Identify potential investment options in Schedule of Investments:
This objective was satisfied late in 2000 with the submission of BBEDC CDP, including the schedule of investments.
- 15.2.2 Update Schedule of Investments as needed:
BBEDC is diligent in submitting plan amendments and keeping the CDP up to date with current and anticipated investment information.
- 15.2.3 Search and investigate seafood industry investment opportunities:
This is an ongoing task for BBEDC staff and consultants. New investment opportunities are evaluated and presented to the Board for consideration on a regular basis.
- 15.2.4 Perform due diligence on potential investments:
BBEDC conducts in-depth due diligence on all investments prior to investment.
- 15.2.5 Present investments meeting CIF criteria to Board for action:
This is an ongoing task for BBEDC staff and consultants. New investment opportunities are evaluated and presented to the Board for consideration on a regular basis.

15.3 Invest in opportunities that meet CIF investment criteria

- 15.3.1 Obtain state and federal approval for board approved investments:

BBEDC is diligent and consistent in obtaining state and federal approval of investments before proceeding with the investment. This is standard practice for BBEDC.

15.3.2 Close on approved investments:

Following the approval process, BBEDC is consistent in following through with investments that meet the CIF investment criteria.

INVESTMENTS

16 *Monitor seafood industry investments for performance and profitability*

16.1 **Monitor Arctic Fjord Inc. investment**

- 16.1.1 Monitor financial performance on a quarterly/annual basis:
BBEDC staff monitors performance on a quarterly basis.
- 16.1.2 Attend yearly Board of Director's meeting:
The yearly meeting was held in early February. Robin Samuelson attended the day-long meeting as BBEDC's representative this quarter.
- 16.1.3 Maintain ongoing discussion between BBEDC and ASI:
Frequent discussions are held with ASI staff and BBEDC staff. The BBEDC Quota Manager is in daily contact with the partner during CDQ fishing times.
- 16.1.4 Monitor investment performance return of 8.5% annually over time to meet the Post CDQ Transition Plan goals in Part One, Section V of CDQ:
A dividend was declared at the Annual Meeting for FY ending 9-30-00. See Confidential section.

16.2 **Monitor Neahkahnne LLC investment**

- 16.2.1 Monitor financial performance on a quarterly/annual basis:
This is done through a review of the financial information.
- 16.2.2 Attend Board of Director's meeting:
This meeting was held at the same time as 14.1.2.
- 16.2.3 Maintain ongoing discussion between BBEDC and ASI:
See 14.1.3.
- 16.2.4 Monitor investment performance return after payment to previous owner is complete/2006:
See Confidential section.
- 16.2.5 Acquire additional co-op shares as available and prudent:
The Arctic Fjord, through the efforts of the off shore Co-op, did acquire additional shares in late 1999.

16.3 **Monitor Bristol Leader Fisheries LLC investment**

- 16.3.1 Monitor financial performance on a quarterly/annual basis:
Financial information is reviewed on a monthly and quarterly basis.
- 16.3.2 Attend Management Committee meetings:
Two representatives from BBEDC attend and participate in all meetings. An in-person meeting was held during the first quarter with four BBEDC representatives in attendance.
- 16.3.3 Maintain ongoing discussions between BBEDC and ALF:
Regular communications are ongoing between the CEO or COO and the ALF management. In addition, the Quota Manager communicates constantly during CDQ fishing with the Fleet Manager.
- 16.3.4 Monitor investment performance return of 8.5% annually over time to meet the Post CDQ Transition Plan goals in Part One, Section V of CDP:
See Confidential section.

16.4 **Monitor Bristol Mariner, Nordic Mariner and Northern Mariner LLC investments**

- 16.4.1 Monitor financial performance on a quarterly/annual basis:
Quarterly financials are reviewed on a routine basis.

