

I. QUARTERLY and Annual HIGHLIGHTS 2nd Quarter 2002

- Purchased 50% of the F/V Dona Martita, a 165' pollock catcher vessel.
- Area 4E CDQ Halibut fishers harvested entire 4E quota and is now utilizing Area 4D Quota.
- BBEDC was awarded a \$25,000 grant from the Coastal Impact Assistance program for our "Salmon Camp" program.
- Submitted the 2003-2005 Community Development Plan.
- Held Quarterly Board and Committee meetings.
- Advertised for the Chief Operating Officer, Chief Administrative Officer, Finance Officer, Grant Writer, Outreach Coordinator and Administrative Assistant positions.
- Screened candidates for the Chief Operating Officer position, the Finance Officer and the Administrative Assistant. Interviews are scheduled after salmon fishing season ends towards the end of July.
- Hired a Grant Writer, the previous grant writer was promoted to the Chief Administrative Officer position.
- Hired an Outreach Coordinator.
- Assisted IRS representatives in tax preparation and outreach.
- Staff visited in state higher education students.
- Salmon Restructuring committee held meetings in Naknek/King Salmon and Dillingham regarding 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:
No Board training occurred this quarter, it is planned for our September Board meeting

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 September 2002 Board meeting.
- 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:
The 2001 Audit was completed during the second quarter and submitted to the State. The full board will review the audit at the next board meeting.
- 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:
The 2001 Audit was submitted to the State in May

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 second quarter, staff submitted the 2003-2005 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 approved during the second quarter of 2002.
- 5.3.3 Review and approve North Pacific CDQ Fishing Plan:
The 2002 Fishing Plan was received and 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 second quarter 45 local fishermen harvested all of the Area 4E halibut CDQ and are now in the process of harvesting the Area 4D Halibut CDQ inside area 4E. It is our hope that all of the area 4D quota will be caught in Area 4E this year.
- 5.5.2 Facilitate the establishment of stable markets for 4E Halibut:
Staff and the Regional Fisheries committee are continually seeking out halibut markets for regional fishermen. BBEDC currently has the Dillingham ice machine up and running. Togiak and Naknek ice machines are on location. Egegik, Pilot Point-Ugashik and Port Heiden's ice machines are in Naknek waiting transport to the respective ports.
- 5.5.3 Hold Workshops to enhance good fishing practices, limit bycatch and hook loss:
Three halibut work shops were held in the communities of Naknek, Togiak and Dillingham. The presenters were Carl Flensburg, Fred Pike and Leo Saucy. We had 4 people attend in Naknek, 16 in Dillingham and 23 in Togiak. On May 17 the staff flew to Naknek to help

fishermen with the halibut swipe machine. I fixed the printer of the swipe machine and created a cheat sheet for the use the swipe machine. NMFS Officer Tim Gould, Robin Samuelsen and Rick Tennyson visited the port of Naknek and Dillingham. Officer Gould was on a fact finding mission and to answer fisherman's questions.

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.

B. OUTREACH

6 Maintain and improve outreach and communications

6.1 Provide quarterly newsletter to all residents/entities

6.1.1 Distribute quarterly newsletter:

A newsletter called "Fishhead Soup" was sent out by BBEDC's Employment and Training Department and the peerworkers.

6.2 Maintain informational bulletin board in each community

6.2.1 Update information monthly:

Through BBEDC's new Peer Outreach Project, we have hired 10 residents of the Bristol Bay to provide steady outreach to an average of 3 villages per peer worker. The sub-regions will be of these Peer Workers are as follows:

- 1) Togiak, Twin Hills and Manakotak
- 2) Dillingham, Aleknagik, Clark's Point and Ekuak
- 3) Portage Creek, Ekwok, New Stuyahok and Koliganek
- 4) Levelock, Naknek, South Naknek and King Salmon
- 5) Egegik, Port Hieden, Pilot Point and Ugashik
- 6) Chignik Bay, Chignik Lagoon, Chignik Lake, Perryville and Ivanoff Bay
- 7) Nondalton, Newhalen, Iliamna
- 8) Pedro Bay, Kokhonak and Igiugik
- 9) Anchorage for Bristol Bay residents who are relocating into employment or training opportunities

Peer workers keep the "Opportunities" bulletin boards up to date in each community. As a result of this Peer Outreach Effort, virtually every fishing family in Bristol Bay will have better information about the dislocation their industry is going through. With consistent information, they will be educated about all of BBEDC's employment & training opportunities available to them.

