

BBEDC

1st Quarter Report 2006

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QUARTERLY HIGHLIGHTS

1st Quarter 2006

Employment and Training:

- Employment and Training Staff traveled to Seattle to meet with different partners and inspect internship apartments.
- Staff traveled to South Naknek, Naknek, Manokotak and Clarks Point this spring to conduct outreach.
- BBEDC residents have earned in excess of \$145,000 working for industry partners.
- A Seafood Processing and Marketing workshop was held in Naknek in February.

Harvey Samuelson Scholarship:

- Scholarship recipients are being monitored for academic progress.
- The 2nd disbursement of scholarship funds was accomplished providing \$237,284 to 66 CDQ residents.
- 2006-2007 Scholarships applications have been printed.
- A scholarship presentation was given at Dillingham High School.

Salmon Camp:

- Two CDQ residents (instructors) have been contracted with to help organize and implement the 2006 camp

High School Higher Education Program:

- Four CDQ residents received \$1,869 in scholarship awards.

College Development Fund:

- 35 CDQ residents received \$23,458 in scholarship awards

2005 Audit

- Preparation for the 2005 audit was the focus of activity in the first quarter.
- KPMG will perform their field work in Dillingham the first week of April.

Insurance Renewals

- The annual process of renewing our insurance policies for the various programs at BBEDC was completed.

Staff Development

- The Chief Financial Officer attended a class at the Bristol Bay Campus of UAF.
- One staff member completed Fundware Training and a separate session to earn his Business Appraisal Certification.

Financing Options

- Proposals from financial institutions are continuously evaluated to ensure that capital will be available for future Seafood Industry investments.

Accounting Staff Change

- A Budget Analyst and Grants Manager were hired.

Ice Barge Construction

- We have acquired a former navy barge to be used as a platform to be equipped with large capacity ice making machinery.
- The barge is being retrofitted in Seattle and will be operational in Bristol Bay by mid June.

Tax Assistance

- As of March 31 applications were approved for 438 individual residents to use the BBEDC tax assistance program.
- Early estimates are that between \$800,000 and \$1,000,000 will be returned to the region via IRS refunds.
- Most notable is that many of the returns are eligible for Earned Income Credit. Despite past IRS effort, until now, few residents were aware of this program until getting professional assistance with their tax preparation.

Grant Activity Reports

Regional Fisheries Issues (overview)

As the 2006 fishing season begins to take shape, the regional fisheries program has shifted gears from fall planning to spring realities.

- Both of the BBEDC ice barge projects will be in the water and operational by mid- June.
- Totes, slush bags and hold insulation will be distributed to our regional fishermen prior to the halibut, herring and salmon seasons with quality products goals immediately impacted.
- The Bristol Bay Wild quality program plans to double its activity in the Bay this season.
- The Bristol Bay Fish Company also plans to double its effort to generate enough volume to provide an accurate and useful model to resident processing entrepreneurs.
- The Regional Seafood Development Association will be tabulating the results of the initial drift permit assessment elections in early May and will be meeting shortly thereafter to make plans accordingly.
- The BBEDC 4E Halibut fishery will open on May 15 and anticipation is high among our local small boat fleet.
- Our regional fisheries staff will also be working to facilitate a much needed planning session this fall with the Regional Fisheries Committee to determine its strategic direction
- Regional Fisheries staff will continue to make community visits to solicit resident and fishers input on BBEDC programs

Regional Seafood Development Association

- Twenty one meetings were held in Alaska and the Pacific northwest to inform permit holders about the BB-RSDA.
- Five mailings were sent to permit holders.
- Two sets of ballots (required by state law) were sent to all driftnet permit holders in the Bristol Bay
- An extensive advertising program was designed and implemented for the Bristol Bay region.
- Setnet permit owners have petitioned the RSDA for support to conduct an assessment election to include that gear group in the BB-RSDA.

Bristol Bay Wild Salmon (certification program)

- Alaska Quality Consulting (AQC), an independent third party inspection service will provide inspectors for participating facilities in Naknek and Ekok.
- An Egegik company notified Bristol Bay Wild of their interest in participating for 2006. The budget is being reviewed to determine if sufficient funds exist for enrolling this facility.
- A contract is being developed between Bristol Bay Wild/BBEDC and AQC.
- Revisions to the 2005 Handling Practices are being developed for the 2006 season.
- An audit system is being designed for plants that are approved to self-administer the Bristol Bay Wild program.

Bristol Bay Fish Company

- Production volume will be increased to 40-60,000 lbs and expanded to include other sources of supply.
- Production commitments for the 2006 season were received from Bay Watch and Ekok Fisheries.
- Marketing commitments have been developed with two seafood companies
- Details of grading, production supervision and timing are currently being developed.

4E Halibut

- 99,000 pounds of halibut will be available for our 4E local fleet to harvest in 2006.
- With halibut prices at record levels in 2006, 4D quota may be utilized to provide more quota local fleet (beyond 4E quota).
- Currently 60 halibut fishers have submitted applications to participate in the 4E halibut fishery
- There has been some concern expressed by the local fleet over the rising cost of fuel and the distance to the fishing grounds and then back to the shore based markets. RFD coordinator continues to work with the local fleet to address this concern.

Totes

- Three hundred and sixty totes will be distributed to over 130 resident permit holders in eleven communities this spring using the community liaisons as the contact persons.
- Those who did not get totes in the prior two years will be eligible for the 2006 list.

Slush Bags

- The Regional Fisheries Development program continues to take slush bag orders from our resident fishers.
- For 2006 we have purchased 200 slush bags for 35 resident fishers.