- 16.4.2 Attend Management Committee meetings:
One representative from BBEDC attends and participates in all meetings of the Management Committee.
- 16.4.3 Maintain ongoing discussions between BBEDC and KMLLC:
Staff is in frequent contact with Kevin Kaldestad on issues of importance.
- 16.4.4 Monitor investment performance return of 8.5% annually over time to meet the Post CDQ Transition Plan goals in Part One, Section V of CDP:
See Confidential section.

16.5 Monitor halibut IFQ's

- 16.5.1 Review and update lease agreements to maximize profits and enhance longline vessel investments:
The fishing plan for IFQ's for 2001 has been developed and implemented.
Lease agreements are in place.
- 16.5.2 Monitor market performance for lease price:
This is done on a routine basis to insure maximum return on investment.
- 16.5.3 Monitor investment performance return of 7% annually over time to meet the Post CDQ Transition Plan goals in Part One, Section V of CDP:
See Confidential section.

16.6 Monitor sablefish IFQ's

- 16.6.1 Review and update lease agreements to maximize profits and enhance longline vessel investments:
The fishing plan for IFQ's for 2001 has been developed and implemented.
Lease agreements are in place.
- 16.6.2 Monitor market performance for lease price:
This is done on a routine basis to insure maximum return on investments.
- 16.6.3 Monitor investment performance return of 7% annually over time to meet the Post CDQ Transition Plan goals in Part One, Section V of CDP:
See Confidential section.

16.7 Monitor Capilano Pacific LLC

- 16.7.1 Monitor performance on a quarterly/annual basis:
Financials are monitored on a monthly basis.
- 16.7.2 Attend Management Committee meetings:
Two representatives from BBEDC attend and participate in all management committee meetings.
- 16.7.3 Maintain ongoing discussions between BBEDC and Capilano:
Discussions are held almost on a daily basis with management and staff of Capilano.
- 16.7.4 Monitor recruitment of Bristol Bay fishermen:
Ten Bristol Bay resident fishermen were recruited for the 2000 salmon season. At least five residents were recruited for Herring season and as many as 30 residents for the 4E Halibut season. This exceeds the three-year goal in a one year time period.
- 16.7.5 Monitor investment performance return of 8.5% annually over time to meet the Post CDQ Transition Plan goals in Part One, Section V of CDP:
See Confidential section.
- 16.7.6 Provide loan guarantees for Capilano inventory, receivables, & operating lines as needed and prudent:

The National Bank of Alaska agreements are in place with BBEDC as guarantor.

- 16.7.7 Closely monitor production costs, inventory, receivables, cash flow, sales & other relevant factors to minimize risk to BBEDC from guaranteeing loan:
During the 2000 season BBEDC retained the services of a long time fishery expert to provide daily monitoring of the activities and this relationship continues through FY 2001.
- 16.7.8 Provide internship opportunities in Capilano organization as available:
No internship positions will be made available in 2001. Two residents filled positions in 2000.

C. EMPLOYMENT

1st Quarter 2001 (please refer to section C.1 and C.2 below)

17 *Provide employment for Bristol Bay residents*

17.1 Provide employment opportunities with CDQ fishing partners

- 17.1.1 Place a total of 120 entry/advanced hires with Arctic Storm vessels:
- 17.1.2 Place a total of 12 entry level hires with North Pacific Fishing if available:
- 17.1.3 Place a total of 6 entry level hires with Bristol Leader Fisheries if available:
- 17.1.4 Place a total of 4 entry level hires with Kaldestad Fisheries if available:

17.2 Provide employment in advanced positions with CDQ fishing partners

- 17.2.1 Track advancement of BBEDC residents on North pacific vessels:
- 17.2.2 Track advancement of BBEDC residents on Bristol Leader vessels:
- 17.2.3 Track advancement of BBEDC residents on Kaldestad vessels:
- 17.2.4 Track advancement of BBEDC residents in Icicle employment:

C. Employment Form
1st Quarter
January 1 - March 31, 2001

	<u>Quarter</u>	<u>Qtr.</u>	<u>Year to Date</u>	<u>YTD</u>	<u>Year to Date</u>
	Positions/Trips	Wages	Positions/Trips	Wages	People
<u>BBEDC Management/Admin</u>	13	139,047.98	13	139,047.98	12
<u>CDQ Pollock Related (AS/AF)</u>					
A/B SEASON	96	251,969.79	96	251,969.79	32
C/D SEASON					
Yellow Fin					
Hake Trips					
Shipyard	4	2,802.54	4	2,802.54	4
<u>Other Employment</u>					
Arctic Storm Recruiter	1	11,472.28	1	11,472.28	1
<u>Long Line Fishing</u>					
Alaskan Leader					
Bristol Leader	1	1,660.51	1	1,660.51	1
<u>Crab Fishing</u>					
Bristol Mariner	1	8,973.09	1	8,973.09	1
Nordic Mariner					
Other Vessels	1	7,691.52	1	7,691.52	1
<u>Bottom Fishing</u>					
North Pacific Fishing	5	46,336.76	5	46,336.76	5
<u>Other Fishing Employment</u>					
4E Halibut Fishing					
Icicle Seafood's	5	11,259.07	5	11,259.07	5
<u>Internships</u>					
Arctic Storm Vessel					
Arctic Storm Office	2	6,114.26	2	6,114.26	2
Icicle Seafood's Office	1	2,935.13	1	2,935.13	1
North Pacific Fishing	1	6,091.78	1	6,091.78	1
Icicle Vessel/Plant/Shipyard	1	43.50	1	43.50	1
ADF&G					
In-house Office	1	369.00	1	369.00	1
Alaskan Leader Vessel	1	9,750.00	1	9,750.00	1
Bristol Leader Vessel	2	15,900.00	2	15,900.00	1
Specialized Interns					
Other Interns	2	4,682.36	2	4,682.36	2
TOTALS:	138	\$527,099.57	138	\$527,099.57	72

C. 2 Employment Summary

A/B Season	Thirty-two (32) residents were hired as processors during the A/B Pollack season filling 96 positions, 4 of those remained on and worked shipyard. 1 employment recruiter was employed during 1 st quarter.
Alaskan Leader	There were no regular employees on this boat during 1 st quarter.
Bristol Leader	One (1) resident was employed during 1 st quarter.
Crab Fishing	Kaldestad employed two (2) residents who fished Opilio during 1 st quarter but will not be paid until 2 nd quarter.
Bottom Fishing	Fishermen's Finest employed five (5) residents were employed during 1 st quarter.
4E Halibut fishing	No halibut activity in the 1 st quarter.
Other Employment	Icicle employed five (5) residents as processors in the 1 st quarter

Internships

- Arctic Storm vessel** There were no vessel internships on this boat during 1st quarter.
- Arctic Storm office** One (1) resident from Naknek finished her internship in February and was replaced by a resident from Togiak. Wages earned in December 2000 were reported on this report.
- Icicle Seafood's
Icicle Vessel/Ship** One (1) resident from Dillingham is working as office intern.
One (1) resident from Dillingham worked briefly as a vessel intern until medical reasons caused her to quit
- N. Pacific Fishing** One (1) resident was granted a 6-month extension onto her internship, which will end July 6th, 2001. She is taking a college class at the University of Washington on Sustainable Fisheries.
- Alaska Leader** One (1) resident worked as a galley intern during 1st quarter. Wages for a galley intern that were earned in the 4th quarter /2000 were paid in this quarter.
- Bristol Leader** One (1) resident interned as oiler/wiper and one (1) resident as galley during the 1st quarter. Wages for and oiler/wiper intern that were earned in the 4th quarter/2000 were paid in this 1st quarter.
- Specialized Interns** None this quarter.
- Other Interns** One (1) intern continues her internship at Bristol Bay Campus and one (1) resident completed his internship at the Commercial Fisheries and Agriculture Bank in Anchorage.

