

**Bristol Bay Economic Development Corporation
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1999 1st Quarter Report

April 30, 1999

I. QUARTERLY HIGHLIGHTS

- **The Board of Directors and Staff attended a two-day Strategic Planning Session in January.**
- **Attended the two-day State CDQ Team Oversight Meeting in Anchorage during January.**
- **Hired Everette Anderson as Employment and Training Program Director.**
- **Full Board of Directors meeting was held February 11 and 12 in Dillingham.**
- **The Executive Committee held a meeting in March to discussion investment proposals.**
- **Scholarship Trustees approved 1999 scholarship distribution of \$90,000.**
- **Held Longline workshops in Egegik and Dillingham in preparation for the 4E halibut fishery. Flew in village representatives for each workshop.**
- **Attended the Symphony of Salmon at the Glacier Brewhouse.**
- **Staff met with all partners in Seattle during the latter part of February to discuss final 1999 fishing plans.**
- **A total of 25 community interns are working in their respective villages during the first quarter.**
- **The Infrastructure Assessment Study Report and Executive Summary was distributed to each of the CDQ communities.**

- **The technical assistance team and or staff made presentations regarding both the Regional Infrastructure and Business Development Program.**
- **Staff member Bernice Heyano was selected as a member of the Pacific Northwest IRS Citizens Advocacy Panel.**
- **4E Halibut recruitment began. Announcement of additional quota from 4D allows residents to harvest 207,000 pounds this season.**
- **Staff attended and participated in the March Bering Sea Coalition meetings held in Anchorage.**
- **Orientation held with Partners in Seattle to introduce Everette Anderson.**

II. COMMUNITY DEVELOPMENT

A. Progress Toward Goals, Objectives, Milestones

1. Maintain an Effective and Efficient Board of Directors.

1.1 Establish and maintain bylaws and board procedures.

1.1.1 Review Bylaws and Procedures:

No action this quarter.

1.1.2 Annually review committee structure:

At the Annual/Board meeting in November, committee appointments and officer elections are made for the coming year.

1.1.3 Review and revise board calendar annually:

The board calendar for 1999 was approved at the November 1998 board meeting.

1.1.4 Provide financial report analysis training:

This will be accomplished at the May 1999 Board of Directors meeting.

1.1.5 Conduct Board training as needed:

A two-day strategic planning meeting was held in January with all staff and board members present. The meeting was organized and facilitated by Alaska Village Initiatives, Christie Bell through a grant from BSFA. This was a very productive meeting for all participants.

1.2 Develop and update Long Term Strategic Plans.

1.2.1 Review long range plan and modify as needed:

See 1.1.5.

7.2 Develop and update annual operation plans.

- 1.3.1 Review progress and update annual operations plan mid year if needed:
The annual work plan for 1999 was adopted at the board meeting in November 1998. Activities are tracking as planned.
- 1.3.2 Monitor progress on Ops. Plan monthly:
The operations of the corporation continue to be monitored by both management and the Board of Directors on a monthly basis. All management staff provides the Board with a monthly activity report.
- 1.3.4 Develop and approve annual operating plan:
This is done at the Annual Meeting in November the year preceding the implementation of the Operating Plan. The 1999 Board Meeting Calendar and Task Plan were approved at the November 1998, Annual Meeting.

2. Develop efficient and cost effective staff and administrative Procedures.

2.1 Identify skills needed and plan staff.

- 2.1.1 Review staff tasks, skills, job descriptions and structure annually:
Job descriptions will be reviewed and modified as necessary at the May board meeting. The reorganized Employment and Training Department is functioning as intended, the new director has pitched in and become a vital member of the BBEDC team. His computer expertise has been most appreciated during our recent computer network upgrade.

2.2 Recruit staff and evaluate progress.

- 2.2.1 Do annual ED performance review:
This was accomplished in September.
- 2.2.2 Perform staff evaluations annually:
Staff evaluations are on going and annual evaluations are being conducted as anniversary dates occur.

2.3 Develop and update personnel manual.

- 2.3.1 Annually review and update personnel policies and procedures:
No current changes are anticipated. An annual review occurs during the May meeting.

7.2 Develop financial plan, budget and controls.

- 7.2.9 Allocate all royalty funds 50, 45%, and 5% to ASIF, CDP, and Scholarship.
Funds continue to be allocated in the manner required by the CDQ Plan. Scholarship funding continues to pay back the ASIF fund for forward funding from 1996. This obligation should be satisfied this year.

- 2.4.6 Update Fund Management Plan as needed and submit for approval:
This will be accomplished at the May Board of Directors meeting.
- 2.4.8 Review fund manager performance annually:
The investment portfolio is monitored continuously and an annual report will be made available in May.
- 2.4.11 Develop Consolidated and Detailed Budgets annually:
The 1999 budget was approved at the Annual Meeting in November 1998, and submitted to the state in December. BBEDC has invested in non-profit accounting software and the contract accounting is implementing it at this time.
- 2.4.13 Prepare Quarterly Financial and management reports:
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 at their scheduled meetings review quarterly financials. A monthly management report is prepared by the Executive Director and presented to the Board of Directors.