The regional radio station, KDLG, is used weekly to keep residents informed of opportunities and news related to BBEDC. Periodic 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:

No activity this quarter.

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.

6.5 Travel to CDQ communities to promote BBEDC activities and projects

- 6.5.1 Attend community meeting with IRS, BBNA, Job Fairs, etc.:
Three halibut work shops were held in the communities of Naknek, Togiak and Dillingham. The presenters were Carl Flensburg, Fred Pike and Leo Saucy. We had 4 people attend in. NMFS Officer Tim Gould, Robin Samuelsen and Rick Tennyson visited the port of Naknek and Dillingham. Officer Gould was on a fact finding mission and to answer fisherman's questions.
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. Two Bristol Bay Salmon Restructuring Study meetings were held. In Naknek we had 112 people sign in and in Dillingham we had 19 people sign in but 82 people were hand counted at the meeting.

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

- 6.6.1 Send out flyers, radio, cable announcements periodically:
During the second 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.

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 has 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 district's 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.

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:
The IRS fish group finished up the 2002 tax season and had completed over 1,200 tax returns for residents. They traveled to Togiak, Manakotak, Koliganek, Nondalton, Kokhanok, Iliamna, Newhalen, King Salmon, Egegik, Dillingham and Levelok.

This quarter the permit broker facilitated the sale of one drift permit and two set net permits

- 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.

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: Koliganek, Nondalton, Kokhanok, Iliamna, and Newhalen.

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. Further contacts have been made for distributor relationships in the EU / UK market, with emphasis on re-processor firms that service major retailer accounts. We have placed particular emphasis on product forms that allow for value-added production in-region, with pin bone out (PBO) frozen fillets being most promising. We emphasize "Bristol Bay" in keeping with BRISTOL BAY REGIONAL SALMON BRANDING & QUALITY ASSURANCE INITIATIVE.

Program fish is being sourced from Togiak and Naknek districts, in keeping with marketing directions taken under the State Specialty Salmon Marketing Mini-Grant Program. BBEDC is administering two such grants. TOGIAK KING SALMON HIGH VALUE MARKETING is focused on higher value king salmon that has been slush ice chilled and subject to improved handling. This program is run with a select group of local fishermen who received slush icing equipment from BBEDC and Togiak Fisheries Inc. which processes the fish. The BRISTOL BAY SOCKEYE FROZEN PORTIONS FOR EXPORT MARKETS was a grant to Paug-Vik Inc. Ltd. in Naknek. BBEDC administers the grant with Paug-Vik. All sockeye used are subject to chilling onboard the fishing boat or at the setnet site. As with Togiak, BBEDC supports this program with slush icing equipment for local fishermen. Program fish was processed at Leader Creek Fisheries.

Grants for these three programs totalled \$199,500. BBEDC staff and consultants have now written four successful applications for USDA/DCED Mini-Grants in the last three years – a record we are proud of. These grants have allowed us to explore potentially very important diversified markets for Bristol Bay salmon through specialized, high-value market relationships in the United Kingdom, western Europe, and in North America. Consultants and staff continue to work with a number of companies to develop additional high profile accounts that can serve to educate consumers about wild Bristol Bay salmon, and help them to differentiate between wild and farmed salmon.

In addition to the grant supported projects BBEDC also ran a third slush icing program. This was with Peter Pan Seafoods in Dillingham. Although we were not directly involved in marketing any of this fish, the purpose was to broaden the reach of chilling programs in the Bristol Bay fishery. This effort demonstrated that the percentage of number 1 grade, higher market value fish can be substantially increased

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, marketing and quality assurance. 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 among the projects undertaken in 2002. Expansion of these successful programs is anticipated in 2003.

- 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 use of Togiak king salmon in their product line, with particular interest in a hot smoked portion. It is interesting to note that “hot smoked” – the product Alaskans have traditionally enjoyed - is quickly becoming a consumer favorite in the European market, which has traditionally been wholly dominated by lox or “Nova-smoked” product forms. (Regrettably for this program, fish returns to Togiak were extremely low, prompting a request to DCED to delay the grant funded program until 2003.)