D. TRAINING

1st Quarter 2001 (please see Section D.1 and D.2 below)

18 *Develop the human resource potential of Bristol Bay residents through vocational training*

18.1 Provide Adult Basic Education and General Education Diploma training

18.1.1 Provide ABE training for up to 150 residents:

18.1.2 Provide GED training for up to 16 residents:

18.2 Provide basic vocational technical training in-region

18.2.1 Provide basic voc-tech training for up to 40 residents:

18.2.2 Hold training in individual communities when possible:

Dillingham, Naknek, King Salmon and Koliganek all received training in their communities this quarter.

18.3 Provide advanced vocational technical training in approved programs

18.3.1 Provide advanced voc-tech training for up to 5 residents:

18.4 Provide internships in-region in various settings

18.4.1 Place at least 2 interns with ADF&G:

18.4.2 Place at least 1 intern in BBEDC's office:

18.4.3 Place at least 2 interns with businesses/agencies:

18.4.4 Provide internship opportunities in Capilano Organization as available:
See section 16.7.8.

18.5 Provide vocational training opportunities to non-CDQ community residents

18.5.1 Provide vocational training opportunities as funding is available:

An Overview of Computer Applications course was provided to 9 participants in Koliganek this quarter, who earned 1.8 college credits through BBEDC's sponsorship.

18.6 Provide training opportunities with CDQ fishing partners

18.6.1 Place at least 10 interns on Arctic Storm vessels:

18.6.2 Place at least 2 interns in offices or other settings with Arctic Storm:

18.6.3 Place at least 3 interns in office or other settings with Icicle Seafood's:

18.6.4 Place at least 3 interns in support operations with Icicle Seafood's:

18.6.5 Place at least 2 interns in offices of NPFI, BLF, or KFL:

D. TRAINING**1. Data Form**

TRAINING DATA
January 1 to March 31,2001
1st Quarter 2001

	<u>Quarter</u>		<u>Year to Date</u>	
	People	Expenditure	People	Expenditure
<u>Scholarships</u>				
Post-secondary	0	0	0	0
Administration		12,000.00		12,000.00
<u>Voc-Tech Classes</u>				
Advanced Vocational	10	6,600.00	10	6,600.00
Basic Vocational	87	11,870.00	87	11,870.00
Fisheries Related	3	4,163.41	3	4,163.41
<u>Other Training</u>				
CDQ Staff/Board	5	320.00	5	320.00
ABE/GED	58	0	58	0
GED Diplomas Earned	(9)	0	(9)	0
<u>Other Expenditures</u>				
Drug Testing				
<u>Internships</u>				
Arctic Storm Vessel	0	0	0	0
Arctic Storm Office	2	4,742.56	2	4,742.56
Icicle Seafood's Office	1	4,253.22	1	4,253.22
Icicle Vessel/Plant/Shipyard	0	0	0	0
North Pacific Fishing Office	1	4,768.22	1	4,768.22
ADF&G	0	0	0	0
In-house Office	1	0	1	0
Alaskan Leader Vessel	1	1,865.73	1	1,865.73
Bristol Leader Vessel	1	620.36	1	620.36
Specialized Interns	0	0	0	0
Other Interns	2	550.00	2	550.00
TOTAL	172	\$51,753.50	172	\$51,753.50

D. 2. Training Summary

Scholarships

Post-secondary	No activity during this quarter.
Administration	The annual administrative contract fee was paid to BBNA this quarter.