Fish Hold Insulation

- The fish hold insulation project has changed in that we are now giving the vessel owners a choice of products and services. In the past it was administered as a one time grant available to vessel owners who worked with a contractor to complete the project.
- BBEDC will continue to accept requests throughout the year from fishers to complete their vessel hold insulating projects.

Planning Session

- RFD staff will facilitate a planning session involving staff and board members so that the various Regional Fisheries Development programs are aligned and on target.
- The planning session will occur this fall and will be in Bristol Bay.

Community and Business Development Funds Program

BBEDC has received the following applications during the 1st quarter:

- Technical Assistance:
 - Dillingham Harbor Plan Assistance – partially approved to provide assistance in completing grant applications.
 - Dancing Salmon Company – assist with development of a business plan, a marketing plan and identification of possible funding sources to implement - approved
 - Assist with development of a business plan for an individual and identify financial sources for small business development - approved
- Community Seed Funds:
 - Ekuk Tribe to develop a business plan for fisheries processing - approved
 - Curyung Tribe to develop a business plan for fisheries processing - approved
 - King Salmon Tribe to develop a Fisheries Development Center development. Application reviewed and recommendation available for next board meeting
- Infrastructure Matching Funds:
 - None
 - An itemization of the funds remaining for each community was provided to the board and to each community.

- The Board took action to establish a deadline of December 31, 2006 for approved applications from all communities and a deadline of December 31, 2008 for expenditure of all Seed grant funds.
- Discussion of grant programs has been included as a topic in each Liaison training event in order to provide maximum support to each community.

Community Liaison Program

As of the 1st quarter here are the current listing of community liaisons:

Aleknagik	Julie Ilutsik	Manokotak	Carla Moore
Clarks Point	Danny Wassily	Pilot Point	John Kalmakoff Jr.
Dillingham	Dorothy Larson	Portage Creek	Virginia Kapotak
Ekuk	Maria Benkowski	Port Heiden	Bobbi Orloff
Egegik	Corrine Olson	South Naknek	Karl Rawson
Ekwok	Richard Stermer	Togiak	Martha Kvamme
King Salmon	Bucko Angasan	Twin Hills	Diane Abraham
Levelock	Sergie Chuckwak	Ugashik	Nancy Flensburg
Naknek	Rochelle Angasan		

- Elements of the Liaison program were addressed to further enhance the benefit of Liaisons in each community.
- Monthly teleconferences are occurring and have been well received by Liaisons and their supervisors alike.
- Teleconference topics have ranged from ideas on how to circulate success stories in high seas employment, slush bag and tote program, Seed/IMF grant programs, intern program, RSDA, Blue Ribbon Commission, ADFG Advisory Committee meeting schedules, schedules for school visits, community meeting schedules and more.
- Our annual Liaison Training was held in Dillingham on January 30 and 31, 2006.
- This year's training was different in that all Liaisons and their direct supervisors were brought together for one 2-day event rather than bringing Liaisons together in multiple small groups. The annual training is an expensive but very beneficial part of our Liaison program as it helps to orient Liaisons on BBEDC programs.
- Many of the individuals have been in the positions for several years which allow us to design the training at a more intense level.

Other elements that were addressed during this quarter include:

- Agreements for Liaison programs have been received from all communities.
- A revised quarterly report form was initiated.
- Job descriptions have been revised to include a requirement that the Liaison serve as an individual that is authorized to sign the BBEDC required residency forms.

Bristol Bay Permit Brokerage

The following activities were conducting during the first quarter:

- Facilitated the sale of 1 set limited entry permit from a Bristol Bay resident to a Bristol Bay resident
- Assisted in completion of State Division of Investments and CFAB loan application for 2 clients.
- Assisted in filing 3 “Intent to Transfer” forms for clients.
- Assisted with 8 Commercial Fisheries Entry Commission (CFEC) transactions.
- Structured staff responsibilities in preparation for the upcoming season.
- Maintained listing of available permits, vessels and equipment. Circulated the same via a chain-email 2 times during the quarter.
- Fielded many calls regarding the availability of permits, boats, information on Division of Investment Loans and miscellaneous other fisheries-related questions.

Community Fish Processing Feasibility Studies

- The Lake and Pen Business Development Center have delivered their Feasibility Studies to the requesting communities.
- All of the studies received have indicated that some form of processing was feasible.
- LPBDC continues to work on completion of individual business plans as the second step in completion of this contract.

Interest Rate Assistance Activity

- By March 31, 2006, 22 applications had been received for Interest Rate Assistance.
- All applicants are eligible for participation and are at varying stages of review.
- Once completed, the applications will total \$30,600 in interest assistance for fisheries related loans.
- Payments will be made immediately for those holding notes with the Alaska Division of Investments.
- Notes with private banks and CFAB will be scheduled for payment 2 weeks prior to the payment due date.
- Because of the increased awareness of the program, more applications are expected to be received throughout the year.

Tax Assistance

- As of March 31 we have received and approved applications from 438 individual residents for this program.
- Applications continue to be received and will be approved as long as funds are available in the total allocation for 2006.

Community Planning Grants

Each community received a summary of the funds remaining from their initial \$30,000 appropriation and a reminder that funds must be expended by December 31, 2006.