Promising discussions are underway with a UK reprocessor regarding use of wild Bristol Bay sockeye. We know that Bristol Bay sockeye is a “finalist” in their selection process. They are also looking at coho from another Alaskan source, but we are very gratified that this firm is a.) committed to using wild fish over farmed, b.) most interested in Alaska (as opposed to B.C.) because of our Marine Stewardship Council “sustainability” certification, and c.) very concerned about “fair trade” issues and returning fair value to the primary producer, i.e. the fishermen. These discussions may have positive future implications for our halibut and other CDQ species.

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:
Had some preliminary discussions with a flatfish company regarding 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:
Had some preliminary discussions with a flatfish company regarding this project.
- 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:
Continuing

16.2 **Monitor Neahkahnie 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. No meetings took place during the second 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 Icycle employment:

C. Employment 2nd Quarter

Apr 01 – June 30

Project	Quarter Position /Trips	Quarter Wages	Year to Date Position/Trips	Year to Date Wages	Year to Date People
BBEDC Mang/Admin	13	\$ 97,519.21	14	\$ 236,801.50	14
WIA Grant Employees	11	\$ 22,485.00	11	\$ 22,485.00	11
Peer Outreach Project	9	\$ 9,992.50	9	\$ 9,992.50	9
CDQ Pollock Related (AS/AF)					
A SEASON	3	\$ 28,019.91	60	\$ 240,583.40	18
B SEASON	4	\$ -	4	\$ -	4
Yellow Fin	0	\$ -	0	\$ -	0
Hake Trips	8	\$ 23,910.91	8	\$ 23,910.91	3
Shipyard	2	\$ 2,369.76	4	\$ 3,553.38	4
Other Employment					
Arctic Storm Recruiter	1	\$ 10,920.00	1	\$ 21,840.00	1
Long Line Fishing					
Alaskan Leader	1	\$ 11,916.48	5	\$ 38,198.76	3
Bristol Leader	2	\$ 7,862.67	8	\$ 41,591.59	4
Crab Fishing					
Bristol Mariner	0	\$ -	1	\$ 7,486.44	1
Nordic Mariner	0	\$ -	1	\$ 3,032.74	1
Cascade Mariner	0	\$ -	0	\$ -	0
Other Vessels	0	\$ -	0	\$ -	0
Bottom Fishing					
North Pacific Fishing	1	\$ 10,201.48	1	\$ 25,159.44	1
Other Fishing Employment					
4E Halibut Fishing	45	\$ 331,152.00	45	\$ 331,152.00	45
Icicle Seafood's	6	\$ 12,323.06	16	\$ 38,288.11	10
Internships					
Arctic Storm Vessel	1	\$ 3,619.34	1	\$ 3,619.34	1
Arctic Storm Office	1	\$ 1,467.00	2	\$ 5,814.00	2
Icicle Seafood's Office	3	\$ 6,152.00	3	\$ 13,229.00	3
Icicle Vessel/Plant/Shipyard	3	\$ 9,169.79	5	\$ 26,751.21	3
ADF&G	1	\$ 775.50	1	\$ 775.00	1
North Pacific Fishing	1	\$ 3,946.57	1	\$ 9,074.37	1
In-house Office	1	\$ 1,232.00	1	\$ 1,232.00	1
Alaskan Leader Vessel	1	\$ 4,800.00	1	\$ 4,800.00	1
Bristol Leader Vessel	0	\$ -	0	\$ -	0
Bristol Leader Office	0	\$ -	1	\$ 560.00	1
Specialized Interns	1	\$ 2,990.00	1	\$ 2,990.00	1
WIA Interns	7	\$ 9,375.00	7	\$ 9,375.00	7
Other Interns	14	\$ 10,841.50	7	\$ 10,841.50	7
Total	140	\$ 623,041.68	219	\$ 1,133,137.19	158