Vocational-Technical Classes

Advanced Voc.	Seven (7) residents received their hazwopper certificates: three (3) residents are continuing their Office Technology training at AVTEC and should be graduating on May 24 th , 2001.
Fisheries Related	One (1) resident completed one month of Seafood Technology training which earned her 12 certificates in value added processes of fish: one (1) resident received his Seamen's 100 ton certificate: one (1) resident continues his heavy diesel mechanics training and should complete in 6 months.
Basic	Eighty-seven (87) residents completed college courses/training in various computer courses, supervisory and money management. Of these 9 residents participated in a Computer course in the non-CDQ community of Koliganek.
CDQ Staff Board	Five of our administration staff completed 'Group Facilitation' and 'Presenting Yourself Effectively' training, however we were only billed for the conference room fee and not for the instructor for this training.
ABE-GED	Nine (9) residents received their GED Diplomas in the 1 st quarter 2001. Forty-nine others remain in the ABE program working towards their GED's. Of these, 12 residents from the non-CDQ communities of Chignik, Chignik Lake, Iguigig, Kokhanok and New Stuyahok benefited from BBEDC's support of the ABE/GED program.

Internships

Arctic Storm vessel	No vessel internships during this quarter.
Arctic Storm office	Two (2) residents worked @ the Arctic Storm during 1 st quarter.
Icicle Seafood's	One (1) resident filled the Icicle Seattle office internship.
N. Pacific Fishing	One (1) resident continues an extended more advanced internship. Along with additional duties and responsibilities, this intern is taking a college course in sustainable fisheries.
Icicle Plant/Vessel	One (1) resident worked as vessel intern but had to quit due to medical.
Alaska Leader	One (1) resident worked as a galley intern during 1 st quarter.
In-House Office	One (1) resident high school student worked as intern after school.
Specialized Interns	None this quarter
Other Interns	One (1) intern continues her internship at Bristol Bay Campus and one (1) resident completed his internship at the Commercial Fisheries and Agriculture Bank in Anchorage.

SUBSIDIARIES

19 *Provide academic scholarship program for CDQ community residents*

19.1 *Manage Harvey Samuelsen Scholarship Trust to provide growth in perpetuity*

19.1.1 *Inflation proof Trust:*

The earnings from the trust, after scholarship distributions, are used to inflation proof the trust. In addition, five percent of the royalty income is deposited in the trust account.

19.1.2 *Review Trust investment policy:*

The investment policy is reviewed each year at the May board meeting. The Trustee's will consider a more aggressive investment scheme at their next scheduled meeting set for May.

19.2 *Award scholarships annually*

19.2.1 *Award 3% of previous year's Trust balance in scholarships:*

At their February 20, 2001 meeting, the Trustee's approved the 2001 scholarship award amount. \$115,740 will be made available to qualified higher education students for the 2001-2002 academic year. Staff has been assisting the BBNA in providing applications to regional residents. The deadline to apply has been set for July 13, 2001.

19.3 *Provide management of scholarship program*

19.3.1 *Contract management of program and monitor performance:*

The scholarship program is managed in part by the Higher Education Department at the Bristol Bay Native Association. A master scholarship application is used for all scholarship programs managed by BBNA. In addition, the Higher Education Coordinator is in contact with the students on a regular basis and provides support and mentoring for them. BBEDC appoints a committee to review the applications for BBEDC scholarships and makes the scholarship awards.

Staff is continually in contact with the BBNA higher education administration at BBNA. Since the creation of the Education Initiative Coordinator position at BBEDC, a more active hands-on role has been taken regarding the scholarship program.

The 2001 Agreement is in place and the program is tracking as planned.

20 *Promote in-region scientific research and education programs*

20.1 *Establish and fund Bristol Bay Science and Research Institute*

20.1.1 *Fund program and maintain funding:*

The Bristol Bay Science and Research Institute is up and running. The BBSRI Board chose not to renew Paul Rusanowski as the Executive Director and he will complete his contract work during the second quarter. The Board entered into a contract with LGL, a biological consulting firm at the end of this quarter in an effort to cut costs and streamline the administration. This will allow more attention to be given to actual project work.

BBEDC provided a capital contribution to fund the BBSRI activities for

2001.

20.2 Implement research

20.2.1 Develop a research plan for Bristol Bay:

The newly contracted firm of LGL has been retained to first develop a short and long term project and research strategy for 2001 and beyond. The plan should be completed sometime in the third quarter and presented to the Board for review and approval.

