

I. QUARTERLY HIGHLIGHTS

3rd Quarter 2000

- **Began 2001 Budget preparations**
- **Pre-approved the first 2001 Regional Infrastructure Matching Fund Project**
- **Held 2 Board Meetings this quarter, one in person and one via teleconference**
- **Held Quarterly Committee Meetings**
- **Changes job description from Grant Technician to Grant Writer/Manager**
- **Finalized 4E halibut fishery**
- **Completed and submitted the 2001-2001 Multi-Species Community Development Plan**

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:
Scheduled review of the policies, procedures, articles and bylaws took place during the Second quarter. No significant changes were made.
- 1.1.2 Review committee and officer positions:
The 2000 Committee appointments and officer elections took place at the November 1999 Annual meeting. The next scheduled review will occur during the fourth quarter of 2000.
- 1.1.3 Review and revise board calendar:
The 2000 board calendar was reviewed and adopted at the November 1999 Annual meeting. The 2001 task and meeting calendar will be presented during the fourth quarter of 2000.
- 1.1.4 Conduct board training:
On March 2, 2000, prior to the Board meeting, management staff conducted a half-day training workshop for the Board of Directors and other staff members regarding potential projects to be considered for inclusion in the 2001-2003 CDP. At the 2nd Quarter Board meeting held on May 26, the Board received an Investment Policy review and an investment presentation from the Alaska Permanent Capital Management Company.

1.2 Develop and maintain strategic and annual plans

- 1.2.1 Review long range strategic plan and modify as needed:
The Executive Committee met twice during the First quarter in “workshop” settings. The first meeting was held to develop a list of potential new projects for Board consideration to include in the 2001 – 2003 CDP; the second meeting was held to review proposed changes to existing royalty and employment agreements.
- 1.2.2 Approve annual operating plan and budget:
The 2000 annual operating plan and budget were approved at the November 1999 Annual meeting. The 2001 plan and budget will be considered during the fourth quarter of this year.
- 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 were reviewed at the May 2000 Board meeting. A position change from Grant Technician to Grant Writer/Manager was reviewed at the September 26, 2000 Board meeting, ultimately receiving approval. Solicitation for the position began immediately thereafter.
- 2.1.2 Review staff structure:
See 2.1.1 above. The new position of Education Coordinator was approved during the second quarter.
- 2.1.3 Review and update personnel and board policies and procedures:
See 2.1.1 above. No changes were made.

2.2 Recruit and retain skilled staff

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

- 2.2.2 Perform salary review:
Salary schedules are a part of the operating budget that is reviewed and adopted annually in November of each year.

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 Maintain Reserves Account

- 3.2.1 Maintain balance from ASIF forward funding in Reserves:
This goal was satisfied early in 1999.

3.3 Transfer fund earnings annually

- 3.3.1 Transfer net ASIF earnings to Operations:
This will occur at the end of FY 2000 when a review of the 12/30 financials takes place, most likely during the First Quarter of 2001. ASIF non-royalty earnings, net of expenses from 2000, will be transferred to Operations at that time.
- 3.3.2 Transfer net Operations earnings to Reserves:
This will occur at the end of FY 2000 when a review of the 12/30 financials takes place, most likely during the First Quarter of 2001.

3.4 Prepare annual budgets

- 3.4.1 Develop consolidated and detailed budgets annually:
2001 budget preparation began during the third quarter. A Finance and Audit Committee meeting is scheduled during the fourth quarter to review the 2001 budget prior to presentation to the Board of Directors.

3.5 Prepare monthly and quarterly financial statements

- 3.5.1 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.

3.6 Review fund managers' performance annually

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

3.7 Prepare annual audit and approve

- 3.7.1 Prepare and approve annual audit/agreed upon procedures:
Staff presented the 1999 Audited Financial Statements and Agreed Upon Procedures to the Board of Directors at their May 2000 meeting, and they were subsequently approved.
- 3.7.2 Review and approve auditors:
At their May 2000 meeting, the Board reviewed and approved the auditing firm for FY 2000. The motion to approve was overlooked in the minutes, so the board reaffirmed their intent at their September meeting.

4 *Meet all regulatory requirements*

4.1 Prepare quarterly reports

- 4.1.1 Prepare and file quarterly reports:

The First, Second and Third Quarter 2000 Reports were filed with the State in a timely manner.

4.2 Prepare annual report and audit

4.2.1 Prepare and file annual report and audit:

The 1999 "Annual" Report was included in the consolidated Fourth Quarter 1999 report to the State in January of 2000. The 1999 Audit was submitted to the State after Board review and approval at the May 2000 Board meeting.

4.3 Maintain Community Development Plan

4.3.1 Prepare and submit updates and changes to CDP as needed:

BBEDC management submits technical and substantial amendments periodically whenever necessary. See Confidential Section IV, B. Amendment Status, for more information.

COMMUNITY DEVELOPMENT

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

5.1 Provide oversight and management of all CDQ fishing

5.1.1 Maintain active CDQ fishery management:

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

5.2 Support and maintain real-time management system

5.2.1 Maintain real-time management system:

In 1998, BBEDC joined with several other CDQ groups and contracted with Sea State to monitor CDQ catch, bycatch and PSQ on a real time basis. This relationship has continued into FY 2000.

5.3 Review and approve annual CDQ fishing plans

5.3.1 Review and approve Arctic Storm CDQ Fishing Plan:

The 2000 CDQ Fishing Plan with Arctic Storm has been received and approved.

5.3.2 Review and approve Bristol Leader CDQ Fishing Plan:

The 2000 CDQ Fishing Plan with Bristol Leader has been received and approved.

5.3.3 Review and approve North Pacific CDQ Fishing Plan:

The 2000 CDQ Fishing Plan with North Pacific has been received and approved.

5.3.4 Review and approve Kaldestad CDQ Fishing Plan:

The 2000 CDQ Fishing Plan with Kaldestad has been received and approved.

5.3.5 Review and approve Icicle CDQ Marketing Plan:

The 2000 CDQ Marketing Plan with Icicle has been received and approved.