2.5 Utilize financial and performance audits to improve management.

- 7.2.9 Financial and Agreed Upon Procedures Audit: The auditors, KPMG Peat Marwick, completed the 1998 field audit in late March 1999 and the final audit for 1998 should be ready for review any day.
- 7.2.10 Review audit results and revise operations plan as appropriate: The Board of Directors will review the 1998 audit and accompanying reports at the May 1999 meeting.
- 7.2.11 Review and approve auditors: The Board of Directors will take action in May of this year for the coming 1999 audit.

2.6 Track Arctic Storm performance closely and monitor fishery.

- 2.6.2 Review ASI Royalty Agreement Performance:
A face to face meeting was held with Arctic Storm on January 20th, 1999 to review the royalty projections for 1999. A mid-year review will take place in August to address any forecasted changes in price, production, or CDQ royalties. BBEDC's Executive Director speaks with the Arctic Storm's Controller on a regular basis to discuss the status of royalty payments. To date, Arctic Storm is in compliance with the royalty agreement.
- 2.6.5 Review ASI Training and Employment Agreement performance:
The review of the performance of Arctic Storm in relation to the employment agreement is an on-going process. Employment and training of BBEDC's residents is one of our most important goals. BBEDC has reorganized our employment department by hiring an Employment and Training Project

Director who will be assisted by the Program Coordinator. The Executive Director and Employment and Training Director traveled to Seattle during the month of February to meet with all partners regarding current agreements and to have a face-to-face orientation for the new ET Director.

- 2.6.8 Hold annual meeting with ASI and approve annual fishing plan:
The Arctic Fjord Annual meeting was held in Seattle on January 19th, 1999. BBEDC staff and Board Member Emil Christensen (who is also the Vice President of Arctic Fjord LLC) were in attendance.

BBEDC staff met with Arctic Storm on January 20th, 1999 to review and finalize the fish plan. The BBEDC Quota Manager constantly monitors activities related to the fish plan such as target catch, bycatch, and prohibited species catch.

2.7 Track Bristol Leader Fisheries performance closely and monitor fishery.

- 2.7.2 Hold Annual Meeting with BLF and review initial Fish Plan:
BBEDC met with BLF on January 18th, 1999 to review the initial fish plan.

- 2.7.5 Review BLF Royalty Agreement Performance:
No CDQ harvesting activity was conducted in the first quarter. We are exploring the option of amending our Royalty Agreement with BLF to guarantee a minimum of 20% royalty or the ex-vessel value of the harvest or the current sliding scale royalty agreement which ever is greater.

- 2.7.8 Review BLF and ALF Training and Employment Agreement Performance:
Bristol Leader LLC has been very accommodating in their implementation of an employment program, working with BBEDC more than a year before the MSCDQ was implemented. Please see comments in Section 2.6.5 discussing BBEDC's reorganized Employment department. Please see Section II, C, 1 for information regarding employment/interns that were on ALF/BLF boats for open access in the first quarter.

- 2.7.11 Approve annual fishing plan:
To date the fish plan has not been officially finalized, however the majority of the plan has been outlined and meets with BBEDC's objectives.

2.8 Track North Pacific Fishing performance closely and monitor fishery.

- 2.8.2 Review NPFI Royalty Agreement Performance:
No CDQ harvesting activity was conducted in the first quarter.

- 2.8.5 Review NPFI Training and Employment Agreement performance:
NPFI did not have openings for BBEDC residents during the first quarter. However, an office intern was placed in their Seattle office at the beginning of the year.

2.8.8 Hold annual meeting with NPFI and approve annual fishing plan:
BBEDC met with NPFI on January 18th, 1999 to review the initial fish plan.
After a few revisions, the 1999 Fish Plan was approved.

2.8.11 Review and approve final fishing plan:
No CDQ fishing activity occurred in the first quarter. The BBEDC Quota
Manager constantly monitors activities related to the fish plan such as target
catch, bycatch, and prohibited species catch. The final Fish Plan was also
approved during this quarter.

2.9 Track Kaldestad Fisheries Ltd., performance closely and monitor fishery.

2.9.2 Approve Annual Fishing Plan:
BBEDC met with KFL on January 20th, 1999 to review the initial fish plan.
After a few revisions to adjust the CDQ numbers and fishing vessels, the 1999
Fish Plan was approved.

2.9.4 Hold annual meeting with KFL:
The Annual Meeting was held in January 1999.

2.9.6 Review KFL Royalty Agreement performance:
No CDQ fishing activity occurred in the first quarter. BBEDC's Executive
Director and staff speak with KFL on a regular basis to discuss issues related
to the royalty agreement.

2.9.8 Review KFL Training and Employment Agreement Performance:
The Executive Director and the Employment and Training Director met with
KFL during the February trip to Seattle and reviewed the Training and
Employment Agreement. Please see Section II, C, 1 for more information.

2.10 Track Icicle Seafood's production performance closely and monitor fishery.

2.10.2 Review ISI Royalty Agreement performance:
No CDQ fishing activity occurred in the first quarter. BBEDC's Executive
Director and staff speak with Icicle Seafood's staff on a regular basis to discuss
issues related to the royalty agreement.

