

## **I. QUARTERLY and Annual HIGHLIGHTS**

### **1st Quarter 2002**

- Received the following grants:  
Labor and Workforce Development grant for \$834,142.00  
Togiak High Value Marketing Grant for \$29,500  
Bristol Bay Sockeye Frozen portions for Export Markets Grant for \$30,000  
\$130,000 Regional Marketing Grant focusing on Marketing/Brand Name and Quality issues
- 4E CDQ Halibut fishery application and advertising began
- Held Strategic Planning session
- Held Quarterly Board and Committee meetings
- Advertised Outreach & Economic Development Coordinator position
- New program development for the 2003-2005 Community Development Plan
- Provided AFLAC supplemental insurance program to BBEDC employees
- Assisted IRS representatives in tax preparation and outreach
- Staff traveled to Clarks Point to attend a community meeting
- Staff visited in state higher education students
- Harvey Samuelsen Scholarship program administration brought in-house
- Formulated a Salmon Restructuring committee to address the revitalization of Bristol Bay salmon industry

## **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 changes were made to existing policies, procedures, articles and bylaws during the first quarter.

- 1.1.2 Review committee and officer positions:  
Elections of officers and committee appointments take place annually during the November meeting.
- 1.1.3 Review and revise board calendar:  
The 2002 board calendar was reviewed and adopted at the November 2001 Annual meeting.
- 1.1.4 Conduct board training:  
A two day strategic planning took place in February 2002. Board Alternatives attended the February session to better educate and inform their CDQ communities regarding BBEDC activities.

## **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 held a Strategic Planning session the second week of February.
- 1.2.2 Approve annual operating plan and budget:  
The 2002 annual operating plan and budget were approved at the November 2001 Annual meeting. Adjustments were made to the 2002 budget by the Board at their February meeting to plan for the 2003-2005 CDP and other program adjustments anticipated from the outcome of strategic planning.
- 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 2002 Board meeting. The Organizational Chart has been amended to reflect the new structure and position titles.
- 2.1.2 Review staff structure:  
See 2.1.1 above.

### **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 annual meeting. The 2002 Operating, CIF, Scholarship and BBSRI Budgets were approved during the November 2001 meeting. Some items that were not budgeted due to unknown length of the upcoming CDQ cycle, results of the CDQ Policy changes, and outcomes of strategic planning were considered during the first quarter of 2002.

### **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 February. Quarterly reports are also made available to the Finance and Audit committee members.

This policy was reviewed at the scheduled Finance and Audit Committee meeting in February 2002. No changes were made to existing investment policies.

### **3.5 Prepare annual audit and approve**

#### **3.5.1 Prepare and approve annual audit/agreed upon procedures:**

Staff prepared for the FY 2001 audit during the 1<sup>st</sup> quarter 2002. Actual audit will take place early second quarter. Both agreed upon procedures and audited financial statements will be presented to the board at their May Board meeting for their review and approval.

#### **3.5.2 Review and approve auditors:**

This action took place during the February Board meeting. KPMG was chosen as the audit group.

## **4 Meet all regulatory requirements**

### **4.1 Prepare quarterly reports**

#### **4.1.1 Prepare and file quarterly reports:**

Administration is continually working on improving the accuracy and timely submission of the Quarterly report.

### **4.2 Prepare annual report and audit**

#### **4.2.1 Prepare and file annual report and audit:**

During the first quarter, staff coordinated with the auditors to arrive in Dillingham early second Quarter to conduct the 2001 audit. Following Board approval in May, the audit will be forwarded to the state.

### **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. During the first quarter, staff developed a timeline to work on the 2003-2005 CDP as well as reviewed, and made comments to the current CDP.

## **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 2002.

### **5.3 Review and approve annual CDQ fishing plans**

- 5.3.1 Review and approve Arctic Storm CDQ Fishing Plan:  
The 2002 Fishing Plan was received and approved during the first quarter of 2002.
- 5.3.2 Review and approve Bristol Leader CDQ Fishing Plan:  
The 2002 Fishing Plan was received and approval is anticipated to take place during the second quarter of 2002.
- 5.3.3 Review and approve North Pacific CDQ Fishing Plan:  
The 2002 Fishing Plan was received and anticipated to be approved during the second quarter of 2002.
- 5.3.4 Review and approve Kaldestad CDQ Fishing Plan:  
The 2002 Fishing Plan was received and approved during the first quarter of 2002.
- 5.3.5 Review and approve Icicle CDQ Marketing Plan:  
The 2002 CDQ Marketing Plan with Icicle was received and approved during the first quarter of 2002.

### **5.4 Hold annual review meeting with CDQ partners**

- 5.4.1 Arctic Storm Annual Mtg/Review Royalty and Employment Agreements:  
The 2001 Annual Meeting took place in December with the Executive Committee and lead staff in attendance. The 2002 Annual meeting will take place in the fourth quarter.
- 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 of 2002 in Seattle with the COO, lead consultant, Board representative 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 of 2002 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 of 2002 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 2002 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 was set for April 15, 2002. 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:  
Marketing efforts continued through the 1<sup>st</sup> quarter. Consultants traveled to the U.K. made new and reestablished previous contacts in England for our fish. Bristol Bay is the emphasis, with the fish coming from Togiak and Naknek. These were good initial steps forward and can be built upon in the near future. Staff and the Regional Fisheries committee is continually seeking out halibut markets for regional fishermen.
- 5.5.3 Hold Workshops to enhance good fishing practices, limit bycatch and hook loss:

The Employment and Training Director coordinated a series of halibut training workshops utilizing local talent, an employee of a seasonal fish processing company, and the Executive Director from the newly opened Southwest Vocational Technical Center. Workshops are scheduled for Togiak, Dillingham, and King Salmon/Naknek in early 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 during the past four quarters 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.

Plans to discuss bycatch impediments and other negative deterrents to effectively prosecute the "other ground fish" species is continually being reviewed by all groups. Regularly scheduled FQM meetings are held with NMFS personnel.

## **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 outsourced a design and layout artist for the first quarter "BBEDC Tide, for information that flows" Newsletter. Staff will have the newsletter mailed out early in the second quarter. 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. Regional fisheries committee will now have a regular column to keep residents informed, specifically related to fisheries strategies that BBEDC is involved with.

#### **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. Periodically, postcards and flyers are mailed out to all CDQ resident boxholders, providing information about employment and training opportunities.