5.4 Hold annual review meeting with CDQ partners

5.4.1 Arctic Storm Annual Mtg/Review Royalty and Employment Agreements:

The Arctic Storm Annual Meeting occurs in December of each year. The 2000 Annual Meeting is scheduled to take place in the Fourth Quarter. During the Second Quarter, staff completed negotiations of Royalty and Employment agreements with Arctic Storm in preparation of the 2001-2002 CDP.

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 and staff completed negotiations of Royalty and Employment agreements with them during the Second Quarter in preparation of the 2001-2002 CDP.

5.4.3 North Pacific Annual Mtg/Review Royalty and Employment Agreements:

The Annual Meeting with North Pacific took place during the First Quarter and staff completed negotiations of Royalty and Employment agreements with them during the Second Quarter in preparation of the 2001-2002 CDP.

5.4.4 Kaldestad Annual Mtg/Review Royalty and Employment Agreements:
The Annual Meeting with Kaldestad took place during the First Quarter and staff completed negotiating the Royalty and Employment agreements with them during the Second Quarter in preparation of the 2001-2002 CDP.

5.4.5 Icicle Annual Mtg/Review Royalty and Employment Agreements:
The Annual Meeting with Icicle took place during the First Quarter and staff finalized negotiating the Royalty and Employment agreements with them during the Second Quarter in preparation of the 2001-2002 CDP.

5.5 Manage 4E halibut fishery to maximize benefits to residents

5.5.1 Manage fishery to maximize benefits to residents:
One hundred and four residents applied for permits by the application deadline during the second quarter. Of these, 77 were complete and qualified resident applicants and were issued CDQ 4E permits.

In an effort to allow residents to fully participate in the halibut fishery, staff and consultants conducted longline workshops during the second quarter in two of the CDQ communities: Togiak and Clarks Point. Additionally, Staff traveled twice that quarter to Togiak to train part time staff and resident fishermen on how to use the transaction terminal for landing reports.

42 resident CDQ 4E permit holders actually landed fish during the second quarter, harvesting approximately 62,099 #. Additional fishing time was permitted after the close of the salmon season at the end of July. However, due to a late run of sockeye in the Togiak district and an exceptionally strong run of coho in the Nushagak district, resident fishermen chose to harvest salmon instead of continuing the halibut fishery. One landing was made this quarter, consisting of a little over 300 lbs. The 2000 season subsequently closed on August 25th.

Through its partnership/investment in Capilano Pacific LLC, BBEDC was able to facilitate the making of commercial markets, bail and ice available to halibut fishermen in all major fishing districts in the region. Commercial markets were available in Dillingham through Capilano at the Peter Pan Seafood's dock, in Togiak through a contracted tender for Capilano, in Naknek at Inlet Salmon, in Egegik at Woodbine Fish Co., and in Ugashik at Ugashik Wild Salmon Co.

5.5.2 Seek changes to regulations to allow 4D quota to be fished in 4E:
In 1999 BBEDC was successful in their request to move some CDQ halibut 4D quota inshore for area 4E fishermen to harvest. However, a delay in NMFS publishing of the regulation change prevented BBEDC from having this flexibility until recently. At least 40,000 pounds of 4D quota was dedicated to enhance the existing 4E quota for qualified residents to harvest, if needed.

Due to the low catch in the 2000 fishing season, the majority of the 4D halibut allocation was assigned to the Bristol Leader.

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. Please see 5.2.1 for more information.

B. OUTREACH

6 Maintain and improve outreach and communications

6.1 Provide quarterly newsletter to all residents/entities

- 6.1.1 Distribute quarterly newsletter:
BBEDC staff produced and distributed a quarterly edition of the “BBEDC Tide, for information that flows” Newsletter in July 2000 and sent it to 2,650 individuals, communities, groups and regulatory agencies. BBEDC Board and staff regularly evaluate the newsletter for effectiveness, information and evaluate suggestions from the public.

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

6.2 Maintain informational bulletin board in each community

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

6.3 Prepare and distribute Annual Activities Report

- 6.3.1 Prepare and distribute Annual Activities Report:
Staff members and a graphic design contractor met several times during the first quarter to layout the 1999 Annual Report to the public. Distribution to all CDQ resident box-holders and associates occurred during the Second Quarter. Staff has received numerous positive comments from residents on the 1999 report, since the theme was focused on in-region programs and residents accepting the challenge to take advantage of the opportunities.

Plans to develop the 2000 Annual report to the public began during the third quarter and will be refined in the fourth quarter, with actual printing starting in the first quarter of 2001.

6.4 Maintain an Internet web page for BBEDC

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

6.5 Travel to CDQ communities to promote BBEDC activities and projects

- 6.5.1 Attend community meeting with IRS, BBNA, Job Fairs, etc.:
During the Second Quarter BBEDC participated in community or agency meetings with the following entities: IRS, Citizens Advocacy Panel meetings, met with regional school districts, Bristol Bay Campus, Bristol Bay Area Health Corporation, Bristol Bay Native Association-Workforce Development, At Sea Processors Assoc. member Alaska Ocean recruitment trip in non-CDQ communities, UAA-Anchorage, UAF-Fairbanks, . Locations traveled to include: Clarks Point, Aleknagik, Ekwok, Togiak, Naknek, King Salmon, Fairbanks, Anchorage, New Stuyahok, Koliganek, Iliamna, Nondalton, Kokhanok, Newhalen, Bethel, Juneau.

BBEDC Deputy Director traveled by aircraft to the North Shore of Aleknagik to conduct the public meeting on the 2001-2002 CDP. The Executive Director traveled to Ekwok and Manokotak to hold public meetings explaining the current and proposed activities and projects of BBEDC that are included in the new CDP.

In addition, during the second quarter, BBEDC staff conducted two longline workshops in the communities of Clarks Point and Togiak. Staff returned to Togiak twice to train staff and fishermen on how to use the electronic transaction terminal.

During the third quarter BBEDC staff participated in meetings with the four western Alaska regional non-profit associations, the APA and other CDQ groups to work on common issues of concern, such as the devastating salmon returns to the regions.