2.10.5 Review ISI Training and Employment Agreement Performance:
The Executive Director and the Employment and Training Director met with
ISI during the February trip to Seattle and reviewed the Training and
Employment Agreement. Please see Section II, C, 1 for more information.

2.10.8 Hold annual meeting with IFI and approve annual fishing plan:
BBEDC does not receive a "fish plan" from Icicle. However, Icicle does
submit a Processing and Marketing Report. BBEDC has received and
accepted the 1999 Processing and Marketing Report from Icicle.

3. Develop methods for getting information to villages, public & regulators.

3.1 Develop and publish quarterly newsletter.

3.1.2 Produce and Distribute Quarterly Newsletter:

Staff produced and distributed a quarterly edition of the *BBEDC CDQ News* in January 1999 and sent it to 2,880 individuals, communities, groups and regulatory agencies.

7.2.9 Evaluate effectiveness of the quarterly newsletter regularly: The Board periodically discusses the effectiveness of the newsletter reports at board meetings. Having increased circulation of the newsletter to every CDQ household, continual inquiries are being made regarding information in the newsletter. BBEDC, along with other regional entities continue to look for ways to improve outreach and communication with the villages.

The Board has added “CDQ Community Concerns/Questions” to their regular meeting agenda in an effort to bring these issues to the attention of the entire Board.

3.2 Develop and maintain effective press relations.

3.2.1 Maintain active contact with press: BBEDC uses the newspaper, cable television and public radio to advertise their programs, job opportunities, internships, and scholarship opportunities throughout the Bristol Bay area. Articles appear in the Bristol BayTimes regularly as new events happen. BBEDC also uses the news services offered by the Public KDLG regional radio to advertise various programs, job opportunities and other events of interest.

3.3 Provide regular Board and staff contact with villages.

3.3.2 Executive Director and Staff visits to Villages: Staff made visits to Naknek, Togiak, King Salmon, Egegik, and Manokotak during the first quarter. In addition, staff facilitated and coordinated meetings and travel for the IRS to Dillingham, Togiak, Manokotak, King Salmon, Egegik, Twin Hills and Clarks Point. The following non-CDQ communities were also visited by IRS: Newhalen, Kokhanok, Nondalton and New Stuyahok.

3.4 Prepare and file necessary reports on time.

3.4.2 Prepare and file annual report: The Annual Report for 1998 will be submitted during the second quarter of 1999.

3.4.5 Prepare and file four quarterly reports to the state each year: The Quarterly Reports for 1998 were filed timely with the state.

4. Provide self-sustaining Basis for Community Development.

4.1 Manage ASIF to provide ongoing revenues to BBEDC.

4.1.2 Maintain ASIMCo in dormant state:

The Board of Directors has closed out the activities of ASIMCo. The corporation remains in good standing with the State but has no activities. The Executive Committee, a standing committee of the Board of Directors, has assumed the main role of ASIMCo.

- 4.1.4 Provide annual training for Royalty, Negotiating, & Invest. Committee:
This committee has been merged into the Executive Committee to reduce redundancy of action.
- 4.1.6 ASIF earnings fund ASIF Project Management:
ASIF earning support activities in the ASIF Project.
- 4.1.9 Net ASIF earning transfer to Operations:
ASIF non-royalty earnings, net of expenses, were transferred to operation in early February 1999.
- 4.1.12 Annually search for investment options meeting ASIF criteria:
BBEDC continues to search for investments in the seafood industry that meet the criteria for investments as outlined in our CDP. BBEDC continues to respond to offers for purchase of IFQ's as they arise.
- 4.1.15 Annually invest in priority investment options meeting ASIF criteria:
One IFQ purchase was completed during the quarter. (See confidential section on potential investments.) The purchase of the Northern Cascade, a 108' crab catcher vessel was completed during the quarter.

4.2 Establish Regional Business Development Fund.

- 4.2.1 Maintain balance of RBDF at \$0.5 million:
Funds have been reserved (set aside) in the ASIF budget to fund this project.

5. Employment for Region's Residents.

5.1 Place entry/advanced level BBEDC residents on ASI vessels.

- 5.1.2 Place total of 150 entry-level/advanced hires with ASI:
Please see Section II, C, 1.

5.2 Place entry level BBEDC resident hires on Partner vessels.

- 5.2.2 Place a total of 25 entry-level hires with NPFI if available:
As of yet, no positions have come available. Please see Section II, C, 1.
- 5.2.5 Place a total of 12 entry-level hires with BLF if available:
Please see Section II, C, 1.
- 5.2.8 Place a total of 4 entry-level hires with KFL if available:
Please see Section II, C, 1.

5.3 Place experienced BBEDC resident hires on Partner vessels.

- 5.3.1 Track advancement of BBEDC residents on NPFI vessels:
Although no positions have become available, staff continues to provide employment applications to interested residents. Please see Section II, C, 1.
- 5.3.2 Track advancement of BBEDC residents on BLF vessels:
Please see Section II, C, 1.
- 5.3.3 Track advancement of BBEDC residents on KLF vessels:
Please see Section II, C, 1.
- 5.3.4 Track advancement of BBEDC residents with ISI:
Please see Section II, C, 1.