#### **6.3 Prepare and distribute Annual Activities Report**

##### **6.3.1 Prepare and distribute Annual Activities Report:**

The BBEDC annual activities report will be planned and developed during the 2<sup>nd</sup> quarter 2002 with distribution to residents to take place during the 3<sup>rd</sup> quarter. In an effort to avoid transient population, staff has opted to delay distribution until after the fishing seasons.

#### **6.4 Maintain an Internet web page for BBEDC**

##### **6.4.1 Offer a website with current BBEDC information:**

BBEDC continues to utilize a contractor to review, comment and update the web page. Changes will be made on a regular weekly or monthly basis. BBEDC staff periodically updates their web page, [www.bbcdc.com](http://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 state's web page. Staff is working on adding job, training and scholarship applications on the web site to accommodate interested persons. Staff also plans on listing links with other websites, service providers, and various scholarship opportunities to further streamline information on our web page.

## **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:

BBNA Full Board in King Salmon– Update from BBEDC Staff regarding Bristol Bay Rationalization plan  
SWAMC Winter Conference was attended by C.O.O. and Grants Manager  
DOL Seafood Employment office representatives to finalize internship program with BBEDC E/T Director

During the first quarter staff traveled to the following communities to promote BBEDC:

Recruit and support scholarship recipients in Anchorage and Fairbanks  
Travel to Manokotak and King Salmon to talk to high school seniors about employment and training and scholarship programs  
C.E.O. and C.A.O. traveled to Clarks Point to participate in a community meeting regarding the closure of Trident's shore based processing facility

Staff also traveled to Juneau this quarter to participate in the CDQ HR meetings, to Fairbanks to become familiar with the DOL grant and Anchorage numerous times for related agency meetings.

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

- 6.6.1 Send out flyers, radio, cable announcements periodically:  
During the first quarter several opportunities for employment, training, scholarships, and halibut applications were advertised in the region through flyers, radio announcements, faxes to community offices, Board member weekly mail-outs and cable advertisements. See attached appendix – CDQ Community Outreach List

## **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 is finishing out his final term on the NPFMC while BBEDC Board member Hazel Nelson was recently nominated to receive the appointment to the NPFMC as Robin's replacement. BBEDC consultant and Fisheries Quota Manager recently attended the IPHC meeting in Seattle, and other related forum meetings that impact residents in the region.
- 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 regional school districts are facing significant budget cuts/shortfalls, as a result some districts have cut their Voc. Ed programs significantly. The full implementation of a K-12 work readiness curriculum relies heavily on each districts Voc. Ed programs as this is our avenue of implementation. BBEDC continues to work with each district in finding solutions to these barriers so that a comprehensive work readiness curriculum is implemented into each classroom. BBEDC continues to work with each school district in the implementation of a work readiness curriculum. The grant from the Department of Labor WIA, which we were recently awarded will support the implementation of our Work readiness curriculum.
- 1/18-22/02 Traveled to Anchorage to attend BBEDC's strategic planning.  
 3/4-8/02 Traveled to Anchorage and Fairbanks for campus visits to scholarship recipients  
 3/19/02 Traveled to Naknek to give a presentation at the school on the H.S. Scholarship program, and to work with youth in WIA youth grant.  
 3/21/02 Traveled to Manokotak to give a presentation at the school on the H.S. Scholarship program.  
 3/31-4/6/02 Traveled to Seward with 14 youth from our WIA youth employability program to attend a Career Exploration course at AVTEC.

Non-CDQ Benefits:

Both in-school and out-of-school youth from Nondalton and New Stuyahok continue to participate in our work readiness/employability program. The program provides basic academic skills tutoring, work-readiness training, paid work experiences, counseling, job search/development/placement, employability training, etc.

**7.2 Continue to refine and individualize curriculum**

- 7.2.1 Make program suitable for individual community needs:  
 We continue to look at ways to improve and refine the curriculum with input from the school districts.  
 As part of the ongoing development of our "Salmon Camp" program, a supplemental curriculum that will help integrate fisheries related activities into classrooms throughout the region is being developed. Professional biologists, teachers, and researchers will help in the development of this curriculum.

**7.3 Monitor and support delivery of Work Readiness Program**

- 7.3.1 Provide support for program delivery:  
 BBEDC continues to monitor the delivery of the work readiness program through frequent contact, via email, phone and in person meetings.  
 Support is offered to each district in the purchasing of materials and supplies, teacher in-service training, developing relationships with local employers and agencies, travel, and curriculum development/refinement. Our youth employability program, through grant funds from the DOL provides for basic academic skills tutoring, work-readiness training, paid work experiences, counseling, job search/development/placement, employability training, etc.. Our total award from the DOL is \$145,701.00

**7.4 Plan for development of stable local workforce**

- 7.4.1 Conduct regional survey of available and future jobs:  
 As of yet, none of our grant proposals to develop the "jobs" survey have been funded. We are currently reevaluating this project and looking at other ways to accomplish this goal. This goal will be further addressed once the "jobs" survey is completed and analyzed.
- 7.4.2 Develop plan for training residents and providing needed skills:  
 Our "Bristol Bay Comprehensive Work Readiness project" is well underway with youth from the region participating. This project focuses on youth ages 14-21 and will assist them in developing: basic academic skills needed to succeed in the workforce, occupational skills, work readiness skills, and will provide them with real life work experiences.

- 7.4.3 Develop educational funding plan to encourage participants to return to region:  
We are currently developing a student loan forgiveness plan that will entice residents to return to the region once training and education programs are complete. This plan will be included in our 2003-2005 CDP.

## **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 110 resident permit holders were contacted by telephone or in person regarding IRS debt issues or problems. Some of the fishermen are now facing multi-year deferred payments on debts and are in jeopardy of losing their permits. Staff is looking into alternate loan programs to address this problem and assist in consolidating their debts to meet the best strategy for the fishermen.

Staff continues to have a close relationship with the IRS and will persist in representing clients to the best of our ability. During the first quarter, IRS representatives traveled to Dillingham, New Stuyahok, Kokhanok, Togiak, Manokotak, Koliganek, Iliamna, Nondalton, King Salmon, Egegeik, Levelock, Clarks Point, and Ekwok took place. More than 1200 tax returns were completed for the 2001 tax year. One final outreach trip is planned in April to followup with residents who had been preparing their tax returns.

Staff has seen an alarming number of permit holders trying to sell their permits and boats due to compounding debt problems. The Permit Broker and Chief Operating Officer continue to counsel and assist fishermen in filing extension applications and discouraging permanent sales.