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

6.6.1 Send out flyers, radio, cable announcements periodically:

The following items were advertised in the region through flyers, radio announcements, faxes to community offices, Board member weekly mail-outs and cable advertisements:

- Through July and August, advertised 4E Halibut fishing announcements for openings and closures
- Advertised for 3 sub-regional technician position openings
- Advertised for Grant Technician position opening
- Advertised Administrative Clerk Intern position opening at Bristol Bay Campus
- Advertised Ak. Leader Oiler/Wiper intern position opening
- Advertised for Ak. Leader Galley Intern position opening

Please see attached Appendix for actual ads used.

6.7 Promote the interests of the CDQ program

6.7.1 Represent CDQ interests at NPFMC and IPHC meeting and other forums:

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

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.

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:

The 6-12 grade curriculum that was implemented in the fall of 1999 by all four regional school districts. Two of the school districts also implemented the K-5 curriculum during the Third Quarter of 1999. The project is progressing on schedule and all school districts are participating.

BBEDC hired an Education Coordinator to work full time with the regional school districts to pursue implementation of the project at all levels and to assist individual schools with their programs. The Consortium met with the Coordinator either in person or telephonically during the Second Quarter to establish contact and to build on their programs.

Each of the four school districts are at different stages of implementing their Work Readiness curriculums. The Coordinator has been working with the three "new" superintendents during the third quarter to bring them up to date on the Education Initiative and on gaining their support for the program. The Coordinator also met with each of the four school districts to discuss ways to fully implement their work readiness curriculum fully through K – 12 grades.

7.2 Continue to refine and individualize curriculum

7.2.1 Make program suitable for individual community needs:

All four school districts meet with BBEDC staff again during the Second Quarter and have met with a grant writer in late 1999 to develop Technology Plans for the schools and are working on refining the "school-to-work" portion of the program.

At their June meeting, the Consortium provided the Coordinator with progress updates, plans for the fall 2000 school year, discussed training resources for Teachers, establishment of a "Bristol Bay House" and identifying funding sources.

Each Of the four school districts has refined and individualized the work readiness curriculum to meet the needs of their students. Refinement and individualization is a continual process. Gaining community involvement has been a major focus during the third quarter.

7.3 Monitor and support delivery of Work Readiness Program

7.3.1 Provide support for program delivery:

Advertisement and application solicitation for a program coordinator ended during the Second Quarter. After application review, a Teacher from one of the School Districts was selected to fill the position. Orientation to BBEDC and the Education Initiative Program consumed the Coordinator's time during the second and third quarter. Contacts were made with all districts offices and other associates necessary to fully implement the program.

BBEDC in collaboration with the Alaska Business Education Compact will be sponsoring two training seminars during the fourth quarter. The CHOICES training seminars will train volunteer presenters that will then implement the program into the schools. CHOICES is an interactive classroom seminar that gives middle and high school students a chance to see into the future and recognize the importance of the personal and academic decisions they make today. Through creative, highly participatory exercises led by volunteer presenters from the business community, students learn how to take control of their lives by making wise decisions.

Employer training seminars will train businesses/employers on how to work with students as work experience/job shadow sites, demonstrate ways that employers can help prepare Alaska's youth for work and lifelong learning and will help our local schools develop stronger ties with their communities.

7.4 Plan for development of stable local workforce

7.4.1 Conduct regional survey of available and future jobs:

Staff continues to work on developing the "jobs" survey. One grant application to conduct the study was not funded. However, staff continues to pursue two other sources of funding to accomplish this goal.

7.4.2 Develop plan for training residents and providing needed skills:

This goal will be addressed once the "jobs" survey is completed and analyzed.

7.4.3 Develop educational funding plan to encourage participants to return to region:

Staff has started to research and develop options for consideration in enticing residents to return to the region once training and education programs are completed. More work and research needs to be done on this issue before presenting the plan to the Board for approval.

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:

22 permits were classified as “saved” during the Second Quarter. These permit holders were from 9 CDQ and 1 non-CDQ community in the region. Following up with IRS and lending institution debts issues and preparing for the upcoming salmon season consumed the remainder of the second quarter.

During the third quarter, one CDQ resident permit was classified as “saved”. However, a considerable amount of time was spent analyzing the reinstatement of the State Tax Obligation loan program and IRS issues relating to “Offers in Compromise”. Unfortunately staff discovered that the IRS has changed the criteria allowing fishermen to make offers in compromise to address their delinquent debt issues. This would make such offers next to impossible for the majority of the fishermen. Staff continues a close relationship with the IRS and will persist in representing clients to the best of our ability.

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

8.3.1 Contact 150 permit holders in arrears with IRS:

During the Second Quarter of 2000, 136 permit holders were contacted in person or by telephone regarding IRS issues. Staff did not travel to CDQ communities during this quarter. This quarter was extremely busy assisting permit holders, crewmembers and vessel owners who were in need of constant and immediate services for the imminent salmon season.

During the third quarter, 43 permit holders were contacted in person or by telephone regarding IRS issues.

As stated during the second quarter, staff time was consumed facilitating the transfer of permits, assisting with vessel agreements, crew agreements and matching permit holders with vessels.

8.3.2 Maintain working relationship with IRS and other debt agencies:

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

- 7 regarding Child Support problems;
- 91 CFEC emergency transfer inquiries or actions;
- 46 contacts regarding Entry Commission paperwork or questions;
- 61 regarding loan issues;
- 20 inquiries were made regarding sales or purchases of limited entry permits or vessels;
- 53 contacts were regarding other related issues.

Staff traveled to Bethel and Juneau during the Second Quarter to participate in the Citizens Advocacy Panel meetings held during April and May.

No travel occurred during the third quarter due to the necessity of staff presence needed during the fishing season.

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 Credit and Finance grant funds. The following non-CDQ communities were serviced during the Third Quarter: Chignik Lagoon, Chignik Lake, Igiugig, Kokhanok, Koliganek, New Stuyahok, and Pedro Bay.

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:

This was done in the fall of 1999 and will be addressed by the committee in the fall of 2000 for the 2001 fiscal year.