5.4 Establish vigorous permit retention program.

- 5.4.1 Maintain working relationship with IRS and other agencies:
BBPB staff works closely with IRS and other lending and collection agencies to work out debt problems experienced by Bristol Bay residents. BBEDC staff regularly facilitates meetings and appointments for the IRS and other agencies when they are travelling in the region.

Staff member Bernice Heyano was nominated and eventually selected to sit on the National IRS Citizens Advocacy Panel. This panel was selected from more than three hundred interested applicants.

- 5.4.3 Provide in region permit brokerage:
The Permit Brokerage was established in 1994 and continues to operate under BBEDC.
- 5.4.6 Retain 20 permits through tax counseling and brokerage services:
During the first quarter a total of 10 commercial fishing permits were saved from sale or seizure through intervention services provided by Permit Brokerage staff.
- 5.4.9 Contact 150 permit holders in arrears with IRS annually:
During the first quarter, 175 contacts were made with permit holders who are in arrears with the IRS. Staff assisted the IRS in completing and filing in excess of 600 tax returns this quarter. Tax preparation work will continue into the second quarter.

5.5 Manage 4E Halibut Fishery to provide max. benefit to residents.

- 5.5.1 Manage fishery to maximize participation by residents:
BBEDC is in the process of soliciting applications for the 4E halibut fishery. Two longline workshops were sponsored by BBEDC with two residents from each CDQ community attending with transportation provided through a grant from BSFA.

- 5.5.2 Seek changes to regulations/allow 4D halibut to be fished in 4E:
BBEDC was successful in their attempt to move some of the 4D halibut CDQ quota in shore if the 4E quota fishing effort maximize the available 4E quota.

6. Provide Appropriate Training and Educational Opportunities:

7.2 Maintain scholarship trust fund.

- 6.1.1 Maintain trust fund value by inflation proofing corpus of fund:
BBEDC continues to follow the established policy to provide for inflation proofing, providing scholarships equaling 3% of the capital base of the fund. In 1999, BBEDC will distribute \$90,000 in scholarships.

- 6.1.2 Contract management of scholarship awards and monitor performance:
BBNA to continues to recruit for applications in their “super scholarship package”. BBEDC will be responsible for some clerical support during application review.

- 6.1.4 Award 3% of previous year's Trust balance in scholarships:
In August 1999, the scholarship selection committee will meet to award \$90,000 worth of scholarships. Scholarship applications are being solicited now.

6.2 Place experienced residents as Interns with Partners.

- 6.2.2 Place at least 10 interns on ASI vessels: See Section II, C., 1.

- 6.2.5 Place at least 3 interns in office or other settings with ASI:
See Section II, C. 1.

- 6.2.8 Place at least 3 interns in ISI offices or other settings:
See Section II, C, 1.

- 6.2.11 Place at least 2 interns in ISI support operations:
See Section II, C, 1.

- 6.2.14 Place at least 3 interns in offices of NPFI, BLF, KFL:
See Section II, C, 1.

6.3 Provide ABE/GED and vocational training programs.

- 6.3.2 Provide ABE training for up to 150 people annually: See Section II, C., 2.

- 6.3.5 Provide GED training for up to 16 annually: See Section II, C., 2.

- 4.3.8 Provide basic vocational training for up to 40 annually: See Section II, C, 2.

BBEDC again provided Internship opportunities for two part-time positions in each CDQ community for at least three months. Working with the school districts, State Department of Labor, the city governments, and tribal councils, BBEDC established 22 internships throughout the region. These internships provided 25 local residents the opportunity, many for the first time, to be gainfully employed in a “job”. They learn basic work skills such as timeliness and working together and a chance to expand their skills and knowledge of the workplace. Already, participants are asking for assistance in attending computer training and business writing classes to enhance their skills. Some internship positions will lead to full time employment if the intern achieves success in the program. Although this program was intended to simulate the economy and to providing a learning experience, many participants will now be considered as qualified applicants when similar positions in their communities become available.

6.3.11 Provide advanced voc/tec training for up to 5 annually:
See Section II, C, 2.

6.3.13 Provide basic voc/tech training in outlying communities:
Two longline-fishing workshops were held during the quarter, one in Dillingham and one in Egegik.

Other training, such as Microsoft Excel, Grants Management, Introduction to the Internet, and Introduction to Personal Computers were provided in the following communities: Aleknagik, Egegik, King Salmon, Togiak, Dillingham, Naknek and South Naknek.

6.4 Provide Internships with regional businesses and agencies

6.4.2 Place at least 2 summer interns with ADF&G
Memorandum of Agreements have been renewed with ADF&G to employ resident interns in the Comm. Fish. Offices in Dillingham and King Salmon. In addition, the ADF&G Sport Fish Division has agreed to have a resident intern work with them on the Lake Aleknagik Pike Study Program and another working on the Naknek River Creel Survey.

Although all positions will not be in the commercial fisheries offices, BBEDC hopes to expose interested residents to the many and varied career opportunities in the fisheries arena.