C. 2 Employment Summary:

BBEDC Mang/Admin	Fourteen (14) positions were actively filled during the first quarter, including three (3) part time sub-regional technicians.
WIA Grant	Ten (10) tutors and an assistant (1) were hired to support the Youth Internship program. This program is completely grant funded through the State Department of Labor and Workforce Development. The tutors were from the villages of New Stuyahok and Dillingham.
Peer Outreach Grant	Nine (9) residents from Bristol Bay were selected and hired to administer outreach activities for BBEDC in their sub-regions. They will be taking the place of the (2) sub-regional technicians. This is a two-year project, which will end March 2004.
Pollock A Season	Three (3) residents from Bristol Bay communities worked as processors on the Arctic Storm, one a new hire and the other two rehires. Wages of \$15,705.90 for other employees who worked in the 1 st quarter were paid to them in the 2 nd quarter. Eight (5) residents from A Season continued to work the Hake Season and three (3) new residents were hired to work Hake as well. Two Residents continued to work shipyard for Arctic Storm during the 2 nd quarter.
Alaskan Leader	One (1) residents from Koliganek completed 2 trips and worked as processors during the 2 nd quarter.
Bristol Leader	Two (2) residents from Dillingham and Manakotak were hired as a processors in the 2 nd quarter. One of these did was not paid for one of her trips and will be recorded on the 3 rd quarter report.
Crab Fishing	No Activity.
Bottom Fishing	One (1) resident from South Naknek continued to work on the F/V Liberator. He served on Deck as rotating Deck Boss.
4E Halibut fishing	Ninety-six CDQ residents applied for the halibut quota with 79 applications approved. Only 45 of those 79 residents actively participated in the fishery.
Other Employment	Icicle employed six (6) residents from communities all over Bristol Bay. All were regular processor positions.

Internships

Arctic Storm vessel	One (1) resident from Aleknagik was selected to work as a Deck Intern. No other vessel activity.
Arctic Storm office	One (1) resident from King Salmon fills this position. Currently BBEDC coordinated one internship and one full-time regular employee at Arctic Storm's corporate offices.
Icicle Seafood's	One (1) resident from Dillingham worked at the Bellingham surimi plant office. One (1) resident from Dillingham came home early from her Seattle office position, however a resident from Aleknagik filled her position right away.
Icicle Vessel/Ship	One (1) residents from Dillingham filled the maintenance internship at the surimi plant in Bellingham. One (1) resident from Pilot Point filled the H/R internship at the Petersburg Plant office. One (1) resident from Dillingham filled a quality control internship position on board the Bering Star.
ADF&G	One (1) resident from Dillingham was hired by ADF&G work in their Dillingham Office. Due to the fishery cutbacks, ADF&G in King Salmon did not participate in the Internship program this year.
N. Pacific Fishing	One (1) resident from Dillingham fills this position and was given a three-month extension to her internship. Her last day of her internship was June 7 th , 2002 and was recently hired permanently by Fishermen's Finest as Human Resource Specialist.
In-House Office	One (1) resident from Dillingham was hired as BBEDC Permit Broker Intern. This intern also filled the administrative assistant position while BBEDC continues their search for a permanent person.
Alaska Leader	One (1) resident from Dillingham filled an oiler/wiper position.
Bristol Leader	No activity in the 2 nd quarter.
Bristol Leader Office	No activity.
Specialized Interns	One (1) resident from Pilot Point filled a new internship with Alaska Seafood Employment office.
WIA Interns	Seven (7) residents from New Stuyahok, Nondalton and Dillingham participated in a work readiness internship program made available through a grant from the State of Alaska Department of Labor and Workforce Development. Wages earned in 2 nd quarter were \$5,154.00.
Other Interns	Seven residents from Naknek, Dillingham, Levelock, King Salmon, South Naknek filled internships with Naknek Dock/Office, Dillingham Boat Harbor, US Fish & Wildlife Service, Peter Pan maintenance and office and Fishing Research Institute (FRI). These residents are learning new skills in many different areas including; computers, geographical area, maintenance, customer service, biological technician work, working independently, timeliness, dependability, problem solving, good manners, working well with others and safety consciousness.