- 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;
  - 13 regarding CFEC services or assistance required in filling out forms;
  - 2 regarding Child Support issues;
  - 5 regarding E/T issues;
  - 110 regarding IRS issues;
  - 44 regarding loan issues;
  - 31 inquiries were made regarding sales of limited entry permits or vessels; and
  - 16 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, Chignik Lagoon, Iliamna, Kokhanok, Koliganek, New Stuyahok, Newhalen, and Nondalton.

## **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:

A review of the Board approved 2002 work-plan was conducted during the first quarter by the Regional Fisheries Committee. The RFD Committee recommended that consultant time in 2002 be focused on developing and implementing a Bristol Bay salmon strategy designed to counteract the declining market share for Bristol Bay salmon. The strategy will also create awareness of the Bristol Bay salmon species in markets which may have positive experience with Copper River salmon but have not yet been exposed to Bristol Bay King, sockeye, and silvers.

The Committee also recommended that BBEDC undertake studies of how to reduce operating costs, increase efficiency and improve profitability in the industry. These studies will include but not limited to the following:

reduction in transportation costs and improvement in transportation infrastructure and options; cooperative buying of fuel and gear; and buybacks, permit reform and other means to optimize participation levels in the fishery.

A salmon restructuring committee was formed during the first quarter to address the revitalization of the Bristol Bay salmon fishery. Industry experts and the Executive Committee will be the appointed panel members. BBEDC has contracted the BBSRI Director to be the project lead. Projected completion date of this monumental study is early first quarter 2003. Periodic updates of the progress of the study will be provided during 2002.

#### 9.1.2 Implement annual fisheries development priorities:

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

### **9.2 Investigate and identify under-utilized species**

#### 9.2.1 Perform test fisheries in various areas of Bristol Bay:

Test fisheries concluded in 2001. This milestone has been satisfied. No further reporting will be necessary.

#### 9.2.2 Perform survey of surf clam zone:

The current legislative and political environment has not provided BBEDC with the opportunity to conduct this survey. The project continues to be monitored in 2002 with little activity expected.

#### 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 and other products, significant need to refocus on the salmon marketing efforts has taken priority.

However, investigative work on developing bait products for longline and other groundfish will be ongoing throughout the year. The Regional Fisheries Committee revisited their commitment to continue to identify new markets and new product forms for regional fisheries in the first quarter.

Substantial quantities of herring and salmon carcasses are disposed of each year by our processing partners. Technology to turn this into usable bait exists. Utilizing waste for bait production is an idea that has a good chance of gaining grant funding support.

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

#### 9.3.1 Investigate market opportunities:

Marketing opportunities were identified to profile Bristol Bay sockeye, king and halibut were demonstrated at Selfridges in London in 2001. Contacts were reestablished for distributor relationships and for high quality smoked sockeye and King salmon production in England for our fish. Bristol Bay was the emphasis, with the fish coming from Togiak and Naknek. These were good initial steps forward and can be built upon next year. In December 2001, consultants and staff coordinated State Specialty Salmon Marketing Mini-Grant applications in support of projects in Togiak (TOGIAC KING SALMON HIGH VALUE MARKETING) and Naknek / Paug-Vik (BRISTOL BAY SOCKEYE FROZEN PORTIONS FOR EXPORT MARKETS). BBEDC was awarded on both these grants \$29,500 for the Togiak project, and \$30,000 for Paug-Vik. BBEDC staff and consultants have now managed to write four successful applications for this program in the last three years – a record we are proud of. These grants will further strengthen existing specialized market relationships in the United Kingdom and Western Europe. A followup marketing trip occurred in the first quarter with two consultants traveling to the United Kingdom.

Consultants and staff continue to work with companies in the U.K and Western Europe to develop additional high profile accounts that can serve to educate the US consumer about wild Bristol Bay salmon, and help them to differentiate between wild and farmed salmon. It is encouraging to know that these initial contacts in 2001 have indicated expansion of the Marketing projects for the 2002 season and beyond. Regional Fisheries consultants are currently in discussions with clients from the United Kingdom and Western Europe to further establish a potential buyer and seller relationship for the 2002 fishing season.

9.3.2 Promote emphasis on quality of Bristol Bay salmon:

This is essentially the same function that was included under Business Technical Assistance. The purpose is to be able to respond to requests from local community groups and individuals in Bristol Bay for advice and assistance with development concepts or marketing. Working with communities or individuals might lead to BBEDC investment projects, cooperative projects with BBEDC partners, or referrals to the Technical Assistance Program depending on the requirements and potentials of each effort.

Regional Fisheries Committee members continue to revisit and reinforce their commitment to quality issues. The Regional Fisheries Committee members are extremely concerned about the quality issues that Bristol Bay fishers face during the fishing season. The commitment to ice projects such as the ice-machine projects in 6 communities, slush bag programs, and an in-depth review of the feasibility of an ice-barge in Bristol Bay are several alternatives that the RFD has approached. As a result of this concern, consultants received a State of Alaska Regional Salmon Marketing grant in the amount of \$130,000 to address Marketing/Branding and Quality issues.

9.3.3 Explore value-added and shoulder season opportunities in-region:  
See 9.3.1 regarding Togiak King Salmon project.

Contacts were made with potential buyers and reprocessor in Europe on a trip that BBEDC consultants made in late first quarter. Exploratory discussions and were held on development of a wild salmon line using Bristol Bay sockeye. Discussions are currently under way with United Kingdom and Western Europe buyer, re-processor, and smoker contacts.

Numerous other contacts were made (or continued) with a variety of companies regarding use of wild Bristol Bay sockeye. This “shaking the tree” effort has yet to yield a production contract, but there are several good possibilities. Of particular interest are the discussions we have had with several leading retailers / restaurant chains focused on BBEDC (and / or Member community groups such as Village Corporations) as Minority Vendors of seafood. These discussions were initiated recently and are in the exploratory stage. They may have positive implications for both Regional Fisheries (salmon, halibut) in addition to the CDQ species.

A part of the Regional Fisheries Sockeye Strategy project will also include exploration into portions and other value added products for in region salmon. Marketing grants were pursued in

the 4<sup>th</sup> Quarter 2001 and awarded to two communities to develop a marketing sales plan to establish high quality, premium product from Bristol Bay. Marketing grants were awarded to BBEDC. Togiak King Salmon high value marketing grant in the amount of \$29,500 and a Bristol Bay frozen portions export grant for \$30,000. A Regional Marketing grant in the amount of \$130,000 was awarded for Marketing/Branding and Quality Standard projects.

#### **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:  
Periodic contact is made and updates received by BBEDC through BBEDC consultants.