6.4.5 Place at least 1 intern in BBEDC's office
Two high school interns were employed in the BBEDC offices during the first quarter. Interns develop good work ethics and skills while on the job at BBEDC.

6.4.8 Place at least 2 interns with businesses/agencies

One resident is currently in a training internship provided through the UAF Bristol Bay Campus. This program is intense and has specific goals and milestones. Upon completion, the intern will be ready for entry level administrative assistant type of employment.

Another resident serves as a contractual Specialized Intern compiling and developing a report on the '98 Regional Household Survey. This Intern is a Graduate student from the region who also benefiting from BBEDC's scholarship program. The Intern is pursuing a Masters Degree in Biology and has already received his Masters in Statistics. This project will be completed during the second quarter.

6.5 Work to provide training opportunities to non-CDQ BB communities.

6.5.1 Provide opportunities for non-CDQ village residents as funding available:
No activity this quarter.

6.6 Develop employment skills program for youth

6.6.5 Recruit curriculum coordinator and implement program:
A draft form of curriculum has been developed and the final touches are being made prior to implementation in the fall '99 school year. The project is progressing on schedule and all school districts are fully participating. The final product should be available during the second quarter.

7. Implement Regional Fisheries Development Project.

7.1 Develop a regional fisheries workplan.

7.1.2 Select several initiatives annually for regional development:
The Board of Directors approved the 1999 Regional Fisheries Development Plan at the November 1998 board meeting.

7.1.5 Implement the annual fisheries development priorities:
The projects for 1999 were approved in November of 1998.
Test Fisheries: The RFP has gone out for the two test fisheries in the mid and southern Bristol Bay. One test fishery will be devoted to longline/gear and the other to pot gear.
The 4E Halibut Committee: The committee met in the first quarter of 1999 to discuss the various issues confronting this fishery. At the February NPFMC meeting, Council Member Robin Samuelsen was successful in getting permission to bring some of the 4D CDQ quota inshore if the 4E quota was fished in its entirety. Problems confronting the 4E Halibut fishery are sparse market opportunities, low prices, and lack of available bait and ice to prosecute the fishery. Another possible impact on the fishery is the extremely cold winter with a projection of a late herring season due to the large ice pack in all of Bristol Bay. This may well decrease the number of participants in the halibut fishery. If the fishery extends to far into June, everyone will start fishing salmon. BBEDC did an extensive advertising campaign soliciting CDQ residents to fish the 4E halibut this spring.

Longline workshops were held in Egegik and Dillingham during the quarter. Two fishermen from each community were provided transportation to attend. Rob Wurm, of Alaskan Leader Fisheries was the main presenter. The meetings were well attended and a lot of good information about the proper way to prosecute the longline fishery was disseminated.

7.2 Investigate options for value-added and under-utilized species.

7.2.9 Annually review under-utilized species and value-added opportunities: BBEDC is looking at marketing opportunities for seafood species identified in the Hagemeister Test Fishery in the fall of 1998. BBEDC continues to work with fishermen in the investigation of various value-added concepts and market research. As a part of this effort, the staff is preparing a marketing workshop for the May Board of Director's meeting to provide an overview of the "marketing world" and possible avenues that BBEDC could take to be active in the downstream marketing of their CDQ products.

7.2.10 Develop market driven scenarios for fisheries development plan: The Board and Staff are continually investigating market driven scenarios for regional fisheries development. As part of the marketing educational workshop scheduled for the Board in May, BBEDC continues to explore possible marketing ideas for regional and CDQ production. See 7.2.1.

7.2.9 Conduct test fisheries in Togiak/Hagemeister area: The decision was made by the Board of Directors in the November, 98 meeting to for-go the second Hagemeister survey and do two other surveys, one in mid and one in southern Bristol Bay. See 7.1.5.

7.2.6 Survey surf clam zone: BBEDC continues to work on accomplishing this project. See Confidential Section - Potential Investments. This project continues to be on hold.

7.2.9 Investigate other opportunities to identify new species: Once the two other surveys are conducted this spring, more information will be available in new species development.

7.3 Fund development of fishery opportunities determined to be feasible.

7.3.3 Fund development of fishery opportunities determined to be feasible: BBEDC continually seeks out fishery opportunities. This is an ongoing task.

7.4 Conduct regional resource surveys, habitat mapping, and test fisheries

7.4.3 Conduct second small boat test fishery (different area): See 7.2.5.

7.4.5 Investigate other opportunities to identify new species: Other opportunities will present themselves once data is compiled and digested from the regional fisheries survey.

7.5 Advocate Bristol Bay Region's Interest in fisheries management.

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

7.5.2 Promote new CDQs and extension of CDQs in time: 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.

8. Provide for seafood industry related infrastructure development.

8.1 Establish Technical Assistance Project.

8.1.4 Perform an Infrastructure Needs Assessment in 14 CDQ communities: An assessment and prioritization of Infrastructure needs of the 14 CDQ communities in the Bristol Bay Area has been complete. One copy is attached. The Reserve Account was forward funded to "jump start" this Infrastructure Development Program and its immediate implementation.

BBEDC is also working with a grant research and development firm to establish a plan to locate and pursue grant funds for village projects. A Development Intern position has been created to work in BBEDC's office under the supervision of a selected grant firm.