Following is the status of the community planning grant activities in each community:

Aleknagik - Completed
 Dillingham – In progress
 2006 1st Quarter Report
 BBEDC

Egegik – In progress
Ekuk – In progress
King Salmon – In progress
Levelock – awaiting grant agreement
Manokotak – Completed
Naknek – Completed
Pilot Point – In progress
Port Heiden – In progress
Portage Creek – In progress
South Naknek – In progress
Togiak - In progress
Twin Hills - Completed
Ugashik - In progress

Education Initiative

Harvey Samuelsen Scholarship

- The Harvey Samuelsen Scholarship Trust awarded its second disbursement to 66 full-time college students totaling \$237,284.
- Payments are sent directly to the college or university, not the student.
- BBEDC staff monitors the students' academic progress relative to HSST scholarship policies and procedures.
- Recipients must be a BBEDC resident in order to qualify.

The Education Project Director gave a presentation describing the HSST program to potential applicants at Dillingham High School.

Salmon Camp

- Two CDQ residents were contracted to assist in camp planning and implementation.
- Salmon Camp partnerships are largely in place.
- Camp planning and recruiting will take place during April and May.

High School Higher Education Program

- The High School Higher Education Program was established to provide funding to high school students taking distance delivery college level courses at the Bristol Bay Campus.
- Four Dillingham High School students have utilized the program so far in 2006.
- BBEDC staff will continue to promote the program.

2003-2005 Milestones

Administration

Objective - Maintain an effective management organization

Review corporate and personnel policies

- 1) *Milestone* - Review corporate policies, articles and bylaws.

The policy committee did not meeting during the February 2006 board meeting.

- 2) *Milestone* - Conduct board training.

No training occurred during the 1st quarter 2006.

- 3) *Milestone* - Perform staff evaluations.

Several staff evaluations were administered during the 1st quarter.

Maintain an effective budget process

- 4) *Milestone* - Allocate CDQ royalties in the following manner -- 50% to Capital Investment Fund -- 45% to Operations, and 5% to Reserves.

Total Revenues are allocated 50/45/5 as payments come in throughout the year and are reconciled on a quarterly basis.

This milestone was followed as applicable during the second quarter.

- 5) *Milestone* - Approve operating plan and budget.

The 2006 budget was approved at the Annual meeting held in November 2005.

Community Outreach

Objective -- Maintain and improve outreach to BBEDC communities

- 6) *Milestone* -- Travel to communities to promote BBEDC programs.

The staff made several community visits during the first quarter with more being planned.

Provide BBEDC information to communities

- 7) *Milestone* - Maintain current information on community bulletin boards.

Community liaisons are tasked with this responsibility. BBEDC staff also distributes information during travel to CDQ communities.

8) *Milestone* - Send out flyers, radio, and cable announcements to promote BBEDC programs.

This is done regularly by the employment and training, regional fishery, and other staff.

9) *Milestone* - Distribute a quarterly newsletter to BBEDC households.

The BBEDC Tide was mailed to CDQ box holders in March 2006.

10) *Milestone* - Distribute an annual report to BBEDC households.

The 2005-2006 report will be mailed during the 3rd quarter.

11) *Milestone* - Maintain an active BBEDC website.

BBEDC sent a staff into Anchorage during the first quarter for specialized training for the purpose of doing future website updates in-house. A contractor is also being utilized for the more extensive changes.

Community Liaison Program

12) *Milestone* - Provide ongoing support and training to BBEDC community liaisons.

Training was held on January 30 & 31, 2006 in Dillingham with 14 of our 17 communities sending Liaisons and their Supervisors to the 2-day training.

Monthly teleconferences were held in November, December, January and March.

Regional Fisheries Development

Objective - Enhance and expand regional fisheries opportunities in Bristol Bay

(13) *Milestone* - Select initiatives annually for regional fisheries development.

2006 initiatives include:

- Exploring market opportunities for regional fishers with halibut, herring and salmon products.
- Increasing the availability of ice at the point of harvest through the further utilization of the community ice machines, the deployment of the two ice barges and through distribution of totes, slush bags and vessel hold insulation.
- Continued expansion and public awareness of the Bristol Bay Wild quality assurance program and the Bristol Bay Fish Company entrepreneurial model.

14) *Milestone* - Investigate market opportunities that promote regional brand identity.

BBEDC will work with at least four regional companies during the summer of 2006 to promote Bristol Bay salmon

15) *Milestone* - Develop quality standards for Bristol Bay salmon harvesters.

- 2006 quality standards for the Bristol Bay Wild quality certification program are currently being reviewed and some minor adjustments will be made to the processor compliance sections.
- A review of the applicable standards as they pertain to small local processors is being reviewed. Any program adjustments will be made available to qualifying participants well in advance of the upcoming fish harvesting season.

16) *Milestone* - Explore value-added opportunities in-region.

- BBEDC teamed up with the Marine Advisory Program to offer a Nuts and Bolts workshop for small and community based processors and self marketers in February 2006 in Naknek.
- Topics included regional value added discussions with the latest technological and academic advancement presentations.

Bristol Bay Fish Company

Provide communities the opportunity to learn about operating a seafood company

17) *Milestone* - Conduct BBFC as a learning environment for operating a seafood company.

- BBFC was a topic of discussion at the February Naknek Nuts and Bolts conference.
- The Fish Company is also discussed in each community visit by regional fisheries staff. Interested individuals are encouraged to contact BBEDC for support or for more information.

Ice Machine Support

Objective - Encourage community ownership of ice machines

18) *Milestone* - Provide ice machines and support services in BBEDC communities.

- Regional Fisheries staff polled the original six community ice machine recipients in March 2006 and provided those comments to the regional fisheries committee for review.
- RFD Staff also contacted Ekuk and Igushik representatives in the fall of 2005 and again in March 2006 about the need to expedite the planning process for their remote ice machines to assure completion prior to the expiration of grant funding sources.