### **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 occurred during the first quarter. However, the FQM and consultants continually work on this project.
- 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 although staff continues to explore and refine new technology that may be applicable.
- 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 workshops within several CDQ communities on business development and BBEDC's programs during the second quarter of 2002.  
  
The Technical Assistance team has made efforts to streamline the Technical Assistance application to make it more user friendly during the first quarter.  
  
Advertisement and solicitation for an Outreach and Economic Development person took place in the first quarter. This position will assist the Technical Assistance team in disseminating information regarding the Infrastructure Development, Regional Business, and Infrastructure matching projects.
- 11.1.2 Provide technical assistance for development of business and infrastructure proposals:  
The following projects are ongoing and were followed up during the first quarter of 2002:  
  
At the request of the City of Egegik the approved matching funds of \$100,000 was declined. As a result, discussion has been ongoing between BBEDC staff and the City of Egegik regarding utilizing the matching funds for an Egegik dock project or dock improvements.  
  
Discussion has continued with the community of Levelock in regards to their application for technical assistance business development funds for their processing plant project.

The BBEDC Board approved changes to the Manokotak and Togiak dock projects. ABDC and BBEDC staff are working with Togiak and Manokotak to prepare bids for the dock projects.

In early March, Ugashik traditional council contacted BBEDC staff in regards to potential funding for dock improvements. Discussions will continue with Ugashik on identifying possible funding sources. Ugashik Traditional Council has hired a grant writer to work with ABDC staff and BBEDC staff in order to expedite the process. We anticipate an application from the Ugashik traditional council in the second quarter.

There has been some interest from several community members in regards to Regional Business Development funding.

During the first quarter of 2002, the interest in Technical Assistance, Regional Business Development, and Regional Business Development has increased. BBEDC is working to better inform tribes, cities and boroughs of the program through a new position to begin in 2002.

## **11.2 Provide for professional review of funding requests**

- 11.2.1 Review funding requests and make recommendation to the BOD:  
See 11.1.2 regarding Togiak and Manokotak dock projects.

## **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 2002.

### **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 2002 budget.

### **13.2 Provide matching funds for approved proposals**

- 13.2.1 Review, approve and provide matching funds for recommended proposals when feasible:  
Matching funds had not been distributed for the Manokotak and Togiak dock projects, but are anticipated for distribution during second quarter 2002.

At the request of the City of Egegik the request for \$100,000 was pulled and the Electric project ended. Ongoing discussions between the City of Egegik and BBEDC staff regarding utilizing the matching funds for an Egegik dock project or dock improvements have occurred.

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

- 13.3.1 Advertise Program:  
Staff has promoted this program through advertisements, meetings and letters to qualified communities during the first quarter. Extra copies of the program brochures and applications were distributed during the Strategic Planning session in February 2002.

In an effort to better advertise these programs, BBEDC created a new position to assist in the delivery of these projects to CDQ communities.

13.3.2 Review Applications:

BBEDC Board reviewed the Togiak and Manokotak dock projects during the February 2002 Board meeting. These projects were pre-approved under 13.3.3.

13.3.3 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. Unfortunately, the project did not go through. The City of Egegik has declined the matching funds. See 13.2.1 for more information.

The criteria for this program and the Business and Infrastructure Programs were reviewed during the Strategic Planning session in February 2002. The criteria may be too strict for some communities to access and BBEDC will continue to address this situation while developing the 2003-2005 CDP.

**13.4 Monitor proposals receiving BBEDC financial support**

13.4.1 Monitor approved proposals for completion and operations:

BBEDC continued to monitor the Dillingham Dock project during the first quarter.

**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:

The project will receive detailed attention during the first part of 2002 when new marketing reports are received and analyzed.

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 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 through our MSC work. 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 in the first quarter. BBEDC anticipates discussing this objective during 2002.

**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 2002 approved CIF budget.

15.1.3 Reserve funds to meet cash call requirements of investments:

This item is budgeted in the 2002 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. The board again visited these objectives in a presentation at the February 2002 strategic planning session.
- 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 2002. Robin Samuelsen attended the day-long meeting as BBEDC's representative. Since an additional 10% of this vessel was purchased in the fourth quarter, an additional seat on the Arctic Fjord board seat was made available to BBEDC. This brings our board seats to two. Hattie Albecker was appointed as the second Arctic Storm board representative. However, Hattie was unable to attend the February 2002 meeting.
- 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 9-30-01. See Confidential section of the first quarter 2002 report.

#### **16.2 Monitor Neahkahnii 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 at 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.  
  
BBEDC's FQM was appointed as the second representative for BBEDC with one board member. One meeting took place during the first quarter.
- 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 2002 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 2002 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:  
Objective is no longer applicable. LLC has been dissolved in 2001. This applies to all objectives under 16.7.1 through 16.7.8
- 16.7.2 Attend Management Committee meetings:
- 16.7.3 Maintain ongoing discussions between BBEDC and Capilano:
- 16.7.4 Monitor recruitment of Bristol Bay fishermen:
- 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:
- 16.7.6 Provide loan guarantees for Capilano inventory, receivables, & operating lines as needed and prudent:
- 16.7.7 Closely monitor production costs, inventory, receivables, cash flow, sales & other relevant factors to minimize risk to BBEDC from guaranteeing loan:
- 16.7.8 Provide internship opportunities in Capilano organization as available:

## **C. EMPLOYMENT**

**1st Quarter 2002 (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**  
**1st Quarter**  
**Jan 01 – Mar 31, 2002**

**Employment**  
**Data**

	<u>Quarter</u>	<u>Quarter</u>	<u>Year to Date</u>	<u>Year to Date</u>	<u>Year to</u>
	Positions/Trips	Wages	Positions/Trips	Wages	Date People
<u>BBEDC Management/Admin</u>	13	139,282.29	13	139,282.29	13
<u>CDQ Pollock Related (AS/AF)</u>					
A/B SEASON	57	212,563.49	57	212,563.49	17
C/D SEASON	0	0	0	0	0
Yellow Fin	0	0	0	0	0
Hake Trips	0	0	0	0	0
Shipyard	4	1,183.62	4	1,183.62	(4)
<u>Other Employment</u>					
Arctic Storm Recruiter	1	10,920.00	1	10,920.00	1
<u>Long Line Fishing</u>					
Alaskan Leader	2	26,282.28	3	26,282.28	2
Bristol Leader	3	33,728.92	5	33,728.92	3
<u>Crab Fishing</u>					
Bristol Mariner	1	7,486.44	1	7,486.44	1
Nordic Mariner	1	3,032.74	1	3,032.74	1
Other Vessels	0		0		0
<u>Bottom Fishing</u>					
North Pacific Fishing	1	14,957.96	1	14,957.96	1
<u>Other Fishing Employment</u>					
4E Halibut Fishing	0	0	0	0	0
Icicle Seafood's	10	25,965.05	10	25,965.05	10
<u>Internships</u>					
Arctic Storm Vessel	0	0	0	0	0
Arctic Storm Office	1	4,347.00	1	4,347.00	1
Icicle Seafood's Office	2	7,077.00	2	7,077.00	2
Icicle Vessel/Plant/Shipyard	2	8,067.38	2	8,067.38	2
ADF&G	0	0	0	0	0
North Pacific Fishing	1	5,127.80	1	5,127.80	1
In-house Office	0	0	0	0	
Alaskan Leader Vessel	0	0	0	0	0
Bristol Leader Vessel	0	0	0	0	0
Bristol Leader Office	1	560.00	1	560.00	(1)
Specialized Interns	0	0	0	0	0
Other Interns	0	0	0	0	0
Total	100	\$500,581.97	103	\$500,581.97	55