D. TRAINING

1. Data Form

TRAINING DATA
April 1st - June 30th
2nd Quarter 2002

	Quarter People	Expenditure	Year to Date People	Expenditure
<u>Scholarships</u>				
Post-secondary	0	\$0.00	0	\$0.00
Administration				
<u>Voc-Tech Classes</u>				
Advanced Vocational	5	\$9,845.00	14	\$18,717.07
Basic Vocational	151	\$23,140.96	225	\$38,188.96
Non-Fisheries Vocational	5	\$3,215.00	9	\$6,406.00
<u>Other Training</u>				
CDQ Staff/Board	2	\$2,679.00	2	\$3,053.00
ABE/GED	0	\$0.00	88	\$23,820.58
GED Diplomas Earned	0	\$0.00	1	\$0.00
<u>Other Expenditures</u>				
Drug Testing				
<u>Internships</u>				
Arctic Storm Vessel				
Arctic Storm Office	0	\$7,318.59	0	\$10,696.64
Icicle Seafood's Office	0	\$3,351.23	0	\$7,205.84
Icicle Vessel/Plant/Shipyard	0	\$3,455.15	0	\$6,420.40
North Pacific Fishing Office	0	\$9,434.16	0	\$13,525.77
ADF&G				
In-house Office				
Alaskan Leader Vessel				
Bristol Leader Vessel				
Bristol Leader Office				
Specialized Interns	0	\$1,200.00	0	\$1,200.00
Other Interns				
TOTAL	163	\$63,639.09	338	\$129,234.26
Under internships these people were counted in the Employment Form, but the wages are accounted here under training per Employment & Training Departments instructions				

D. 2. Training Summary

Scholarships

Post-secondary	No Activity Reported.
Administration	No Activity Reported.

Vocational-Technical Classes

Advanced Voc/Tech	Seven (5) residents from Dillingham and Manakotak have received advanced vocational training in the following fields of work: Welding and Fish Processor Certification.
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Basic Voc/Tech	Ninety-eight (98) residents in the villages of Dillingham, Egegik, Manakotak, Port Hieden and Levelock received basic computer training; Nine (9) residents from Dillingham received AMSEA marine survival certification; forty-four residents from Togiak, Naknek and Dillingham received training in Basics to Halibut fishing.
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Note: BBEDC, Naknek and Dillingham Campuses and Southwest Alaska Vocational Education Center coordinated these fishery related classes.

Non-Fisheries

Related Voc/Tech	Five (5) residents from Dillingham and Togiak sought non-fishery training in Early Childhood Development, English, Hazwopper refresher, Hazardous Painting and Library Specialist certification.
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CDQ Staff Board	One Staff person participated in a Computer networking class. One staff person took computer courses at the Bristol Bay campus.
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ABE-GED	No Activity Reported.
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Internships

Arctic Storm vessel	One (1) resident from Aleknagik was selected to work as a Deck Intern. No other vessel activity.
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Bristol Leader	No activity in the 2 nd quarter.
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Other Interns	Seven residents from Naknek, Dillingham, Levelock, King Salmon, South Naknek filled internships with Naknek Dock/Office, Dillingham Boat Harbor, US Fish & Wildlife Service, Peter Pan maintenance and office and Fishing Research Institute (FRI). These residents are learning new skills in many different areas including; computers, geographical area, maintenance, customer service, biological technician work, working independently, timeliness, dependability, problem solving, good manners, working well with others and safety consciousness.

SUBSIDARIES

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:

Scholarship applications have been coming in through the summer, as we receive the applications they are screened for completeness, any incomplete applications are contacted and informed of what is missing. The deadline is July 12th

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 Samuelsen 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:

All six of the ice plants have been delivered to the recipient communities. However, only one, Dillingham, was actually able to produce any ice for fishermen in the 2002 season.

The Bristol Bay Borough has requested an upgrade to its plant, to provide for an automated delivery system. Accordingly, they elected to operate their existing machine (an old-fashion “tube ice” plant) again this year, and commission the new plant in 2003 once the delivery system was upgraded.

- 21.1.2 Installation of equipment:
See 21.1.1

- 21.1.3 Monitor/support community maintenance and operation:

After some logistical difficulties the ice machines manufactured by Wescold for the communities of Togiak, Ugashik, Port Heiden and Egegik are all on site and awaiting final hook-up as of this writing. Regular communications were made with all communities in regards to construction, power and water requirements, shipping dates and hook up. All machines will be operational for the next salmon season.

E. OTHER ISSUES

None

III. ADMINISTRATION

A. Board Activities:

1. Changes in the Board:

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

2. Substantial Decisions:

- Purchased 50% of the Dona Martita

B. Amendment Status:

Amendment #	Amendment Description	Date Received	Date Forwarded	Approval Received
SA02/01	Adding McKee vessels to CDP	2/27/02	3/13/02	3/18/02
HK2002	Housekeeping Amend. /Resumes/Job description/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
SA02/03	Investment Policy changes for gen. Bus/Infra. match funds	5/31/02	5/31/02	6/14/02
SA02/04	CDQ allocation transfer from BBEDC to APICDA	5/31/02	5/31/02	
SA02/05	Purchase of 50% of Dona Martita LLC	6/10/02	6/10/02	6/19/02

C. Other Issues

None.