4E Halibut Fishery

Objective - Manage 4E halibut fishery to maximize benefits to residents

19) Milestone - Manage 4E halibut fishery to provide benefits to resident fishermen.

- Regional Fish began soliciting comments from and providing applications and procedures to our local fleet in early 2006.
- New skate and trip limits were adopted by BBEDC in the fall of 2005 and those were included in informational material to the fishers as well.
- The new limits will give BBEDC fishers additional opportunity to harvest more fish.

20) Milestone - Hold workshops to promote good fishing practices and use of proper safety techniques.

Discussions are under way to determine local interest in halibut and other fisheries related workshops.

Bristol Bay Permit Brokerage

Objective - Maintain resident ownership of Bristol Bay limited entry permits and provide support services to Bristol Bay fishermen

21) Milestone - Provide services to Bristol Bay fishermen in an effort to maintain local ownership of limited entry permits in CDQ and non-CDQ communities.

- Assistance has been provided on an as-needed basis for permit transfers that took place during this quarter.
- The latter portion of the quarter was devoted to organizing staff schedules and files in preparation for the drastic increase in demand for assistance that occurs during the 2nd and 3rd quarters.

22) Milestone - BBEDC will fund an interest rate support program to help CDQ fishermen with fishery loan payments.

- During the first quarter 22 applications were received and adjudicated for the Interest Rate Assistance Program.
- Results are expected to provide over \$30,000 in interest assistance to local residents.

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

23) Milestone - Interact with the IRS and financial institutions on behalf of permit holders.

- BBEDC staff continues to assist the Division of Investments in notifying regional residents of the sale of seized limited entry permits.
- We also continue to assist individuals in obtaining forms necessary to bid on permits and to complete ADOI loan applications.

- BBEDC has received and adjudicated 400+ applications for Tax Assistance.
- The Tax Assistance program offers up to \$150 for payment of professional assistance in preparing 2005 annual federal tax forms.

Community and Business Development Program

Objective - Promote in-region fishery infrastructure development and technical assistance

24) *Milestone* - Provide \$1,000,000 for approved community infrastructure proposals.

- BBEDC has distributed information to communities regarding the Infrastructure Matching Fund program for 2006.

25) *Milestone* - Provide \$100,000 per BBEDC community in seed funds during CDP cycle.

- BBEDC distributed information to communities regarding the Seed Grant program for 2006, including a detailed accounting of the funds available to each community.
- BBEDC awarded a Seed Grant to Ekuik Tribe to develop a business plan for fisheries processing for \$25,850
- BBEDC awarded a Seed Grant to Curyung Tribe to develop a business plan for fisheries processing for \$78,000.
- BBEDC received and is currently reviewing a Seed Grant application from King Salmon Tribe for a Fisheries Development Center Phase III.

26) *Milestone* - Monitor completion requirements for approved projects.

- This activity occurs regularly throughout the year.

27) *Milestone* - Provide grant writing and business planning services to BBEDC communities and residents.

- Egegik Tribal Council – continuing to assist in developing a grant application for Seed and other grant sources.
- Dillingham Harbor Plan Assistance – partially approved to provide assistance in completing grant applications.
- Dancing Salmon Company – assist with development of a business plan, a marketing plan and identification of possible funding sources to implement - approved
- Sheri Christensen – assist with development of a business plan and identify financial sources for small business development - approved

Bristol Bay Science and Research Institute

Objective - Promote in-region scientific research and education programs

28) *Milestone* - Maintain core funding of \$283,000 to the Institute.

- Funding for fiscal year 2005 was provided to the institute as required.

29) *Milestone* - Increase research and management employment opportunities for Bristol Bay residents.

- BBSRI successfully provided for several internships during the second quarter stationed in various locations throughout Bristol Bay.

30) *Milestone* - Conduct applied research to improve the management of area fisheries.

- Several BBSRI projects designed to improve management of the area's salmon fisheries were active during the second and third quarters, including: the Port Moller Test fishery, the catch sampling project and the Nushagak sonar project.

Support fisheries research with grant funding

31) *Milestone* - Secure external funds to support in-region fisheries research and monitoring.

- The institute has successfully procured funding from a number of granting agencies.
- A significant amount of Congressional funding has also been secured.

Seafood Industry Investments

Objective - Manage Capital Investment Fund to provide revenues to BBEDC in perpetuity

Manage CIF to provide maximum return within established investment policy

32) *Milestone* - Monitor marketable securities fund to insure adequate performance.

- The quarterly reports from PRIME Asset Consulting measure the performance of all fund managers and were reviewed by the Chief Financial Officer.
- Audited performance numbers are available on a quarter lag. As of December 31, 2005 the CIF Marketable Securities returned 3.48% for the trailing twelve-month period.

Seek seafood industry investment opportunities

33) *Milestone* - Actively seek opportunities that meet CIF investment criteria of long-term averages of total return of 15%.

- During the third quarter BBEDC conducted due diligence on several prospective Bering Sea investments.

34) *Milestone* - Obtain state and federal approval for all board approved investments.

- One plan amendment was submitted to the state, which was approved during the 1st quarter 2005.

Monitor seafood industry investments for performance and profitability

35) *Milestone*- Attend subsidiary board and LLC management committee meetings.

- Staff attended the Bristol Leader, Dona Martita and Arctic Fjord meetings during the 1st quarter 2005.

36) *Milestone*- Prepare quarterly and annual performance reports on investment activities.