## C. 2 Employment Summary

<b>BBEDC Management /Admin</b>	Thirteen (13) positions were actively filled during the first quarter, including three (3) part time sub-regional technicians.
<b>A/B Season</b>	Seventeen (17) residents from Bristol Bay communities worked as processors, galley workers, deck and shipyard for Arctic Storm during the 1 <sup>st</sup> quarter. Four of those were terminated for different reasons and 2 will be promoted to vessel interns on the deck for the Hake season.
<b>Alaskan Leader</b>	Two (2) residents from Manakotak and Dillingham were hired as a processors during the 1 <sup>st</sup> quarter. Wages for one resident of \$7,899.58 were earned in 4 <sup>th</sup> quarter 2001 and paid in this quarter.
<b>Bristol Leader</b>	Three (3) residents from Dillingham and Manakotak hired as a processors in the 1 <sup>st</sup> quarter. Wages for one resident of \$8,773.58 were earned in 4 <sup>th</sup> quarter 2001 but paid in the 1 <sup>st</sup> quarter of 2002.
<b>Crab Fishing</b>	Two (2) residents from Dillingham and Levelock worked aboard the Bristol Mariner and the Nordic Mariner fished Opilio.
<b>Bottom Fishing</b>	One (1) resident from South Naknek continued to work on the F/V Liberator and rode the boat home to end the long liner season. He served on Deck as rotating Deck Boss.
<b>4E Halibut fishing</b>	No activity.
<b>Other Employment</b>	Icicle employed eight (10) residents from communities all over Bristol Bay. All were processor positions. One person moved from processor to a Mechanic Intern on the F/V Bering Star.

## **Internships**

<b>Arctic Storm vessel</b>	There were no vessel internships on this boat during 1 <sup>st</sup> quarter.
<b>Arctic Storm office</b>	One (1) resident from Dillingham filled this position. On March 1 <sup>st</sup> was offered a full-time regular employee position at Arctic Storm's office in which she accepted.
<b>Icicle Seafood's</b>	One (1) resident from Dillingham is working at the corporate office in Seattle.
<b>Icicle Vessel/Ship</b>	Two (2) residents from Dillingham are working as maintenance & office interns at the Bellingham Surimi Plant.
<b>ADF&amp;G</b>	No activity this month.
<b>N. Pacific Fishing</b>	One (1) resident from Dillingham fills this position and was given a three-month extension to her internship. She is filling an advanced internship with the human resource department.
<b>In-House Office</b>	No Activity in the 1 <sup>st</sup> quarter.
<b>Alaska Leader</b>	No activity in the 1 <sup>st</sup> quarter.
<b>Bristol Leader</b>	No activity in the 1 <sup>st</sup> quarter.
<b>Bristol Leader Office</b>	One resident from Dillingham filled this position until the 17 <sup>th</sup> of January.
<b>Specialized Interns</b>	No activity in 1 <sup>st</sup> quarter.
<b>Other Interns</b>	No activity in the 1 <sup>st</sup> quarter.

**D. TRAINING**

**1. Data Form**

**TRAINING DATA**  
**January 1<sup>st</sup> - March 31<sup>st</sup>**  
**1<sup>st</sup> Quarter 2002**

	<b>Quarter</b>		<b>Year to Date</b>	
	People	Expenditure	People	Expenditure
<b>Scholarships</b>				
Post-secondary	0	0	0	0
Administration	0	0	0	0
<b>Voc-Tech Classes</b>				
Advanced Vocational	9	8,872.07	9	8,872.07
Basic Vocational	74	15,048.00	74	15,048.00
Non-Fisheries Vocational	4	3,191.00	4	3,191.00
<b>Other Training</b>				
CDQ Staff/Board	2	404.00	2	404.00
ABE/GED	88	0	88	23,820.58
GED Diplomas Earned	(1)	0	(1)	0
<b>Other Expenditures</b>				
Drug Testing	0	0	0	0
<b>Internships</b>				
Arctic Storm Vessel	0	0	0	0
Arctic Storm Office	(1)	3,378.05	(1)	3,378.05
Icicle Seafood's Office	(2)	3,854.61	(2)	3,854.61
Icicle Vessel/Plant/Shipyard	(2)	2,965.25	(2)	2,965.25
North Pacific Fishing Office	(1)	4,091.61	(1)	4,091.61
ADF&G	0	0	0	0
In-house Office	0	0	0	0
Alaskan Leader Vessel	0	0	0	0
Bristol Leader Vessel	0	0	0	0
Bristol Leader Office	(1)	0	(1)	0
Specialized Interns	0	0	0	0
Other Interns	0	0	0	0
<b>TOTAL</b>	<b>177</b>	<b>\$65,625.17</b>	<b>177</b>	<b>\$65,625.17</b>

## D. 2. Training Summary

### Scholarships

**Post-secondary** No activity during the first quarter.

**Administration** No activity during the first quarter.

### Vocational-Technical Classes

**Advanced Voc/Tech** Nine (9) residents from Dillingham, Manakotak, Togiak and Naknek are seeking fishery related certification in the following fields of work: Welding, Emergency Medical Specialist, Computer Society, Safety Management, Business Management, Fire Fighting, and Diesel Automotive  
**Note:**  
Of these residents, one from Dillingham received her EMS certification that will allow her to work on more advanced flight medivacs and earn more money. The welding student will graduate in May with the highest certification in welding.