The Regional Fisheries Committee members reviewed a proposed workplan and projects list prepared by staff at their September 25, 2000 meeting. Another meeting will take place during the fourth quarter to finalize a recommendation for the full board to consider, with associated budget costs.

- 9.1.2 Implement annual fisheries development priorities:
Work is being accomplished on a number of priorities described below.

9.2 Investigate and identify under-utilized species

- 9.2.1 Perform test fisheries in various areas of Bristol Bay:
BBEDC completed the RFP process during the Second Quarter. The selected party was unable to complete the contract due to an injury. The survey was abandoned for this year due to inadequate time left to fish before the salmon season.
- 9.2.2 Perform survey of surf clam zone:
This project is on hold until the impact of the published Mariad regulations are more fully understood and the impacts on this project can be evaluated.
- 9.2.3 Continue product and market research on identified and possible commercial species:
BBEDC continues to look at markets for such species as starry flounder (bycatch is salmon fishery), snails and other products. Currently a small project is under way to research the possible production and marketing of salmon fish oil products.

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

- 9.3.1 Investigate market opportunities:
This in an ongoing process and now with our interest in Capilano Pacific, specific market identification can be put to the test.
- 9.3.2 Promote emphasis on quality of Bristol Bay salmon:
A small project to promote regional name identification is under way in partnership with Capilano Pacific. Research is also taking place in regard to protecting the “Bristol Bay” region name for products generated from the area.
- 9.3.3 Explore value-added and shoulder season opportunities in-region:
In 1999, BBEDC started the process of development of a design for a self-contained processing facility for preparing H&G and fillet salmon. The time line for the completion of the project was delayed due to non-performance of the contractor.

Another contractor was identified and retained during the third quarter to fulfill BBEDC’s desire to have a “plan –in-a-can” model available to resident entrepreneurs to use for containerized mini-plants, specifically for value added salmon projects. Work is back on track and the model should be ready for board review during the fourth quarter.

9.4 Promote Arctic Surf Clam Alaska Inc.

- 9.4.1 Continue efforts to win regulatory approval for projects:
See 9.2.2
- 9.4.2 Maintain ongoing discussions between BBEDC and Clearwater Seafood’s:
See 9.2.2
- 9.4.3 Conduct research & test fishing when appropriate:
See 9.2.2

10 Provide professional planning assistance for regional business and infrastructure projects

10.1 Provide professional team to offer technical assistance

- 10.1.1 Advertise availability of business and infrastructure technical assistance:

As an added incentive and opportunity to promote the Business and Infrastructure Development Programs, the technical assistance team has offered workshops in four CDQ communities concerning financial aspects of business development during the first/second quarters. BBEDC staff and consultants continually to promote and advertise the program whenever possible.

Plans are in the works to conduct more technical follow up workshops in two of the four communities already visited during the fourth quarter. Two new additional communities will receive workshops on business development during the fourth quarter, or the first quarter of 2001.

- 10.1.2 Provide technical assistance for development of business and infrastructure proposals: During the second quarter, one Infrastructure Proposal for the feasibility study and design of the dock in Dillingham was approved for funding after having met the criteria for the Regional Infrastructure Project. Several projects are being developed with the assistance of the technical assistance team.

Another infrastructure project was reviewed and more closely fits with the newly proposed Infrastructure Matching Fund Project that is scheduled for implementation on January 1, 2001. After serious review and discussion, the Board pre-approved the City of Egegik's proposal to acquire the electrical utility plant, and only showed a need for matching funds. All other funding sources were already in place. The pre-approval was contingent upon village, city and corporation support as well as the approval of BBEDC's 2001-2002 CDP.

10.2 Provide for professional review of funding requests

- 10.2.1 Review funding requests and make recommendation to the BOD:
The first project was reviewed and recommended for approval to the Board of Directors at the May meeting. The Board approved the funding request.

Please refer to the last paragraph in section 10.1.2 above regarding the City of Egegik.

11 "Jump start" in-region businesses

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

- 11.1.1 Maintain a \$500,000 fund balance from ASIF income each year for possible investment:
This item was budgeted for 2000 and will again be budgeted for 2001.

11.2 Provide financial support for approved proposals

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

11.3 Monitor businesses receiving BBEDC financial support

- 11.3.1 Monitor activities of business where BBEDC has financial participation:
Not applicable at this time. One business project that received technical assistance in the development of a business plan is now participating in our 4E halibut buying project.

12 *Jump start in-region infrastructure development*

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

- 12.1.1 Maintain a \$500,000 fund balance in reserves each year for possible investment:
This was budgeted for 2000 and will again be supported in the 2001 budget.

12.2 Provide matching funds for approved proposals

- 12.2.1 Review, approve and provide matching funds for recommended proposals when feasible:
The first project was approved at the May 2000 Board of Directors Meeting.

12.3 Monitor proposals receiving BBEDC financial support

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

13 *Manage the Alaska Seafood Investment Fund to provide revenues to BBEDC in perpetuity*

13.1 Manage ASIF to provide maximum return within established investment policy

- 13.1.1 Monitor fund to insure adequate performance:
This monitoring is done continuously. The Finance and Audit Committee, with the participation of Mark Barnum of Prime Asset Consulting review yearly performance.
- 13.1.2 Reserve funds to meet one year debt service payments:
This is a budgeted item in the ASIF account.
- 13.1.3 Reserve funds to meet cash call requirements of investments:
This is a budgeted item in the ASIF account.

13.2 Search for and investigate opportunities that meet ASIF investment criteria

- 13.2.1 Identify potential investment options in Schedule of Investments:
This is an ongoing activity: See Confidential Section.
- 13.2.2 Update Schedule of Investments as needed:
An update was done as part of a plan amendment submitted early in 2000.
- 13.2.3 Search and investigate seafood industry investment opportunities:
See Confidential Section.
- 13.2.4 Perform due diligence on potential investments:
BBEDC engages in due diligence on all potential investments.
- 13.2.5 Present investments meeting ASIF criteria to Board for action:
This is done after due diligence is complete and it is assured the project meets the investment criteria.