IV. 2nd Quarter 2002 Harvesting and Processing Report

A. Target Fishery Harvest Activity

Pacific Cod Harvesting Activity:



	CDQ					Target Fishery Information	
	Allocation	1st Qtr.*	Metric Tons Harvested 2nd Qtr.	3rd Qtr.	4th Qtr.	YTD Harvest	% of Target Harvest
Cod	3,000.000	520.613	879.260			1,399.873	84.90%
Bycatch							
Sablefish Fixed Gear (BS)	42.460	0.000	0.007			0.007	0.00%
Sablefish Fixed Gear (AI)	76.600		2.391			2.391	0.15%
Turbot (BS)	88.440	0.043	0.019			0.062	0.00%
Turbot (AI)	39.600	0.067	1.294			1.361	0.08%
Non- Pollock Quota - BS	N/A	4.864	9.328			14.192	0.86%
Non- Pollock Quota - AI	N/A	0.188	0.019			0.207	0.01%
Atka Mackerel 541	61.950		0.015			0.015	0.00%
Atka Mackerel 543	221.700	0.262				0.262	0.02%
Yellowfin Sole	1,548.000	0.007	0.109			0.116	0.01%
Other Flatfish	51.750	0.023	0.024			0.047	0.00%
Rock Sole	931.500	0.107	0.051			0.158	0.01%
Flathead Sole	375.000	0.757	0.856			1.613	0.10%
Arrowtooth	132.000	0.777	3.208			3.985	0.24%
Other species	393.040	70.923	153.119			224.042	13.59%
Other Rockfish (BS)	5.670	0.000	0.056			0.056	0.00%
Other Rockfish (AI)	8.670	0.012	0.143			0.155	0.01%
BS Other Red Rockfish	1.800	0.002	0.074			0.076	0.00%
Pacific Ocean Perch (BS)	41.370		0.002			0.002	0.00%
AI Northern	75.900	0.018	0.007			0.025	0.00%
AI Shortraker/Rougheye	12.240	0.064	0.190			0.254	0.02%
TOTAL		598.727	1,050.172	0.000	0.000	1,648.899	100.00%
PSQ Bycatch							
Halibut mortality*	75.460	1.779	2.349			4.128	0.25%

1) Summary of harvesting activities by target fishery:

During the second quarter of 2002 the Bristol Leader and Alaskan Leader continued CDQ fishing from the first quarter. A total of 879.26 MT was harvested between both vessels

2) Summary of bycatch:

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

Bering Sea Fixed Gear Sablefish:



	CDQ Allocation	Metric Tons Harvested				Target Fishery Information	
		1st Qtr.*	2nd Qtr.	3rd Qtr.	4th Qtr.	YTD Harvest	% of Target Harvest
Sablefish Fixed Gear (AI)	76.600		22.962			22.962	100.00%

1) Summary of harvesting activities by target fishery.

The Trident and Norcoaster collectively harvested a portion of our AI Sablefish allocation. A total of 22.962 MT was harvested.

2) Summary of bycatch:

The bycatch information was not available at this time. The observer data were submitted through manual landings and SeaState did not compile that data at the time of this submission.

Halibut 4D/4E Harvesting Activities:



	CDQ Allocation	Pounds Harvested				Target Fishery Information	
		1st Qtr.*	2nd Qtr.	3rd Qtr.	4th Qtr.	YTD Harvest	% of Target Harvest
4E Halibut (in lbs)	117,000		185,071			185,071	158.18%
4D Halibut (in lbs)	158,340						
Total	275,340		0	0		185,071	67.22%

1) Summary of harvesting activities by target fishery.

BBEDC’s local fishermen harvested a total of 185,071 pounds of halibut this quarter. The entire Area 4E allocation of 117,000 was caught and we are now using the Area 4D allocation inside area 4E.

2) Summary of bycatch:

There was no bycatch reported this quarter.

CDQ Transfers

BBEDC transferred 210 MT of Area 543 Atka Mackerel and associated bycatch to APICDA. In addition we transferred 190 MT of our Non-Specific Reserve to Other Species.