**Basic Voc/Tech** Seventy-four residents (74) received basic computer training, GPS, office management skills, grant writing and grant management and supervisory training in Manakotak, South Naknek, King Salmon, Naknek and Dillingham.  
**Note:**  
BBEDC and the Naknek and Dillingham Campuses coordinated these fishery related classes.

**Non-Fisheries  
Related Voc/Tech** Four (4) residents from Dillingham and Togiak sought non-fishery training in Business Office Specialist, Rural Development and Aviation.  
**Note:**  
The Aviation student will be graduation this May with an Aeronautical Degree. .

**CDQ Staff Board** One Staff is participating in a 3-credit class at the Bristol Bay campus for Community Development Strategies. Another staff member attended a one-credit Grant Writing course.

**ABE-GED** Eighty-eight (88) residents from Dillingham, Pedro Bay, South Naknek, Twin Hills, Togiak, Manakotak, Chignik Lagoon, Chignik Bay, Clarks Point, Ekwok, New Stuyahok, Perryville, Kokhanok and Pilot Point received ABE/GED assistance and one (1) received her GED.

## Internships

<b>Arctic Storm vessel</b>	No vessel internships during this quarter.
<b>Arctic Storm office</b>	One (1) resident from Dillingham filled this position. On March 1 <sup>st</sup> she was offered a full time regular employee position at Arctic Storm's office in which she accepted.
<b>Icicle Seafood's</b>	One (1) resident worked at the Icicle Seattle office.
<b>N. Pacific Fishing</b>	One (1) resident from Dillingham fills this position and was given a three-month extension to her internship. She is filling an advanced internship with the human resource department.
<b>ADF&amp;G</b>	No activity in 1 <sup>st</sup> quarter.
<b>Icicle Plant/Vessel</b>	Two (2) residents worked at Icicles Bellingham surimi plant as maintenance intern and office intern. One (1) resident worked on board the Bering Star as quality assurance intern.
<b>Alaska Leader Vessel</b>	No activity in 1 <sup>st</sup> quarter.
<b>Alaska Leader Office</b>	One (1) resident worked until January 17 <sup>th</sup> at Alaska Leader's Bellingham office. After completion of her Alaska Leader internship, this resident filled an office internship at the Icicle surimi plant. All
<b>In-House Office</b>	No activity in 1 <sup>st</sup> quarter
<b>Specialized Interns</b>	No activity in 1 <sup>st</sup> quarter.

## **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 trustees reviewed the trust investment policy at a presentation during the February 21, 2002 meeting. No changes were made to existing policy.

#### **19.2 Award scholarships annually**

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

At their February 2002 meeting, the Trustee's approved the 2002 scholarship award amount. \$131,550 (less administrative costs, advertising expenses) will be made available to qualified higher education students for the 2002-2003 academic year. The deadline to apply was set for July 12, 2002. Selection of successful, qualified recipients will take place during the second quarter. The Trustee's will consider revisions to this policy at a presentation scheduled for February 2002. The Trustees passed a motion during the Harvey Samuelsen Scholarship in February 2002 to bring the administration of the Scholarship program in

house through BBEDC's staff. The Trustees approved 2 year degree programs to be eligible for the Harvey Samuelson Scholarship.

### **19.3 Provide management of scholarship program**

#### 19.3.1 Contract management of program and monitor performance:

The scholarship program is managed by BBEDC staff. BBEDC staff has revised the scholarship application to better reflect the eligibility requirements of the scholarship program. In addition, BBEDC staff is in contact with the students on a regular basis and provides support and mentoring for them. BBEDC staff reviews scholarship applications to determine completeness and eligibility.

Since the Trustees have allowed the scholarship program to come "in-house", BBEDC staff has the ability to monitor the progress of the scholarship recipients.

BBEDC staff gave presentations about the Harvey Samuelson Scholarship program to three schools during the first quarter. BBEDC staff will be administrating and counseling students to better serve our students and have a hands-on approach to higher education.

## **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:

BBEDC again provided a capital contribution to fund the BBSRI activities for 2002. In addition State Landing Tax Credits have been contributed to enhance the research projects the board identified in December of 2001. Minutes are included in the confidential section.

### **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 draft plan was completed in the third quarter and presented to the Board for review and approval. LGL has been approved to manage the BBSRI for FY 2002 and has begun implementation of several initiatives and projects the board identified.

### **20.3 Enhance work force development (Education Initiative)**

#### 20.3.1 Investigate grant programs to provide funding:

BBEDC continues to administer the DOL Work Readiness Grant including CDQ and non-CDQ schools during the first quarter. In addition, a grant from the coastal impact assistance program has been awarded for the development and implementation of a "Salmon Camp" in region. A grant application was submitted to the First Alaskans/Denali Commission for the infrastructure planning and development of a Bristol Bay House. Unfortunately, BBEDC did not receive the grant.

#### 20.3.2 Implement enrichment projects for Education Initiative:

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:

Steady progress was made on the ice machine project during the 1<sup>st</sup> quarter of 2002.

All engineering and ordering of machinery and equipment was completed at the very end of the 4<sup>th</sup> quarter 2001 and at the beginning of 1<sup>st</sup> quarter 2002. During the month of January 2002 BBEDC staff worked with Seattle Refrigeration and with Wescold (the two ice

machine contractors responsible for building the ice machines) in regards to various final construction details.

Even though some minor contractual details needed to be worked out with EDA we felt it was important that actual construction should begin in order for the ice machines to be completed and shipped to the communities in time for the 2002 fishing season.

In February 2002, BBEDC staff, consultant and attorney met with EDA to finalize contracts and other related paperwork. With the EDA attorney's approval of the various paperwork, reimbursement would be forthcoming to BBEDC for expenses associated with the EDA grant. As of the end of March 2002, we are still waiting for EDA action. It should be noted that EDA responds very slowly and as of this time we have had no reimbursement from EDA for any construction or related expenses as per the grant.

(Everette I would put a new heading in here called "construction of Equipment. The following information can go under the heading:

Seattle Refrigeration completed construction on the Dillingham and Bristol Bay Borough ice machines in late March 2002. The machines were given a trial run in Seattle and were on the Northland barge on March 29<sup>th</sup>, with an expected arrival in Naknek and Dillingham on approximately April 20, 2002.

Construction of the ice machines for the communities of Togiak, Ugashik, Port Heiden and Egegik was on going during 1<sup>st</sup> quarter 2002 by Wescold. The machines are scheduled for completion, testing and shipping to the Bristol Bay area in May 2002.

As reported in the 4<sup>th</sup> quarter 2001 report, the communities of Twin Hills and Manokotak "backed out" of the project. Funds that were allocated for these two communities were used to upgrade the machines for the other four communities. These upgrades included such things as larger machines, stainless steel equipment, and larger and additional access doors.