- A report will be provided to the BOD by the Seafood Investment Officer during the May 2006 meeting.

37) *Milestone*- Track investment profitability per CIF criteria of declared distributions of total initial investment of 7% (exclusive of a large offshore pollock investment after 2003).

- The Seafood Investment Officer and Financial officer track all investment activity as described in the 2003-2005 CDP.

Marketing and Sales

Objective -- Review CDQ harvest partner marketing plans

38) *Milestone* - Review and compare plans with ongoing sales results.

39)

- The plans are reviewed on a regular basis by the Seafood Investment Officer and Quota Manager.

39) *Milestone* - Research opportunities in marketing of CDQ and IFQ products.

- BBEDC is actively exploring at least one current opportunity that involves a business relationship.

CDQ Harvest and Management

Objective - Limit bycatch and manage CDQ's to maximize benefit to BBEDC

Provide oversight and management of all CDQ fishing

40) *Milestone* - Review CDQ harvest partner fishing plans.

- BBEDC staff traveled to Seattle during the first quarter and met with industry representatives to discuss the fishing plan activity for 2006.
- Throughout the year, the quota manager maintains frequent and regular contact with industry representatives via phone and email.

41) *Milestone* - Review operations with CDQ harvest partners.

- The quota manager and seafood industry officer correspond regularly with BBEDC harvest partners on all operational activities.
- Senior staff at BBEDC attends various subsidiary board meetings each quarter.

42) *Milestone* - Work with CDQ groups on harvesting and management issues.

CDQ Program Advocacy

Objective -- Advocate the policy interests of the CDQ program

43) *Milestone* - Represent CDQ interests at the NPFMC, IPHC, and other CDQ related forums.

Employment

Objective - - Provide employment for Bristol Bay residents and monitor career advancement

Provide employment opportunities with CDQ harvest partners

44) *Milestone* - Place a total of 32 CDQ and non-CDQ residents with CDQ harvest pollock partner(s) each year.

- BBEDC placed 17 residents with American Seafoods in the first quarter.

45) *Milestone* - Place 12 entry level hires with CDQ multi-species harvest partners.

- BBEDC had 5 residents work with CDQ multi-species harvest partners in the first quarter.

Provide employment in advanced positions with CDQ harvest partners

46) *Milestone* - Monitor career progression opportunities with CDQ harvest partners.

- Ongoing through 2006.

Collaborate with regional and statewide entities

47) *Milestone* - Work with Bristol Bay and statewide service providers to create employment and training opportunities in the region.

- BBEDC Employment and Training staff continue working with BBNA,
- Bristol Bay Campus and several other entities within the Bristol Bay Region.
- Throughout the year Employment and Training staff participate in
- meetings with Bristol Bay Native Association, and the Bristol Bay

- Campus.
- In the first quarter, this collaborative effort included joint student funding meetings and joining the Bristol Bay campus in developing their 20 year strategic plan.

Training

Objective -- Develop the human resource potential of Bristol Bay CDQ and non-CDQ residents through vocational training

Provide Adult Basic Education and General Education Diploma training

48) *Milestone* - Provide ABE training for a minimum of 150 residents.

- Thirty -one (31) residents of Bristol Bay have taken ABE classes this quarter.

49) *Milestone* - Provide GED training for a minimum of 16 residents.

- Thirty-three (33) Bristol Bay area residents have taken GED classes in the first quarter.

Provide basic vocational/technical training in-region

50) *Milestone* - Provide basic vocational/technical training for a minimum of 60 residents.

- BBEDC has provided basic vocational/ technical training for 59 residents in the first quarter.
- This includes both fishing and non-fishing related trainings.

51) *Milestone* - Provide training opportunities in BBEDC communities.

- BBEDC has supported training in Dillingham, Togiak, Naknek, and King
- Salmon in the first quarter.

Provide advanced vocational technical scholarships in approved programs

52) *Milestone* - Provide advanced vocational/technical training for a minimum of 20 residents.

- BBEDC has awarded six (6) vocational scholarships in the first quarter.

Internships

Objective -- Provide internships in various settings in Bristol Bay and with CDQ harvest partners

53) *Milestone*- Place a total of nine interns in the Bristol Bay region each year.

- BBEDC placed two adult interns in the Bristol Bay region in the first quarter.

54) *Milestone* - Place a total of five interns with CDQ harvest partners located outside of the Bristol Bay region.

- Ongoing Through 2006.

Work readiness opportunities for youth interns

55) *Milestone* - Collaborate with regional agencies and others to provide youth internships in Bristol Bay.

- BBEDC placed two youth interns in the Bristol Bay region in the first quarter.

Education Initiative

Objective -- Provide academic scholarship program and other education opportunities for CDQ community residents

Manage Harvey Samuelson Scholarship Trust to provide growth in perpetuity

56) *Milestone* - Inflation-proof Trust over the preceding five-year period.

- The Trust's investments have returned 6.04% for the preceding five year period versus inflation of 2.6 %.

57) *Milestone* - Review Trust investment policy each CDP cycle.

- The Trust's Investment Policies were revised in March 2005.

58) *Milestone* - Award 3% of previous year's audited net assets in scholarships.

- The second disbursements totaling \$237,284 were sent to 66 recipients during the first quarter.

59) *Milestone* - Monitor scholarship recipients for academic progress.

- Regular contact has been maintained with our scholarship recipients via email, phone, and in person. Students are required to submit transcripts at the completion of each term.

Student Loan Forgiveness Project

60) *Milestone* - Implement and regularly monitor the project.