The BBEDC technical assistance team from Alaska Business Development Center has been working with several residents in creating or further developing their businesses. Outreach to develop interest in both the Regional Business and Infrastructure Development programs is ongoing.

8.1.6 Review funding requests for business and infrastructure proposals: Current proposals are in the Technical Assistance stage of development. No actual "proposals" have come before the board, yet, to be considered.

8.2 Establish Regional Business Development Project.

8.2.1 Use Reg. Business Develop. Fund to invest in approved business proposals: Three projects are currently being pursued under the Technical Assistance portion of the project.

8.3 Establish Regional Infrastructure Development Project

8.3.1 Use Reserves to invest in approved infrastructure proposals Funds are allocated for this purpose in the Reserve Budget.

B. Outreach

BBEDC purchased and placed "BBEDC Opportunities/News" bulletin boards in each of the 14 CDQ communities in early fall, 1998. All job openings, internship positions, upcoming events and news items relating to BBEDC are posted monthly on the boards in each community.

Staff has developed a 1998 Annual Report for the 14 CDQ community residents. The final printed report will be mailed to all box holders in the CDQ region in an effort to improve communications and outreach to residents. The 1998 Annual Report will be included with BBEDC's Annual Report due to State regulators in May.

BBEDC also copied and bound the Executive Summary portion of the CDP and sent it to all CDQ Village Tribal Councils, City Offices and Boroughs in the region in an effort to promote understanding of BBEDC's activities.

See attached appendix for additional information.

C. Employment for the 1st Quarter of 1999

1. Data Form

Employment Form

January 1st - March 31,
1999

	<u>Quarter</u>		<u>Year to Date</u>		<u>Year to Date</u>
	Positions/Trips	Wages	Positions/Trips	Wages	People
<u>BBEDC Management/Admin</u>	11	\$98,268.16	11	\$98,268.16	11
<u>CDQ Pollock Related (AS/AF)</u>					
A SEASON	70	\$305,962.87	70	305,962.87	30
B SEASON					
Yellow Fin					
Hake Trips					
Shipyard	2	\$379.76	2	\$379.76	2
<u>Long Line Fishing</u>					
Alaskan Leader					
Bristol Leader	2	\$9,286.12	2	\$9,286.12	1
<u>Crab Fishing</u>					
Bristol Mariner					
Nordic Mariner					
Other Vessels	1	\$34,450.57	1	\$34,450.57	1
<u>Bottom Fishing</u>					
North Pacific Fishing					
<u>Other Fishing Employment</u>					
4E Halibut Fishing					
Icicle Seafood's					
<u>Other Employment</u>					
Bristol Bay Recruiter	1	\$9,999.99	1	\$9,999.99	1
<u>Internships</u>					
Arctic Storm Vessel	5	\$28,002.05	5	\$28,002.05	2
Arctic Storm Office	1	\$5,397.48	1	\$5,397.48	1
Icicle Seafood's Office	2	\$4,617.81	2	\$4,617.81	2
North Pacific Fishing	1	\$4,180.08	1	\$4,180.08	1
Icicle Vessel/Plant/Shipyard	4	\$9,985.15	4	\$9,985.15	4
ADF&G					
In-house Office	2	\$492.00	2	\$492.00	2
Alaskan Leader Vessel					
Bristol Leader Vessel	1	0	1	0	1
Specialized Interns	2	\$2,140.00	2	\$2,140.00	2
CDQ Community Interns	25	\$36,792.00	25	\$36,792.00	25
Other Interns					
TOTAL	130	\$549,954.04	130	\$549,954.04	86

C. 2 Employment Summary

Pollock A Season	A total of 30 residents worked on ASI vessels during Pollock A season.
Shipyard	One person worked on deck on the Arctic Fjord and one person worked in the galley on the Arctic Storm while the boats were in shipyard.
Long-line Fishing	One resident worked on the Bristol Leader this quarter. This person went out on 2 rotations during the CDQ season.
Crab Fishing	One resident worked the entire opilio crab season on the Aleutian Mariner.
Other Employment	Arctic Storm continued to employ a Bristol Bay recruiter.

Internships

Arctic Storm vessel	Two residents worked 5 trips as vessel interns this quarter. One person worked as a Quality Control intern and the other resident worked as a deck intern.
Arctic Storm office	One resident filled the Office Intern position in Seattle at the ASI office.
Icicle Seafood's	Two people from Bristol Bay worked in the Seattle Office intern position for Icicle Seafood's this quarter.
N. Pacific Fishing	One resident filled the Seattle Office intern position at the offices of North Pacific Fishing, Inc.
Icicle Plant/Vessel	There were 4 residents who worked for Icicle Seafood's for the 1999 opilio crab season: 1 office intern on the Bering Star; 1 maintenance intern on the Coastal Star; 1 Health & Safety intern on the Arctic Star; and a galley assistant intern on the Arctic Star.
In-house intern	2 high school students worked as interns in the BBEDC office this quarter.
Bristol Leader	One resident worked on the Bristol Leader as a galley assistant intern this quarter. There are no wages shown

because the trip he is on ran through the quarter and he will get paid when he rotates off of the boat.