Regular communications were made with all communities in regards to construction, power and water requirements, shipping dates and hook up.

21.1.2 Installation of equipment:

Major effort went into working with the City of Dillingham in regards to the actual location of the ice machine, power requirements, water hooks, etc. on the boat harbor bulkhead. BBEDC staff and consultant met with the Dillingham City Manager and a representative from Nushagak Electric Cooperative on March 5, 2002 to discuss the power situation. It is estimated this will be a \$20,000 cost to the city of Dillingham. Power and water lines for this machine need to be dug as soon as possible this spring and we are hopeful the Dillingham machine can be operation in June 2002.

We see no major obstacles to getting the Bristol Bay Borough machine hooked up and operational by mid May 2002.

We anticipate the machines for Togiak, Ugashik, Port Heiden and Egegik will arrive on schedule from Seattle and these can be operational by the end of 2<sup>nd</sup> quarter 2002. There may be some logistical problems getting the Ugashik and Port Heiden machines to the communities because of the barge schedule.

21.1.3 Monitor/support community maintenance and operation:

This will take place after the ice machines are delivered. During installation, local community workers will help to set-up and hook-up the ice machines. Staff from Seattle Refrigeration and Wescold will be the lead for these activities. Additional training will be provided by BBEDC for all local operators and maintenance workers who have responsibilities to maintain the equipment. This training is being planned for early in the 3<sup>rd</sup> quarter. These individuals would do the day-to-day maintenance, repair and upkeep of the ice machines. BBEDC is investigating the need for training a refrigeration expert in order to do major maintenance and repair on the ice machines.

It has been a busy and productive quarter with substantial progress made on the ice machine project. BBEDC is optimistic that by the end of 2<sup>nd</sup> quarter 2002 the machines will be operational in most communities. BBEDC staff will continue to coordinate shipping, set-up and training in order to make the machines operational. Local fishermen have expressed enthusiasm and support for the project.

The two contractors, Seattle Refrigeration and Wescold, have been very cooperative and easy to work with on this project. Cash flow to support the project has been an issue because of various EDA requirements and the fact that paperwork tends to move slowly in the EDA organization.

Grant funds from DCED and USDA Rural Development along with loan funds from the Division of Investments have been used to fund construction, administration and travel expenses during 1<sup>st</sup> quarter 2002.

#### **E. OTHER ISSUES**

None

### **III. ADMINISTRATION**

#### **A. Board Activities:**

##### **1. Changes in the Board:**

The following changes in the Board occurred during the first quarter 2002. The Tribal Council of Pilot Point chose to replace Andrew Abyo with Victor Seybert. The Tribal Council of Clarks Point chose to appoint Esther Floresta to replace Harry Wassily Sr..

##### **2. Substantial Decisions:**

- approved feasibility funding for Manokotak and Togiak dock project
- made available \$131,550 for Harvey Samuelsen scholarship disbursements
- approved the Salmon Restructuring project to be conducted by BBEDC
- renegotiate and approve C.E.O./President contract for an additional three years

#### **B. Amendment Status:**

The following Amendments were filed and approved, with the exception of 01-13 which was denied:

	Date Received	Date Forwarded	Approval Received
SA02/01 – Adding McKee vessels to CDP	2/27/02	3/13/02	3/18/02
HK2002 - Housekeeping amendment. Resumes Job descriptions, Village resolution	4/2/02	4/03/02	
TA 02/02 TA-transfer 190 MT Non-specific reserve	4/17/02	4/17/02	4/19/02

#### **C. Other Issues**

None.

## IV. 1<sup>st</sup> Quarter 2002 Harvesting and Processing Report

### A. Target Fishery Harvest Activity

#### Pollock Harvesting Activity:



	CDQ Allocation	Metric Tons Harvested				Target Fishery Information	
		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	YTD Harvest	% of Target Harvest
A/B Season	12,474.000	12,399.824				12,399.824	97.57%
C/D Season	18,711.000					0.000	0.00%
<b>Total</b>	<b>31,185.000</b>	<b>12,399.824</b>				<b>12,399.824</b>	<b>97.57%</b>
<b>Bycatch</b>							
Turbot BS	88.440	0.342				0.342	0.00%
Pacific Cod	3,000.000	56.739				56.739	0.45%
Atka Mackerel 541	61.950	0.011				0.011	0.00%
Yellowfin sole	1,548.000	53.099				53.099	0.42%
Alaska Plaice	207.000	1.491				1.491	0.01%
Other flats	51.750	0.646				0.646	0.01%
Rock sole	931.500	81.123				81.123	0.64%
Flathead sole	375.000	78.143				78.143	0.61%
Arrowtooth	132.000	0.411				0.411	0.00%
Other species	393.040	36.732				36.732	0.29%
BS Other Red Rockfish	1.800	0.006				0.006	0.00%
Pacific Ocean Perch (BS)	41.370	0.000				0.000	0.00%
Sablefish Trawl (BS)	14.400	0.006				0.006	0.00%
<b>TOTAL</b>		<b>12,708.573</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>12,708.573</b>	<b>100.00%</b>
<b>PSQ Bycatch</b>							
							0%
Halibut mortality	75.460	1.180				1.180	0.01%
Chinook	583.000	239.058				239.058	0.019
Other salmon	662.000	2.162				2.162	0.000
Bairdi Zone 1	15,563.000					0.000	0.000
Bairdi Zone 2	49,005.000	6.553				6.553	0.001
Red King Crab	1,673.500	2.639				2.639	0.000

#### 1) Summary of harvesting activities by target fishery:

During the first quarter of 2002, CDQ pollock was harvested by both the Arctic Storm and the Arctic Fjord. The Arctic Storm harvested 6,422 MT of Pollock and the Arctic Fjord harvested 5,977 MT of Pollock.

#### 2) Summary of bycatch:

Fishing inside the critical habitat during the first quarter did have some Chinook bycatch. Combined both vessels encountered 239 Chinook salmon. Fishing efforts outside of critical habitat resulted in larger amounts of flatfish than in recent years.