13.3 Invest in opportunities that meet ASIF investment criteria

- 13.3.1 Obtain state and federal approval for board approved investments:
BBEDC is diligent in doing plan amendments and notifications of pending investments.
- 13.3.2 Close on state and NMFS approved investments:
The 1999 and 2000 IFQ purchases demonstrate BBEDC's adherence to policies and to state and federal regulations during the process of purchasing IFQ's or other investments.

INVESTMENTS

14 Monitor seafood industry investments for performance and profitability

14.1 Monitor Arctic Fjord Inc. investment

- 14.1.1 Monitor financial performance on a quarterly/annual basis:
BBEDC staff monitors performance on a quarterly basis.
- 14.1.2 Attend yearly Board of Director's meeting:
The yearly meeting was held in early February. Robin Samuelsen attended the day-long meeting as BBEDC's representative.
- 14.1.3 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.
- 14.1.4 Monitor investment performance return of 8.5% annually over time to meet the Post CDQ Transition Plan goals in Part One, Section V of CDQ:
A dividend was declared at the Annual Meeting for FY ending 9-30-99. See Confidential section.

14.2 Monitor Neahkahnie LLC investment

- 14.2.1 Monitor financial performance on a quarterly/annual basis:
This is done through a review of the financial information.
- 14.2.2 Attend Board of Director's meeting:
This meeting was held at the same time at 14.1.2.
- 14.2.3 Maintain ongoing discussion between BBEDC and ASI:
See 14.1.3.
- 14.2.4 Monitor investment performance return after payment to previous owner is complete/2006:
See Confidential section.
- 14.2.5 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.

14.3 Monitor Bristol Leader Fisheries LLC investment

- 14.3.1 Monitor financial performance on a quarterly/annual basis:
Financial information is reviewed on a monthly and quarterly basis.
- 14.3.2 Attend Management Committee meetings:
Two representatives from BBEDC attend and participate in all meetings.
- 14.3.3 Maintain ongoing discussions between BBEDC and ALF:
Frequent communication has been established by the E.D. and the ALF manager. In addition, the Quota Manager communicates constantly during CDQ fishing with the Fleet Manager.
- 14.3.4 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.

14.4 Monitor Bristol Mariner, Nordic Mariner and Northern Mariner LLC investments

- 14.4.1 Monitor financial performance on a quarterly/annual basis:
Quarterly financials are reviewed on a routine basis.
- 14.4.2 Attend Management Committee meetings:
One representative from BBEDC attends and participates in all meetings of the Management Committee.
- 14.4.3 Maintain ongoing discussions between BBEDC and KMLLC:
Staff is in frequent contact with Kevin Kaldestad on issues of importance.
- 14.4.4 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.

14.5 Monitor halibut IFQ's

- 14.5.1 Review and update lease agreements to maximize profits and enhance longline vessel investments:
The fishing plan for IFQ's for 2000 has been developed and implemented. Lease agreements are in place.
- 14.5.2 Monitor market performance for lease price:
This is done on a routine basis to insure maximum return on investment.
- 14.5.3 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.

14.6 Monitor sablefish IFQ's

- 14.6.1 Review and update lease agreements to maximize profits and enhance longline vessel investments:
The fishing plan for IFQ's for 2000 has been developed and implemented. Lease agreements are in place.
- 14.6.2 Monitor market performance for lease price:
This is done on a routine basis to insure maximum return on investments.
- 14.6.3 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.

14.7 Monitor Capilano Pacific LLC

- 14.7.1 Monitor performance on a quarterly/annual basis:
Financials are monitored on a monthly basis.
- 14.7.2 Attend Management Committee meetings:
Two representatives from BBEDC attend and participate in all management committee meetings.
- 14.7.3 Maintain ongoing discussions between BBEDC and Capilano:
During the development of the "Wildfish" project, discussions were held almost daily with management and staff of Capilano. Weekly discussions are ongoing.
- 14.7.4 Monitor recruitment of Bristol Bay fishermen:
Ten Bristol Bay resident fishermen were recruited for the 2000 salmon season. At least five residents were recruited for Herring season and as many as 30 residents for the 4E Halibut season. This exceeds the three-year goal in a one year time period.
- 14.7.5 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:
This is not applicable at this time since the purchase of a portion of the ownership was not completed until mid-year 1999.
- 14.7.6 Provide loan guarantees for Capilano inventory, receivables, & operating lines as needed and prudent:
The final negotiations with National Bank of Alaska have been completed and agreements are in place.
- 14.7.7 Closely monitor production costs, inventory, receivables, cash flow, sales & other relevant factors to minimize risk to BBEDC from guaranteeing loan:
BBEDC has retained the services of a long time fishery expert to provide daily monitoring of the activities for the 2000 season and beyond.

B. EMPLOYMENT

2nd Quarter 2000 (please refer to section C.1 and C.2 below)

15 *Provide employment for Bristol Bay residents*

15.1 Provide employment opportunities with CDQ fishing partners

- 15.1.1 Place a total of 150 entry/advanced hires with Arctic Storm vessels:
- 15.1.2 Place a total of 25 entry level hires with North Pacific Fishing if available:
- 15.1.3 Place a total of 12 entry level hires with Bristol Leader Fisheries if available:
- 15.1.4 Place a total of 4 entry level hires with Kaldestad Fisheries if available:

15.2 Provide employment in advanced positions with CDQ fishing partners

- 15.2.1 Track advancement of BBEDC residents on North pacific vessels:
- 15.2.2 Track advancement of BBEDC residents on Bristol Leader vessels:
- 15.2.3 Track advancement of BBEDC residents on Kaldestad vessels:
- 15.2.4 Track advancement of BBEDC residents in Icicle employment:

C. 1. Employment for the 3rd Quarter of 2000	July 1 – September 30, 2000		Employment Form		Year to Date People
	Quarter Positions/Trips	Wages	Year to Date Positions/Trips	Wages	
BBEDC Management/Admin	14	\$105,601.27	14	\$378,102.51	15
<u>CDQ Pollock Related (AS/AF)</u>					
A/B SEASON			83	\$257,190.17	47
C/D SEASON	42	\$34,046.02	42	\$34,046.02	23
Yellow Fin			9	\$4,753.15	9
Hake Trips			14	\$44,582.83	14
Shipyard	1	\$502.32	21	\$8,374.22	10
<u>Other Employment</u>					
Arctic Storm Recruiter	1	\$15,070.07	1	\$37,438.78	1
<u>Long Line Fishing</u>					
Alaskan Leader	1	\$0	6	\$27,644.99	3
Bristol Leader			2	\$16,355.98	1
<u>Crab Fishing</u>					
Bristol Mariner			1	\$11,557.88	1
Nordic Mariner	1	\$400.00	3	\$10,876.60	3
Other Vessels	1	\$3,520.00	2	\$10,446.51	2
<u>Bottom Fishing</u>					
North Pacific Fishing	1	\$16,029.42	5	\$30,428.79	4
<u>Other Fishing Employment</u>					
4E Halibut Fishing			42	\$163,800.00	42
Icicle Seafood's	2	\$7,948.36	11	\$25,510.80	6
Capilano salmon fleet recruit.	10		10		10
<u>Internships</u>					
Arctic Storm Vessel	7	\$13,297.62	12	\$37,611.10	2
Arctic Storm Office	2	\$5,029.09	2	\$13,431.46	2
Icicle Seafood's Office	1	\$3,022.04	2	\$10,449.87	3
North Pacific Fishing	1	\$5,176.52	2	\$7,570.33	2
Icicle Vessel/Plant/Shipyard			1	\$6,650.71	1
ADF&G	4	\$5,248.75	6	\$21,621.10	6
In-house Office	1	\$45.00	1	\$852.00	2
Alaskan Leader Vessel			1	\$4,650.00	1
Bristol Leader Vessel			2	\$22,650.00	2
Specialized Interns	2	\$8,669.38	4	\$16,347.11	4
Other Interns	2	\$1,854.40	3	\$2,721.28	3
Capilano Interns	2	\$12,255.15	2	\$21,626.82	2
TOTAL	95	\$237,715.41	304	\$1,227,291.01	221

C. 2 Employment Summary

Management/Admin.	14 positions were actively filled during the 3rd Quarter, including the Executive Director for the Bristol Bay Science and Research Institute and 2 part-time sub-regional technicians. Current positions vacant are the Grant Technician (changed to grant writer/manager) and 1 sub-regional technician.
C/D Season	23 residents fished the pollock C/D season filling a variety of 42 processor positions;
Yellowfin Hake Shipyard	1 resident worked as shipyard employee performing a variety of general maintenance tasks.
Arctic Storm Recruiter	1 recruiter was employed during the 3rd Qtr.
Alaskan Leader	1 resident was employed as a Baiter, however the trip was not completed at the end of the quarter so no wages will be reflected until the 4 th quarter.
Bristol Leader Crab Fishing Bottom Fishing	1 resident fished on the Nordic Mariner and 1 on the Northern Mariner. 1 resident has been fishing since August and is still fishing. Wages earned in the 2 nd quarter are reflected in this report.
4E Halibut fishing Other Employment	1 resident filled a processing position on Icicle Seafood's floating processor and 1 resident worked as a temporary employee at the Dillingham Plant. 10 Local Bristol Bay fishermen were successful in being recruited into the Capalino fleet of fishermen for their salmon operations.

Internships

Arctic Storm vessel	2 residents were placed as Interns on the deck.
Arctic Storm office	2 residents worked as office interns.
Icicle Seafood's	1 resident filled an Icicle office internship.
N. Pacific Fishing	1 resident filled the North Pacific Fishing Seattle office internship position.
Icicle Plant/Vessel	No Activity.
ADF&G	4 residents filled 3 positions at various ADG&F offices or field camps this quarter. Placements were made at a Commercial Fisheries Office, another on a Igushik sonar project and 2 residents filled the one position working on the Muklung/Wood River Creel Survey project.
In House/Office	1 resident student filled the position of High School Intern this quarter.
Alaska Leader Vessel	No activity this quarter.
Bristol Leader	No activity this quarter.
Specialized Interns	1 resident continued to fill the CFEC internship position at Icicle Seafood's Naknek office, and another resident filled the Port Attendant position at the Bristol Bay Borough Dock in Naknek.
Other Interns	1 resident filled a 3-month internship with CFAB. No wages were recorded this quarter and 1 resident filled a 10-month internship with the Bristol Bay Campus.
Capilano Interns	2 residents are filling long-term Advanced Intern positions at Capilano's Bellingham office. One was placed as a Marketing Intern and another as an Administrative Intern.

D. TRAINING

1st Quarter 2000 (please see Section D.1 and D.2 below)

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

16.1 Provide Adult Basic Education and General Education Diploma training

16.1.1 Provide ABE training for up to 150 residents:

16.1.2 Provide GED training for up to 16 residents:

16.2 Provide basic vocational technical training in-region

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

16.2.2 Provide GED training for up to 16 residents:

16.3 Provide advanced vocational technical training in approved programs

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

16.4 Provide internships in-region

16.4.1 Place at least 2 interns with ADF&G:

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

16.4.3 Place at least 2 interns with businesses/agencies:

16.5 Provide vocational training opportunities to non-CDQ community residents

16.5.1 Provide vocational training opportunities as funding is available:

No activity this quarter.