- The program continues to serve four CDQ residents, however no student loan forgiveness checks were sent out during the first quarter.

Career & College Development Fund

61) Milestone - Place 10 residents in the program and monitor their progress.

- During the first quarter of 2006, 35 CDQ residents participated in the program collectively receiving \$23,458.

Salmon Camp support

62) Milestone - Continue to develop the camp and its curriculum in an effort to promote fishery management and research career opportunities for Bristol Bay youth.

- Two CDQ residents have been contracted to assist with camp planning, curriculum update, and implementation.

63) Milestone -- Recruit camp participants from all Bristol Bay school districts.

- Salmon camp recruitment had not yet begun in the first quarter of 2006.

Grants

Objective -- Pursue grants to help fund BBEDC programs

64) Milestone - Grant funds will support at least 10% of the total budget of non-profit projects in 2004.

In 2004, 17% of the total budget for non-profit projects was supported through grant funds.

65) Milestone - Grant funds will support at least 15% of the total budget of non-profit projects in 2005.

In 2005, using a revised method to calculate grant support of non-profit projects, this milestone was met with 38%.

66) Milestone - Administer and provide grant reporting as required.

The reports for the period ending March 31, 2006 are being prepared and filed as required.

B. Outreach

Please see the quarterly highlights for more detail.

Employment Summary

Employment Data 1st Quarter Jan. 1st – March 31st

	<u>Quarter</u>		<u>Year-To-Date</u>	
	People	Wages	People	Wages
Management/Admin	17	\$262,552	17	\$262,552
CDQ Pollock Related				
A SEASON	17	\$89,477	17	\$89,477
B SEASON	0	0	0	0
Other Fishing	5	\$32,637	5	\$32,637
Other Employment	7	\$24,378	7	\$24,378
Internships	4	\$6,386	4	\$6,386
Total	50	\$415,430	50	\$415,430
Unique Individual Total	50	\$415,430	50	\$415,430

Unique Individuals*

Fifty (50) unique individuals worked in different capacities with BBEDC in the first quarter.

Management and Administration

Seventeen individuals filled seventeen positions with BBEDC in the first quarter.

Pollock A Season

Seventeen (17) Bristol Bay area residents from Aleknagik, Togiak, Manokotak, New Stuyahok, Dillingham, and Port Heiden filled positions with American Seafoods for A season.

B Season

No activity this quarter

Other Fishing

One resident from Manokotak worked with U.S. Seafoods this quarter. Three Bristol Bay area residents, one from Dillingham and two from Togiak, worked for Bristol Leader fisheries in the first quarter. One resident from Dillingham worked for Kaldestad Fisheries in the first quarter.

Other Employment

Four residents from Bristol Bay area communities including; New Stuyahok, Egegik and

Naknek, worked as seafood processors, security, and office administration for Icicle Seafood's in the first quarter. Three residents from Togiak worked as processors for Westward Seafoods in the first quarter.

Internships Summary

Icicle Seafood's Office

No activity this quarter.

Icicle Vessel/Plant

No activity this quarter.

American Seafood's Office

No activity this quarter.

In-Region Interns

BBEDC had one Advanced Local Government intern in King Salmon and one Administrative Assistant internship in Dillingham complete their internships in the first quarter.

Youth Interns

BBEDC had One Aleknagik resident and One Dillingham resident worked as youth interns this quarter. One with ADF&G and another with the Dillingham Court.

BBSRI Interns

BBSRI had no interns this quarter.

Training Data
1st Quarter
January 1st – March 31st

	Quarter		Year-to-Date	
	People	Expenditure	People	Expenditure
Scholarships				
Post-secondary	105	\$262,611	105	\$262,611
Vocational	96	\$21,727	6	\$21,727
Voc-Tech Classes				
Advanced Vocational				
Basic Vocational	43	\$8,383	43	\$8,383
Other Training				
Fisheries Related	29	\$8,668	29	\$8,668
Student Loans				
CDQ Staff/Board	2	\$4,751	2	\$4,751
Other				
Other Expenditures				
To Educational Institutes				
Educational Endowment Funds				
Other	64	\$3,405	64	\$3,405
Total	138	\$25,207	138	\$25,207

Scholarships

College Development Fund

The College Development Fund distributed 35 scholarship awards to residents of Dillingham, South Naknek, Naknek, Togiak, Aleknagik, and Levelock.

Harvey Samuelson Scholarship Trust

The Harvey Samuelson Scholarship Trust distributed 66 second term scholarship awards to residents of Naknek, Dillingham, Aleknagik, King Salmon, South Naknek, Ekwok, Togiak, Egegik, Portage, Port Heiden, and Manokotak.

High School Higher Education Scholarship

Four Dillingham High School students received High School Higher Education Scholarship awards.

Vocational Scholarships

BBEDC awarded six vocational scholarships. Residents of Dillingham, Ekwok, Togiak, and Aleknagik, attended the following trainings; Automotive Technology, Business Administration, Cosmetology and Flight School.

Training Summary

Vocational-Technical Classes

Advanced Voc/Tech
No activity this quarter

Basic Voc/Tech

Forty- three residents attended basic vocational classes in Burner Maintenance Repair, Emt 1, and Personal Income Tax. The classes took place in Dillingham, Togiak, and King Salmon. Residents from South Naknek, Pilot Point, Dillingham, Togiak, Aleknagik, Naknek, and King Salmon attended.