In the interim, Paul Rusanowski will continue to work as an employee through May 2001, then finish up a few projects that are currently in progress under a contract arrangement.

20.3 Enhance work force development (Education Initiative)

20.3.1 Investigate grant programs to provide funding:

BBEDC continues to search and apply for grants to enhance the educational initiative program. Two educational grant applications were submitted in mid-to late 2000. One was a Department of Labor grant and the other was a Denali Commission application. Both were resubmitted to furnish funds to perform a job study in Bristol Bay and develop a training program for available jobs. It is unlikely that these proposals will be funded. However, Senator Stevens staff is interested in assisting BBEDC promote the US Dept. of Labor grant to the funding level. Continued work on the job study proposal will continue during 2001. Other related grants funds are also currently being explored and will continue into the next year. Two regional school districts have applied for the Century 21 grant this quarter, with support from BBEDC. These grant proposals focuses on developing and enhancing the work readiness skills of not only our students, but for community members as well.

20.3.2 Implement enrichment projects for Education Initiative:

BBEDC hired an Education Coordinator during the 2nd Quarter of 2000 to work with the 4 regional school districts in implementing the program's goals. See Section 7.3.1 for more information.

21 Provide ice machines in CDQ communities

21.1 Implement Grant Requirement

21.1.1 Completion of engineering/ordering machinery:

The EDA grant application process has proven to be extremely complex, time consuming and cumbersome. However, BBEDC has stayed the course and we have finally gotten final approval on the grant. The loan with the Division of Investments has been signed off and approved since late in 1999. Loan and Grant funds are not expected to be used until the first quarter of 2001.

RFP's were distributed to 5 engineering and machinery contractors during the first quarter. All responded with a proposal and selection of the awards for the project will occur during the second quarter. Ordering of the machinery

and community commitment of ownership will also take place during the second quarter.

21.1.2 Installation of equipment:

Staff and the selected bidder will make the arrangements to refurbish the two larger ice machines located in Dillingham and Naknek this spring. Both sites should be operational by the middle of the second quarter. The remaining 4 smaller units are scheduled for delivery and installation in the fall.

21.1.3 Monitor/support community maintenance and operation:

This will take place after the ice machines are delivered. During installation, classes will be held in each community for the workers who will maintain the equipment.

E. OTHER ISSUES

None

III. ADMINISTRATION

A. Board Activities:

1. Changes in the Board:

No changes in the Board occurred during the first quarter.

2. Substantial Decisions:

- Hired a Chief Operating Officer.
- Implemented a new management structure: President/CEO, COO and CAO.
- Solicited for Ice Machine Bids through an RFP process.
- Finalized Purchase of an additional crabber, F/V Cascade.
- Conducted due diligence on anticipated purchase of additional halibut IFQ's.
- Increased non-fisheries voc/tech funding up from 10 to 20% of available funding.

B. Amendment Status:

The following Amendments were filed and approved during the first quarter of 2001:

01-01

Sub: Purchase 40% of Cascade Mariner

11/13/00

11/14/00

11/15/00

01-02

Sub: Amendment to CIF Budget for 2001.

12/8/00

12/8/00

12/8/00

01-03

Sub: Purchase of 3A and 3B Halibut IFQ's

01-04

Tech: Transfer non-specific reserve into "other species" category

01-05

Sub: Adds Shemya and Cascade to CDP along with shoreside plants

C. Other Issues

None.