16.6 Provide training opportunities with CDQ fishing partners

16.6.1 Place at least 10 interns on Arctic Storm vessels:

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

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

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

16.6.5 Place at least 3 interns in offices of NPFI, BLF, or KFL:

16.6.6 Provide internship opportunities in Capilano organization as available:

D. 1. TRAINING Data Form				
TRAINING DATA				
July 1 – Sept. 30, 2000				
3rd Quarter 2000				
	<u>Quarter</u>		<u>Year to Date</u>	
	People	Expenditure	People	Expenditure
<u>Scholarships</u>				
Post-secondary	62	\$92,132.00	62	\$92,132.00
Advanced Vocational	7	\$10,295.00	23	\$36,585.50
Administration		\$12,000.00		\$12,000.00
<u>Voc-Tech Classes</u>				
Basic	19	\$3,096.00	215	\$37,552.11
Other			10	\$8,600.00
<u>Other Training</u>				
Fisheries Related	0	\$143.75	19	\$2,013.75
CDQ Staff/Board	2	\$3,314.00	4	\$5,418.50
<u>ABE/GED</u>	26	\$19,212.08	153	\$19,212.08
GED Diplomas Earned	[1]		[11]	
<u>Other Expenditures</u>				
Drug Testing			9	\$1,260.00
<u>Internships</u>				
Arctic Storm Vessel	2	-0-	2	\$44,123.36
Arctic Storm Office	2	\$3,319.57	1	\$20,337.25
Icicle Seafood's Office	1	\$3,789.24	3	\$17,707.67
Icicle Vessel/Plant/Shipyard			1	\$8,854.96
North Pacific Fishing Office	1	\$3,554.96	2	\$11,600.25
ADF&G	4	\$340.00	6	\$16,937.35
In-house Office	1	\$45.00	2	\$852.00
Alaskan Leader Vessel			1	\$25,800.00
Bristol Leader Vessel			2	\$22,650.00
Specialized Interns	2		4	\$7,677.73
Other Interns	2	\$1,710.00	3	\$2,576.88
Capilano Interns	2	\$5,342.76	2	\$20,558.97
TOTAL	132	\$158,294.36	524	\$414,450.36

D. 2. Training Summary

Scholarships

Post-secondary	62 resident higher education students received equal amount of scholarships this quarter.
Advanced Vocational	3 residents are working on their business office certificates at AVTEC, 1 resident is continuing his welding training at Dona Anna Community College, 1 resident is working on a business certificate at Wenatchee Valley College, 1 resident received an advanced leadership certificate at Dartmouth College, and 1 resident received his boat building certificate at Umiak Adventure School.
Administration	The annual payment for contract services for higher education counseling and administration has been paid to the BBNA.

Vocational-Technical Classes

Basic	18 residents participated in Marine Safety and Survival and CPR/First Aid training in the non-CDQ community of New Stuyahok, one resident is taking Basic Computer Applications and business English courses at the Bristol Bay Campus.
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Other

Other Training

Fisheries Related	BBEDC paid for the duplication costs of fisheries curriculum for the 4 regional school districts.
CDQ Staff Board	2 Staff member participated in HR Staff Development courses this quarter.
ABE-GED	26 CDQ and non-CDQ residents received Adult Basic Education class, life skills, Drivers Education and college preparatory training. Of these 5 were from the non-CDQ communities of New Stuyahok and Chignik Lake. 1 resident obtained their GED during this quarter.

Internships

Arctic Storm vessel	2 resident filled 7 positions as Advanced Intern on the deck.
Arctic Storm office	2 resident filled the office intern training position at Arctic Storm's Seattle office.
Icicle Seafood's	1 resident filled the position at Icicle's office.
N. Pacific Fishing	1 resident filled the position at "Fishermen's Finest" (NPF) offices in Seattle.
Icicle Plant/Vessel	No Activity.
ADF&G	4 residents filled 3 positions at various ADG&F offices or field camps. Placements were made at a Commercial Fisheries Office, 1 on a Igushik sonar Study and two on the Muklung/Wood River Creel Survey project.
In House/Office	1 resident student filled the position of High School Intern this quarter.
Alaska Leader Vessel	No activity this quarter.
Bristol Leader	No activity this quarter.
Specialized Interns	1 resident filled the CFEC internship at Icicle Seafood's Naknek office, and another resident filled the Port Attendant position at the Bristol Bay Borough Dock in Naknek.
Other Interns	1 resident filled a 3 month internship with CFAB, with interest in extending, and 1 resident filled a 10 month administrative internship at the Bristol Bay Campus.
Capilano Interns	2 residents are filling long-term Advanced Intern positions at Capilano's Bellingham office. One was placed as a Marketing Intern and another as an Administrative Intern.

SUBSIDIARIES

17 *Provide academic scholarship program for CDQ community residents*

17.1 Manage Harvey Samuelsen Scholarship Trust to provide growth in perpetuity

17.1.1 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. This was approximately \$325,000 last fiscal year.

17.1.2 Review Trust investment policy:

The investment policy is reviewed each year at the May board meeting. The Trustee's will consider a more aggressive investment scheme at their next scheduled meeting sometime in the 4th quarter.

17.2 Award scholarships annually

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

This year \$109,495 in scholarships (less expenses) will be awarded in August for the 2000-2001 school year. This amount is based on 3% of the market value of the scholarship fund at the end of 1999. Funds unused in 1999 will be added to this amount for 2000 scholarship distribution. Of the total allowed, administration and other committee expenses will be deducted prior to making the award. After expenses, \$92,132 was distributed equally to 62 qualified applicants during the third quarter.

17.3 Provide management of scholarship program

17.3.1 Contract management of program and monitor performance:

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

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

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

18.1 Establish and fund Bristol Bay Science and Research Institute

18.1.1 Fund program and maintain funding:

The Bristol Bay Science and Research Institute is now up and running. Paul Rusanowski is the Executive Director and is working out of his office in Juneau.

2001 budget drafting began this quarter to address the increasing workload of the BBSRI.

18.2 Implement research

18.2.1 Develop a research plan for Bristol Bay:

Work continued on preparation of a draft long-range research plan for the Institute. The first draft of that plan will be presented to the Board of Directors in the fourth quarter of 2000. It is following a cautious approach focusing on needs and issues of the region, with a major emphasis on the status, research gaps and management of salmonid resources of the region.

Outreach efforts continued during the third quarter. The Institute participated in two conferences within the region. The first was the Nivalena Tribes Annual meeting in Iliamna where the Institute was introduced to the participants as well as specific research interests of

the member communities was discussed. The second conference was the Naknek Fish Conference – “Failing Sockeye Runs – Targeting Solutions”, sponsored by the Bristol Bay Native Association. The Institute participated on a panel discussing issues associated with Beluga whales.