## Pacific Cod Harvesting Activity:



	CDQ Allocation	Metric Tons Harvested				Target Fishery Information	
		1st Qtr.*	2nd Qtr.	3rd Qtr.	4th Qtr.	YTD Harvest	% of Target Harvest
Cod	3,000.000	520.613				520.613	86.95%
<b>Bycatch</b>							
Sablefish Fixed Gear (BS)	42.460	0.000				0.000	0.00%
Turbot (BS)	88.440	0.043				0.043	0.01%
Turbot (AI)	39.600	0.067				0.067	0.01%
Non- Pollock Quota - BS	N/A	4.864				4.864	0.81%
Non- Pollock Quota - AI	N/A	0.188				0.188	0.03%
Atka Mackerel 543	221.700	0.262				0.262	0.04%
Yellowfin Sole	1,548.000	0.007				0.007	0.00%
Other Flatfish	51.750	0.023				0.023	0.00%
Rock Sole	931.500	0.107				0.107	0.02%
Flathead Sole	375.000	0.757				0.757	0.13%
Arrowtooth	132.000	0.777				0.777	0.13%
Other species	393.040	70.923				70.923	11.85%
Other Rockfish (BS)	5.670	0.000				0.000	0.00%
Other Rockfish (AI)	8.670	0.012				0.012	0.00%
BS Other Red Rockfish	1.800	0.002				0.002	0.00%
AI Northern	75.900	0.018				0.018	0.00%
AI Shortraker/Rougheye	12.240	0.064				0.064	0.01%
<b>TOTAL</b>		598.727	0.000	0.000	0.000	598.727	100.00%
<b>PSQ Bycatch</b>							
Halibut mortality*	75.460	1.779				1.779	0.30%

### 1) Summary of harvesting activities by target fishery:

During the first quarter of 2002 the Bristol Leader and Alaskan Leader began fishing for cod right after the open access fishery closed. Cod CDQ harvests will continue into the second quarter.

### 2) Summary of bycatch:

Bycatch was fairly low, the majority of the bycatch came in the form of "Other Species."

**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	467,127	467,572				467,572	100.095%

**1) Summary of harvesting activities by target fishery.**

The Bristol Mariner, Cascade Mariner and Northern Mariner collectively harvested our CDQ Opilio allocation. The vessels exceeded our allocation by an estimated 445 pounds. This overage accounts for less than one tenth of one percent of our overall allocation.

**2) Summary of bycatch:**

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

**CDQ Transfers**

No CDQ Transfers were made this quarter.

**B. Processing Report**

**Pollock Processing Activities**

During the first quarter, the Arctic Fjord produced 880 Mt of surimi, 150 Mt of block/mince and 267.4 Mt of roe, for an overall recovery rate of 24.83%. The Arctic Storm produced 576.9 Mt of surimi, 270.8 Mt of block, 309 MT of mince, 110.5 MT of Fishmeal, and 166 Mt of roe for an overall recovery rate of 22.3%.

**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.

**Opilio Processing Activities**

Icicle Seafood’s processed all of BBEDC’s CDQ crab into various product forms.

**C. Compliance/Enforcement Issues**

**Pollock Fishery**

There was no compliance or enforcement issues reported this quarter.

**Pacific Cod Fishery**

There was no compliance or enforcement issues reported this quarter.

**Opilio Crab Fishery**

We estimate that our three vessels combined harvest exceeded our overall CDQ Opilio allocation by 445 pounds. This information was reported to ADF&G, the State Troopers in Dutch Harbor, and the appropriate State and Federal CDQ regulatory agencies as soon as we became aware of this occurrence. BBEDC will keep the State fully apprised of the status on this matter.

**D. Other Fishing Issues/Activities**

No Other Fishing Issues/Activities to report.

**BBEDC 2002 CDQ Harvests By Quarter & Yearly Total**

Species	2001 CDQ	Trans	Trans	Metric Tons Harvested				YTD	Percent of
	Allocation	In	Out	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Harvest	Allocation
Atka Mackerel									
Eastern 541	61.950			0.011				0.011	0.0%
Central 542	267.750							0.000	0.0%
Western 543	221.700			0.262				0.262	0.1%
Arrowtooth	132.000			1.188				1.188	0.9%
Alaska Plaice	207.000			1.491				1.491	0.7%
Other Flatfish	51.750			0.669				0.669	1.3%
Flathead Sole	375.000			78.900				78.900	21.0%
Turbot (BS)	88.440			0.385				0.385	0.4%
Turbot (AI)	39.600			0.067				0.067	0.2%
Pacific Cod	3,000.000			577.352				577.352	19.2%
A Season	1,800.000			577.352				577.352	32.1%
B Season	1,200.000							0.000	0.0%
Pollock	31,185.000			12,399.824				12,399.824	39.8%
A Season	12,474.000			12,399.824				12,399.824	99.4%
B Season	18,711.000							0.000	0.0%
Non- Pollock Quota - BS	N/A			4.864					N/A
Non- Pollock Quota - AI	N/A			0.188				0.188	N/A
Pacific Ocean Perch (BS)	41.370							0.000	0.0%
Pacific Ocean Perch (AI)									
Eastern 541	39.000							0.000	0.0%
Central 542	34.500							0.000	0.0%
Western 543	63.750							0.000	0.0%
BS Other Red Rockfish	1.800			0.008				0.008	0.4%
AI Northern	75.900			0.018				0.018	0.0%
AI Shortraker/Rougheye	12.240			0.064				0.064	0.5%
Other Rockfish (BS)	5.670							0.000	0.0%
Other Rockfish (AI)	8.670			0.012				0.012	0.1%
Rocksole	931.500			81.230				81.230	8.7%
Sablefish Trawl (BS)	14.400							0.000	0.0%
Sablefish Trawl (AI)	11.040							0.000	0.0%
Sablefish Fixed Gear (BS)	42.460			0.006				0.006	0.0%
Sablefish Fixed Gear (AI)	76.600							0.000	0.0%
Yellowfin Sole	1,548.000			53.106				53.106	3.4%
Other Species	393.040			107.655				107.655	27.4%
Non Specific Reserve	201.360							N/A	N/A
4D Halibut (in lbs)	117.000							0	0.0%
4E Halibut (in lbs)	158,340								
BS Opilio (in lbs)	467,127			467,572				467,572	100.1%
BB Red King Crab (in lbs)	N/a								
<b>Prohibited Species</b>									
Halibut (MT)	75.460			2.959				2.959	3.9%
Bairdi Zone 1 (#s)	15,563.000							0.000	0.0%
Bairdi Zone 2 (#s)	49,005.000			6.553				6.553	0.0%
Opilio Tanner Crab (#s)	71,775.500							0.000	0.0%
Red King Crab (#s)	1,673.500			2.639				2.639	0.2%
Chinook Salmon (#s)	583.000			239.058				239.058	41.0%
Other Salmon (#s)	662.000			2.162				2.162	0.3%