IV. HARVESTING REPORT and Processing Report

A. Target Fishery Harvest Activity 1st Quarter 2001

Pollock Harvesting Activity:



	CDQ Allocation	Metric Tons Harvested				YTD Harvest	Target Fishery Information
		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.		% of Target Harvest
A/B Season	11,760.000	5,179.160				5,179.160	99.11%
C/D Season	17,640.000						
Bycatch							
Turbot BS		0.100				0.100	0.00%
Pacific Cod		12.840				12.840	0.25%
Yellowfin sole		0.000				0.000	0.00%
Other flats		0.160				0.160	0.00%
Rock sole		12.390				12.390	0.24%
Flathead sole		14.370				14.370	0.27%
Arrowtooth		1.010				1.010	0.02%
Other species		5.480				5.480	0.10%
Sablefish, Trawl - BS		0.000				0.000	0.00%
Other rockfish - BS		0.000				0.000	0.00%
True POP - BS		0.000				0.000	0.00%
TOTAL		5,225.510				5,225.510	100.00%
PSQ Bycatch							
Halibut mortality		0.980				0.980	0.02%
PSQ Chinook		185.570				185.570	0.036
PSQ Other salmon		5.170				5.170	0.001
PSQ Bairdi Zone 1		2.730				2.730	0.001
PSQ Bairdi Zone 2		1.900				1.900	0.000

1) Summary of harvesting activities by target fishery:

During the first quarter of 2001, CDQ pollock was harvested by both the Arctic Storm and the Arctic Fjord. The Arctic Storm harvested 1,480.252 MT of Pollock from inside Critical Habitat. The Arctic Fjord harvested 3,446.586 MT of Pollock from inside Critical Habitat.

2) Summary of bycatch:

Pollock made up 99.11% of all fish, excluding PSQ, that was harvested this quarter. Fishing inside Critical Habitat during the first quarter did have some Chinook bycatch. The total estimated by the observers was 185.5 Chinook.

Pacific Cod Harvesting Activity:



	CDQ Allocation	Metric Tons Harvested				YTD Harvest	Target Fishery Information
		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.		% of Target Harvest
Cod	2,820.000	9.940				9.940	94.49%
Bycatch							
Non-Pollock Quota BS		0.150				0.150	1.43%
Other flats		0.060				0.060	0.57%
Other species		0.370				0.370	3.52%
TOTAL		10.520				10.520	100.00%
PSQ Bycatch							
Halibut mortality		0.050				0.050	0.48%

**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

1) Summary of harvesting activities by target fishery:

During the first quarter of 2001 the Bristol Leader began fishing for cod on the last day of the quarter. Cod CDQ harvests will continue into the second quarter.

2) Summary of bycatch:

Bycatch was very low.

Bering Sea Opilio Harvesting Activities:



	CDQ Allocation	Metric Tons Harvested				YTD Harvest	Target Fishery Information
		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.		% of Target Harvest
Opilio Crab	356,833	352,270				352,270	98.72%

1) Summary of harvesting activities by target fishery.

The Bristol Mariner and Northern Mariner collectively harvested our CDQ Opilio allocation. They came within 4,564 pounds of our 356,833 pound quota.

2) Summary of bycatch:

There was no bycatch data reported in the Bering Sea opilio fishery.

CDQ Transfers

Species	Metric Tons Allocated	Metric Tons Harvested YTD	% of Allocation	Transfer In	Metric Tons Harvested YTD	% of Transfer Harvested
Other Species	337.960	5.850	1.7%	114.123	0	0%
Species	Metric Tons Allocated	Metric Tons Harvested YTD	% of Allocation	(Transfer Out)	Metric Tons Harvested YTD	% of Transfer Harvested
Non-Specific Reserve	114.123	0	0%	114.123	0	0%

BBEDC transferred all of our Non-Specific Reserve into the Other Species Category.

B. Processing Report

Pollock Processing Activities

During the first quarter, the Arctic Fjord had two trips in which CDQ was harvested. The Arctic Fjord produced 690.96 Mt of surimi, 183.215 Mt of block/mince and 128.744 Mt of roe, for an overall recovery rate of 27.11%. The Arctic Storm had three days of CDQ production. They produced 300.36 Mt of surimi, 53.633 Mt of block and 38.253 Mt of roe for an overall recovery rate of 26.5%.

Pacific Cod Processing Activities

The Pacific Cod processed on the Bristol Leader and Alaskan Leader was made into both collarbone on and collarbone off product forms.