Specialized Interns

One resident is currently in a training internship provided through the UAF Bristol Bay Campus. This program is intense and has specific goals and milestones. Upon completion, the intern will be ready for entry level administrative assistant type of employment.

Another resident serves as a Specialized Contractual Intern compiling and developing a report from the '98 Regional Household Survey. This Intern is a Graduate student from the region who also benefiting from BBEDC's scholarship program. The Intern is pursuing a Masters Degree in Biology and has already received his Masters in Statistics. This project will be completed during the second quarter.

Community Interns

25 residents from most CDQ communities worked as interns this quarter. Each community had the following number of interns:

Aleknagik	1	Clarks Point	3
Dillingham	4	Egegik	2
Ekuk	1	King Salmon	1
Manokotak	2	Naknek	4
Pilot Point	1	Port Heiden	2
Togiak	3	Twin Hills	1

D. TRAINING

1. Data Form

TRAINING
DATA
January 1 - March 31, 1999
1st Quarter
1999

	<u>Quarter</u>		<u>Year to</u>	
	People	Expenditure	<u>Date</u>	Expenditure
<u>Scholarships</u>				
Post-secondary				
Advanced Vocational	4	\$6,102.58	4	\$6,102.58
Administration				
<u>Voc-Tech Classes</u>				
Basic	78	\$10,351.99	78	\$10,351.99
Other				
<u>Other Training</u>				
Fisheries Related	33	\$3,857.55	33	\$3,857.55
CDQ Staff/Board	22	\$11,956.19	22	\$11,956.19
ABE/GED	91	\$6,272.50	91	\$6,272.50
GED Diplomas Earned	[3]		[3]	
<u>Other Expenditures</u>				
<u>Internships</u>				
Arctic Storm Vessel	2	\$29,227.72	2	\$29,227.72
Arctic Storm Office	1	\$5,397.48	1	\$5,397.48
Icicle Seafood's Office	2	\$4,617.81	2	\$4,617.81
North Pacific Fishing Office	1	\$10,016.08	1	\$10,016.08
ADF&G				
In-house Office	2	\$492.00	2	\$492.00
Alaskan Leader Vessel				
Bristol Leader Vessel	1	0	1	0
Specialized Interns	2	\$2,140.00	2	\$2,140.00
CDQ Community Interns	25	\$38,932.00	25	\$38,932.00

Other Interns				
TOTAL	264	\$129,363.90	264	\$129,363.90

D. 2. Training Summary

Scholarships

Vocational

Students who were enrolled in vocational training were as follows: 1 student attending the AVTEC diesel technology program; 1 student enrolled in the Welding Technology Program at The testing Institute of Alaska; 1 advanced intern with Arctic Storm taking accounting at Seattle Pacific University; and, 1 student attending the Seattle Maritime Academy seeking the Marine Engineering Technology Certificate.

Vocational-Technical Classes

Basic

A total of 78 residents took short-term classes offered by the UAF-Bristol Bay Campus in various communities this quarter. Classes provided include Microsoft Excel, Grants Management, Intro to the Internet, Intro to Personal Computers and Report Writing and Minute Taking.

Aleknagik	1	Dillingham	7
Egegik	7	Naknek	21
King Salmon	12	South Naknek	16
Togiak	14		

Other Training

ABE-GED

91 residents took Adult Basic Education and GED classes this quarter.

Aleknagik	13	Dillingham	38
Manokotak	6	Naknek	9
Port Heiden	7	Togiak	18

GED Diplomas

3 residents earned their GED's this quarter.

Internships

Arctic Storm vessel	Two residents worked 5 trips as vessel interns this quarter. One person worked as a Quality Control intern and the other resident worked as a deck intern.
Arctic Storm office	One resident filled the Office Intern position in Seattle at the ASI office.
Icicle Seafood's	Two people from Bristol Bay worked in the Seattle Office intern position for Icicle Seafood's this quarter.
N. Pacific Fishing	One resident filled the Seattle Office intern position at the offices of North Pacific Fishing, Inc. An apartment was fully furnished for the intern during this quarter.
Icicle Plant/Vessel	There were 4 residents who worked for Icicle Seafood's for the 1999 opilio crab season: 1 office intern on the Bering Star; 1 maintenance intern on the Coastal Star; 1 Health & Safety intern on the Arctic Star; and galley assistant intern on the Arctic Star.
In-house intern	2 high school students worked as interns in the BBEDC office this quarter.
Bristol Leader	One resident worked on the Bristol Leader as a galley assistant intern this quarter. There is no expenditure shown because the trip he is on ran through the quarter and he will get paid when he rotates off of the boat.
Specialized Interns	<p>One resident is currently in a training internship provided through the UAF Bristol Bay Campus. This program is intense and has specific goals and milestones. Upon completion, the intern will be ready for entry level administrative assistant type of employment.</p> <p>Another resident serves as a Specialized Contractual Intern compiling and developing a report from the</p>

'98 Regional Household Survey. This Intern is a Graduate student from the region who also benefiting from BBEDC's scholarship program. The Intern is pursuing a Masters Degree in Biology and has already received his Masters in Statistics. This project will be completed during the second quarter.