Fisheries Related

Twenty-eight residents from Dillingham, Ugashik, S. Naknek, Naknek, King Salmon, and Manokotak, attended a Seafood Processing & Marketing workshop, that BBEDC sponsored in Naknek in the first quarter. BBEDC funded one resident from Dillingham who took a basic welding course in the first quarter.

Student Loans

No Activity this quarter.

CDQ Staff Board

One staff member completed a Fundware Training and one completed a training to earn their Business Appraisal Certification.

Other

BBEDC supplements the funding of the ABE/GED program administered by UAF Bristol Bay Campus. Thirty -one (31) residents took ABE classes this quarter. Thirty-three (33) residents took GED classes this quarter. Residents where from Bristol Bay area communities including; Aleknagik, Chignik Lake, Dillingham, Ekwok, Iliamna, King Salmon, Kokhanok, Levelock, Manokotak, , New Stuyahok, Pedro Bay, Port Alsworth, Togiak, , and Twin Hills. Four (4) residents received their GED diplomas, one from Dillingham, two from King Salmon and one from Levelock

E. Other Issues

There were no other issues to report during the 4th quarter.

III. ADMINISTRATION

A. Board Activities

1. Change in Members

There were no new board members during the 1st quarter 2006.

B. State of Alaska Reporting Compliance

There are no issues to report.

A. Target Fishery Harvest Activity

Pacific Cod Target Fishery Harvest Activity First Quarter as of March 31, 2006								
CDQ Reserve Category	Units	Allocation after transfers	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Harvest	% of Target Harvest
A Season (60%)	mt	1,667.301	1,649.329				1,649.329	100.000%
B Season (40%)	mt	1,111.534					0.000	0.000%
Pacific Cod Total	mt	2,778.835	1,649.329				1,649.329	100.000%
Bycatch								
Non Pollock Quota	mt	N/A	26.453				26.453	1.604%
BS FG Sablefish	mt	56.400	0.006				0.006	0.000%
Yellowfin Sole	mt	47.720	0.019				0.019	0.001%
Rock Sole	mt	40.990	0.069				0.069	0.004%
BS Greenland Turbot	mt	11.000	0.266				0.266	0.016%
Arrowtooth Flounder	mt	34.500	1.000				1.000	0.061%
Flathead Sole	mt	32.230	2.750				2.750	0.167%
Other Flatfish	mt	12.120	0.000				0.000	0.000%
Alaska Plaice	mt	10.000	0.012				0.012	0.001%
Other Species	mt	0.000	121.925				121.925	7.392%
PSQ Reserve Category								
Pacific Halibut (mortality)	mt	29.780	0.588				0.588	0.000

Crab Harvest Activity
First Quarter as of March 31, 2006

CDQ Reserve Category	Units	Annual Allocation	Allocation		Allocation after transfers	1st Qtr	2nd Qtr	3rd Qtr	4 th Qtr	YTD Harvest	Percent Harvested	Remaining Allocation
			In	Out								
Bering Sea C. <i>Opilio</i>	lbs	743,680	225,000		968,680	869,398				869,398	89.8%	99,282
Bering Sea C. <i>Bairdi</i>	lbs	30,780			30,780	30,780				30,780	100.0%	0
EAI Golden King Crab	lbs	54,000	96,000		150,000	149,970				149,970	100.0%	30
Bristol Bay Red King crab	lbs											
Norton Sound Red King crab	lbs											
Pribilof Red & Blue King crab	lbs											

Opilio Crab Pool Split By Group

Group	Quota	Percent	Quota	
			Caught	Remaining
BBEDC	743,680	76.8%	667,459	76,221
YDFDA	225,000	23.2%	201,939	23,061
Total	968,680	100.0%	869,398	99,282

Brown Crab Pool Split By Group (2005 Quota)

Group	Quota	Percent	Quota	
			Caught	Remaining
BBEDC	54,000	36.0%	53,989	11
CVRF	54,000	36.0%	53,989	11
YDFDA	42,000	28.0%	41,992	8
Total	150,000	100.0%	149,970	30