C. Compliance/Enforcement Issues

Pollock Fishery

On February 16th, 2001 the Arctic Fjord's flow scale failed. The vessel was unable to weigh two tows. The first tow was already on the vessel when the scales failed and second tow was in the water. When the scales failed, the Arctic Fjord quit fishing, hauled back the tow in the water, and proceeded to Dutch Harbor to have the scales fixed. In order to comply with IR/IU, the Arctic Fjord processed the two bags without having them weighed. Hail weights were used as the Official Total Catch. No Enforcement action was taken, nor is any action anticipated.

Pacific Cod Fishery

There was no compliance or enforcement issues reported this quarter.

Opilio Cod Fishery

There was no compliance or enforcement issues reported this quarter.

D. Other Fishing Issues/Activities

Pollock

The observers did not sample tows #76 & #77. When the flow scales became inoperable, the observers quit sampling. Regulations require that each CDQ haul be sampled. NMFS has since instructed those observers that if the flow scales fail, they are to continue sampling.

BBEDC 2001 CDQ Harvests By Quarter & Yearly Total

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	87.750						0.000	0.0%	
Central 542	378.000						0.000	0.0%	
Western 543	313.950						0.000	0.0%	
Arrowtooth	308.737			1.010			1.010	0.3%	
Other Flatfish	483.000			0.220			0.220	0.0%	
Flathead Sole	600.000			14.370			14.370	2.4%	
Turbot (BS)	92.840			0.100			0.100	0.1%	
Turbot (AI)	41.600						0.000	0.0%	
Pacific Cod	2,820.000			22.780			22.780	0.8%	
Pollock	29,400.000			5,179.160			5,179.160	17.6%	
A/B Season	11,760.000			5,179.160			5,179.160	44.0%	
C/D Season	17,640.000						0.000	0.0%	
Non- Pollock Quota - BS	N/A			0.150			0.150	N/A	
Non- Pollock Quota - AI	N/A						0.000	N/A	
Pacific Ocean Perch (BS)	27.300						0.000	0.0%	
Pacific Ocean Perch (AI)									
Eastern 541	32.700						0.000	0.0%	
Central 542	28.800						0.000	0.0%	
Western 543	53.400						0.000	0.0%	
Other POP (SRSN, BS)	1.800						0.000	0.0%	
Sharp/Northern (AI)	75.900						0.000	0.0%	
Short/Rougheye (AI)	12.240						0.000	0.0%	
Other Rockfish EBS	5.670						0.000	0.0%	
Other Rockfish AI	8.670						0.000	0.0%	
Rocksole	1,293.750			12.390			12.390	1.0%	
Sablefish Trawl (BS)	11.800						0.000	0.0%	
Sablefish Trawl (AI)	10.810						0.000	0.0%	
Sablefish Fixed Gear (BS)	34.320						0.000	0.0%	
Sablefish Fixed Gear (AI)	75.000						0.000	0.0%	
Yellowfin Sole	2,034.000						0.000	0.0%	
Other	337.960	114.123		5.850			5.850	1.3%	
Non Specific Reserve	114.123		114.123				0.000	0.0%	
4D Halibut (in lbs)	117,000						0	0.0%	
4E Halibut (in lbs)	158,340						0	0.0%	
BS Opilio	356,833			352,270			352,270	98.7%	
BB Red King Crab	N/A						0	0.0%	
Prohibited Species									
Halibut (MT)	75.460			1.030			1.030	1.4%	
Bairdi Zone 1 (#s)	13,140.000			2.730			2.730	0.0%	
Bairdi Zone 2 (#s)	34,155.000			1.900			1.900	0.0%	
Opilio Tanner Crab (#s)	71,775.000						0.000	0.0%	
Red King Crab (#s)	1,673.000						0.000	0.0%	
Chinook Salmon (#s)	646.000			185.570			185.570	28.7%	
Other Salmon (#s)	662.000			5.170			5.170	0.8%	