Community Interns 25 residents from most CDQ communities worked as interns this quarter. Each community had the following number of interns:

Aleknagik	1	Clarks Point	3
Dillingham	4	Egegik	2
Ekuk	1	King Salmon	1
Manokotak	2	Naknek	4
Pilot Point	1	Port Heiden	2
Togiak	3	Twin Hills	1

E. OTHER ISSUES

None

III. ADMINISTRATION

A. Board Activities:

1. Changes in the Board: The Pilot Point representative, Jim Shanigan has resigned and the community is in the process of seeking a replacement. The representative from Port Heiden has resigned his position on the Executive Committee. An appointment to this position will be forthcoming at the next board meeting in May.

2. Substantial Decisions: At the February Board Meeting, the board approved the results of the strategic planning meeting, including the development of a new mission statement, long term goals, vision statement, and guiding principles. (See attachment)

The Scholarship Trustees approved the 1999 scholarship distributions totally \$90,000.

The board approved the formation of the Bristol Bay Science and Research Institute. This organization will be developed to be a conduit for grant funds

B. Amendment Status: The Neahkahnne Letter of Notification is pending approval at the state level.

IV. Harvesting and Processing Report

A. Target Fishery Harvest Activity

Pollock Harvest Activities: Partner--Arctic Storm, Inc.



SPECIES	CDQ Allocation			Target Fishery Information
	Metric Tons Allocated	Metric Tons Harvested	Percentage of Allocation	% of Target Fishery
Pollock A-Season Alloc.	9,374.400	9,358.026	99.83%	99.04%
BYCATCH				
P. Cod	2,655.000	31.320	1.18%	0.33%
Atka Mackerel 541	216.750	0.004	0.00%	0.00%
Other Flatfish	2,310.000	0.094	0.00%	0.00%
Arrowtooth	2,115.075	0.352	0.02%	0.00%
Flathead Sole	1,159.400	18.937	1.63%	0.20%
Rock Sole	1,800.000	33.302	1.85%	0.35%
Yellowfin Sole	3,899.500	0.147	0.00%	0.00%
Other	542.080	6.610	1.22%	0.07%
TOTAL HARVEST		9,448.792		100.00%
% of Target Retained			100.00%	
SPECIES	PSQ Allocation			Target Fishery Information
	KG or # Allocated	KG or # Harvested	Percentage of Allocation	Rate (kg/MT or #/MT) % of Target Fishery
PROHIBITED				
Red King Crab	3,150.000	0.000	0.00%	0.00%
Herring (MT)	N/A	0.012	N/A	N/A
Bairdi Tanner Zone 1	14,063.000	0.000	0.00%	0.00%
Bairdi Tanner Zone 2	35,213.000	2.269	0.01%	0.02%
COBLZ Tanner	77,625.000	0.000	0.00%	0.00%
Other Tanner	N/A	2.612	N/A	N/A
Halibut Mortality (MT)	77.220	1.205	1.56%	0.01%
Chinook Salmon	756.000	48.257	6.38%	0.0052
Other Salmon	662.000	2.498	0.38%	0.0003

1) The Arctic Fjord began CDQ fishing on February 6th and fished straight through, finishing on February 22, 1999. The Arctic Storm began CDQ fishing on February 7th and fished until February 15th. The Arctic Storm then re-started CDQ fishing on March 12th and concluded on March 22, 1999.

2) Halibut seemed to be more prevalent than other years. These were not big halibut but rather small hand size halibut. Often times counts of 3 to 5 halibut would weigh 1 to 2 kilograms. We also had higher incidents of flatfish. Rock sole and Flathead sole numbers were higher than recent history.

B. Processing Report

Pollock Processing Activities:

During the 1999 A season, the Arctic Fjord produced surimi and roe from the CDQ quota. No fillets were produced from CDQ pollock. During A season CDQ, the Arctic Fjord produced 962.64 mt of surimi and 132.59 mt of roe. The Arctic Storm also produced surimi and roe. During the CDQ A Season, the Arctic Storm produced 908.82 mt of surimi and 143.64 mt of roe

C. Compliance/Enforcement Issues

There were no compliance or enforcement issues during this quarter. However, there were two instances which raised concerns over compliance and conflicting regulations. On Feb. 13 and again on Feb. 19, we experienced trouble with the flow scales on the Arctic Storm (2/13) and Arctic Fjord (2/19).

In both instances the problems were corrected in a short time on the vessels. During both instances there were fish on the vessel in the live tanks and other fish flowing into the net in the water. If the scales had not been repairable, the vessel would have had to face the decision to violate IR/IU regulations by discarding fish or the Multi-Species CDQ regulations requiring all fish be weighed.

D. Other Fishing Issues/Activities

Pollock

The Arctic Fjord fished their entire CDQ quota during the middle of February and the majority was harvested inside the CH/CVOA. The Arctic Storm fished a small part of their CDQ during the middle of February inside the CH/CVOA. The Arctic Storm harvested the largest part of the CDQ during the middle of March, all outside the CH/CVOA.