MS-CDQ Account Status Report, First Quarter as of March 31, 2006

CDQ Reserve Category		Alloc Amount	In	Out	Allocation after transfers	1st Qtr	2nd Qtr	3 rd Qtr	4th Qtr	MTs Harvest	Percent Harvested	Remainin g	Remaining
BS Pollock	mt	31,185.000	399	31,584	0.000	0.000	0.000	0.000	0.000	0.000	0.000%	0.000	0.00%
AI Pollock	mt	399.000		399	0.000		0.000	0.000	0.000				
Pacific Cod	mt	2,963.835		185.000	2,778.835	1,649.329	0.000	0.000	0.000	1,649.329	59.35%	1,129.506	40.65%
BS FG Sablefish	mt	56.400			56.400	0.006	0.000	0.000	0.000	0.006	0.01%	56.394	99.99%
AI FG Sablefish	mt	85.500			85.500	0.000	0.000	0.000	0.000	0.000	0.00%	85.500	100.00%
BS Sablefish	mt	23.320		8.000	15.320	0.000	0.000	0.000	0.000	0.000	0.00%	15.320	100.00%
AI Sablefish	mt	11.200		8.300	2.900	0.000	0.000	0.000	0.000	0.000	0.00%	2.900	100.00%
WAI Atka Mackerel 543	mt	174.450		170.000	4.450	0.000	0.000	0.000	0.000	0.000	0.00%	4.450	100.00%
CAI Atka Mackerel 542	mt	450.000		445.000	5.000	0.000	0.000	0.000	0.000	0.000	0.00%	5.000	100.00%
EAI/BS Atka Mackerel 541	mt	84.450		81.200	3.250	0.000	0.000	0.000	0.000	0.000	0.00%	3.250	100.00%
Yellowfin Sole	mt	1,722.720		1,675.000	47.720	0.019	0.000	0.000	0.000	0.019	0.04%	47.701	99.96%
Rock Sole	mt	715.990		675.000	40.990	0.069	0.000	0.000	0.000	0.069	0.17%	40.921	99.83%
BS Greenland Turbot	mt	28.400		17.400	11.000	0.266	0.000	0.000	0.000	0.266	2.42%	10.734	97.58%
AI Greenland Turbot	mt	12.160		8.000	4.160	0.000	0.000	0.000	0.000	0.000	0.00%	4.160	100.00%
Arrowtooth Flounder	mt	214.500		180.000	34.500	1.000	0.000	0.000	0.000	1.000	2.90%	33.500	97.10%
Flathead Sole	mt	307.230		275.000	32.230	2.750	0.000	0.000	0.000	2.750	8.53%	29.480	91.47%
Other Flatfish	mt	63.120		51.000	12.120	0.000	0.000	0.000	0.000	0.000	0.00%	12.120	100.00%
Alaska Plaice	mt	126.000		116.000	10.000	0.012	0.000	0.000	0.000	0.012	0.12%	9.988	99.88%
BS Pacific Ocean Perch	mt	22.050		18.800	3.250	0.000	0.000	0.000	0.000	0.000	0.00%	3.250	100.00%
WAI Pacific Ocean Perch 543	mt	57.150		56.650	0.500	0.000	0.000	0.000	0.000	0.000	0.00%	0.500	100.00%
CAI Pacific Ocean Perch 542	mt	34.200		33.700	0.500	0.000	0.000	0.000	0.000	0.000	0.00%	0.500	100.00%
EAI Pacific Ocean Perch 541	mt	34.650		33.650	1.000	0.000	0.000	0.000	0.000	0.000	0.00%	1.000	100.00%
BS Other Rockfish	mt	6.650		2.600	4.050	0.000	0.000	0.000	0.000	0.000	0.00%	4.050	100.00%
AI Other Rockfish	mt	7.920		6.000	1.920	0.000	0.000	0.000	0.000	0.000	0.00%	1.920	100.00%
Other Species	mt					121.925	0.000	0.000	0.000	121.925			
PSQ Reserve Category													
Zone 1 Red King Crab	ea	3,103.000		2,797.000	306.000	0.000	0.000	0.000	0.000	0.000	0.00%	306.000	100.00%
Zone 1 Bairdi Tanner Crab	ea	17,640.000		14,300	3,340.000	0.000	0.000	0.000	0.000	0.000	0.00%	3,340.000	100.00%
Zone 2 Bairdi Tanner Crab	ea	51,233.000		41,700	9,533.000	0.000	0.000	0.000	0.000	0.000	0.00%	9,533.000	100.00%
Opilio Tanner Crab	ea	103,710		53,930	49,780.000	0.000	0.000	0.000	0.000	0.000	0.00%	49,780.000	100.00%
Pacific Halibut (mortality)	mt	75.240		45.460	29.780	0.588	0.000	0.000	0.000	0.588	1.97%	29.192	98.03%
Chinook Salmon	ea	457.000		457.000	0.000	0.000	0.000	0.000	0.000	0.000	0.00%	0.000	0.00%
Pacific Cod	mt	662.000		662.000	0.000	0.000	0.000	0.000	0.000	0.000	0.00%	0.000	0.00%

Pacific Cod Harvesting Activity:

1) Summary of harvesting activities by target fishery:

The Bristol Leader and Bering Leader harvested 1,649.329 MT of Pacific Cod during the first quarter. There are differences in the amount of Other Flatfish bycatch between SeaState and NMFS databases. The number reported in the attached spreadsheets is the NMFS number.

2) Summary of bycatch:

The main bycatch species were "Other Species," and Pollock.

BS Opilio Crab Harvesting Activity:

1. Summary of harvesting activities by target fishery:

A total of 869,398 pounds of Opilio Crab including "deadloss" was harvested in the quarter. The quota was split 76.8% to BBEDC and 23.2% to YDFDA.

2. Summary of bycatch:

There was no bycatch reported in this fishery.

BS Bairdi Crab Harvesting Activity:

1. Summary of harvesting activities by target fishery:

A total of 30,780 pounds of Bairdi Crab was harvested in the quarter.

2. Summary of bycatch:

There was no bycatch reported in this fishery.

EAI Golden King Crab Harvesting Activity:

1. Summary of harvesting activities by target fishery:

A total of 149,970 EAI Golden King Crab was harvested in the quarter. The quota was split 36% to BBEDC and CVRF with the remaining 28% going to YDFDA.

Although this quota was harvested in 2006, it was from the three group's collective 2005 allocation of EAI Golden King Crab

2. Summary of bycatch:

There was no bycatch reported in this fishery.

B. Processing Report

Pacific Cod Processing Activities

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

BS Opilio Crab Processing Activities

Icicle Seafood's processed the majority of BBEDC's CDQ crab into various product forms.

BS Bairdi Crab Processing Activities

Icicle Seafood's processed the majority of BBEDC's CDQ crab into various product forms.

EAI Golden King Crab Processing Activities

Westward Seafood's processed the majority of BBEDC's CDQ crab into various product forms.

C. Compliance/Enforcement Issues

There were no compliance and enforcement issues reported this quarter.

D. Other Fishing Issues/Activities

No Other Fishing Issues/Activities to report.