Species	Metric Tons Allocated	Metric Tons Harvested YTD	% of Allocation	Transfer In	Metric Tons Harvested YTD	% of Transfer Harvested
Other Species	393.040	260.774	66.35%	190.000	0.000	0.00%

Species	Metric Tons Allocated	Metric Tons Harvested YTD	% of Allocation	(Transfer Out)	Metric Tons Harvested YTD	% of Transfer Harvested
Non-Specific Reserve	201.360	0.000	0.00%	190.000	0.000	0.00%
Atka Mackerel 543	221.700	0.262	0.12%	210.000	0.000	0.00%
Arrowtooth	132.000	4.396	3.33%	4.000	0.000	0.00%
Turbot (AI)	39.600	1.361	3.44%	1.000	0.000	0.00%
Pacific Cod	3000.000	1456.612	48.55%	11.000	0.000	0.00%
Pacific Ocean Perch 543	63.750	0.000	0.00%	52.000	0.000	0.00%
AI Northern	75.900	0.025	0.03%	11.000	0.000	0.00%
AI Shortraker/Rougheye	12.240	0.254	2.08%	1.000	0.000	0.00%

B. Processing Report

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.

Sablefish Processing Activities

All of the sablefish was caught by catcher vessels or catcher sellers this quarter. None of the halibut CDQ caught was processed on board the vessels.

Halibut Processing Activities

All of the halibut was caught by catcher vessels or catcher sellers this quarter. None of the halibut CDQ caught was processed on board the vessels.

C. Compliance/Enforcement Issues

Pacific Cod Fishery

There was no compliance or enforcement issues reported this quarter.

Sablefish Fishery

There was no compliance or enforcement issues reported this quarter.

Halibut Fishery

There was no compliance or enforcement issues reported this quarter.

D. Other Fishing Issues/Activities

No Other Fishing Issues/Activities to report.

BBEDC 2002 CDQ Harvests By Quarter & Yearly Total

Species	2001 CDQ Allocation	Trans In	Trans Out	Metric Tons Harvested				YTD Harvest	Percent of Allocation
				1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.		
Atka Mackerel									
Eastern 541	61.950			0.011	0.015			0.026	0.0%
Central 542	267.750							0.000	0.0%
Western 543	221.700		210.000	0.262				0.262	2.2%
Arrowtooth	132.000		4.000	1.188	3.208			4.396	3.4%
Alaska Plaice	207.000			1.491				1.491	0.7%
Other Flatfish	51.750			0.669	0.024			0.693	1.3%
Flathead Sole	375.000			78.900	0.856			79.756	21.3%
Turbot (BS)	88.440			0.385	0.019			0.404	0.5%
Turbot (AI)	39.600		1.000	0.067	1.294			1.361	3.5%
Pacific Cod	3,000.000		11.000	577.352	879.260			1,456.612	48.7%
A Season	1,800.000			577.352	879.260			1,456.612	80.9%
B Season	1,200.000		11.000					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	9.328				N/A
Non- Pollock Quota - AI	N/A			0.188	0.019			0.207	N/A
Pacific Ocean Perch (BS)	41.370				0.002			0.002	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		52.000					0.000	0.0%
BS Other Red Rockfish	1.800			0.008	0.074			0.082	4.6%
AI Northern	75.900		11.000	0.018	0.007			0.025	0.0%
AI Shortraker/Rougheye	12.240		1.000	0.064	0.190			0.254	2.3%
Other Rockfish (BS)	5.670				0.056			0.056	1.0%
Other Rockfish (AI)	8.670			0.012	0.143			0.155	1.8%
Rocksole	931.500			81.230	0.051			81.281	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	0.007			0.013	0.0%
Sablefish Fixed Gear (AI)	76.600				25.353			25.353	33.1%
Yellowfin Sole	1,548.000			53.106	0.109			53.215	3.4%
Other Species	393.040	190.000		107.655	153.119			260.774	44.7%
Non Specific Reserve	201.360		190.000					N/A	N/A
4E Halibut (in lbs)	117,000				185,071			185,071	158.2%
4D Halibut (in lbs)	158,340							0	0.0%
BS Opilio (in lbs)	467,127			467,572				467,572	100.1%
BB Red King Crab (in lbs)	N/a								
Prohibited Species									
Halibut (MT)	75.460			2.959	2.349			5.308	7.0%
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%