18.3 Enhance work force development (Education Initiative)

18.3.1 Investigate grant programs to provide funding:

BBEDC continues to search and apply for grants to enhance the educational initiative program. Two educational grant applications were submitted during the second quarter. One was a Department of Labor grant and the other was a Denali Commission application. Both were resubmitted to furnish funds to perform a job study in Bristol Bay and develop a training program for available jobs. As of the third quarter, no response has been received.

The Institute continued work with Alaska Funding Exchange to prioritize potential funding sources and grant programs and mesh them with priority issues identified by the Board of Directors. The draft strategy will be included within the draft research plan that will be reviewed by the Board of Directors during the fourth quarter.

To date the Institute has written the following proposals to secure research funds for projects in the Bristol Bay region.

- Bristol Bay Ecosystem Virtual Community - A five-year program proposal submitted to the National Science Foundation, Division of Environmental Biology. \$465,000
- Genetic Identification of Specific Spawning Populations of Sockeye Salmon within the Ugashik River Drainage – A one-year project submitted to the USFWS, Office of Subsistence. \$141,000
- Kvichak River Smolt Predation by Beluga Whales – A one-year project submitted to the USFWS, Office of Subsistence. \$35,000
- Iliamna Lake Harbor Seal Assessment – A one-year project submitted to the USFWS, Office of Subsistence. \$60,000

All of these proposals are still under review. The NSF proposal timeline calls for notification of award by the end of November. Notification on the other three proposals will occur in mid October.

Work was initiated on a joint proposal with the University of Alaska, School of Fisheries and Ocean Sciences to study survival of sockeye salmon smolt in near-shore waters of Kvichak Bay. This proposal will be submitted to the Pollock Conservation Cooperative Research Center during the fourth quarter.

18.3.2 Implement enrichment projects for Education Initiative:

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

19 Provide ice machines in CDQ communities

19.1 Implement Grant Requirement

19.1.1 Final approval of grant/loan funding proposals:

The EDA grant application process has proven to be extremely complex, time consuming and cumbersome. However, BBEDC has stayed the course and we have finally gotten final approval on the grant. The loan with the Division of Investments has been signed off and approved since late in 1999.

- 19.1.2 Completion of engineering/ordering machinery:
Now, we must meet the very complicated and stringent procurement requirements. The RFP for engineering services was drafted during the third quarter and two potential applications contacted. Staff is in the process of finalizing the RFP and procurement documents. We are anticipating a qualified supplier being selected by the fourth quarter in order to meet our shipping deadlines.
- 19.1.3 Installation of equipment:
Installation of equipment will probably not start until the spring of 2001 due to the necessity of meeting all the procurement requirements and the long delay in the approval process.
- 19.1.4 Monitor/support community maintenance and operation:
This will take place after the ice machines are delivered. During installation, classes will be held in each community for the workers who will maintain the equipment.

E. OTHER ISSUES

None

III. ADMINISTRATION

A. Board Activities:

1. Changes in the Board:

One change in the Board occurred during the Third Quarter. The community of Twin Hills appointed a new primary and alternate representative to the Board.

2. Substantial Decisions:

Pre-approved the first Matching Funds application for the City of Egegik, pending CDQ approval.

B. Amendment Status:

The following Amendments were filed and approved during the Third Quarter:

00-16	Tech:	Add Unisea as a shore-side processor taking CDQ deliveries
00-17	Sub:	Transfer 25 mt of sablefish, 10 mt of Greenland turbot, and 3 mt of other rockfish from BBEDC to NSEDC

C. Other Issues

None.

IV. HARVESTING REPORT and Processing Report

A. Target Fishery Harvest Activity 3rd Quarter 2000

Pacific Cod Harvesting Activity:



SPECIES	CDQ Allocation			Target Fishery Information
	Metric Tons Allocated	Metric Tons Harvested	Percentage of Allocation	% of Target Fishery
Pacific Cod	2895.000	10.910	0.38%	86.86%
BYCATCH				
Non-Quota Pollock BS	N/A	0.360	N/A	2.87%
Yellowfin Sole	2311.000	0.050	0.00%	0.40%
Other Flats	1257.000	0.070	0.01%	0.56%
Arrowtooth	1753.763	0.160	0.01%	1.27%
Other Species	831.558	1.010	0.12%	8.04%
TOTAL HARVEST		12.560		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**				
Halibut (MT)	75.460	0.120	0.16%	0.010
Red King Crab ZI	1,528.000	24.020	N/A	1.912

**Halibut in the longline fishery is the only species deducted from PSQ allocations
The other PSQ catch, such as crab and salmon do not count against our PSQ allocations

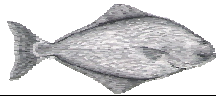
1) Summary of harvesting activities by target fishery:

A small amount of CDQ cod (10.9 MT) was harvested prior to the beginning of the open access cod season. BBEDC has roughly 360 MT remaining and intends to harvest the quota after the open access season.

2) Summary of bycatch:

Bycatch in the cod fishery was within the normal range. The majority of the bycatch came in the "Other Species" category.

Halibut 4E Harvesting Activities:



SPECIES	CDQ Allocation			Target Fishery Information
	Pounds Allocated	Pounds Harvested	Percentage of Allocation	% of Target Fishery
4E Halibut	117,000	328	0.28%	100.00%

1) Summary of harvesting activities by target fishery:

Halibut harvests in 4E began in late May and continued until the commercial salmon season began in late June. After the salmon season ended BBEDC had only one landing (328 lbs) which occurred during the third quarter.

2) Summary of bycatch:

There was no bycatch data reported in the 4E halibut fishery.

Bering Sea Sablefish & Turbot Harvesting Activity:



SPECIES	CDQ Allocation			Target Fishery Information
	Metric Tons Allocated	Metric Tons Harvested	Percentage of Allocation	% of Target Fishery
BS Greenland Turbot	116.750	4.540	3.89%	26.75%
BS Sablefish	32.340	3.530	10.92%	20.80%
		8.070		47.55%
BYCATCH				
Pollock - Non quota - BS	N/A	1.430	N/A	8.43%
Pacific Cod	2895.000	3.110	0.11%	18.33%
Flathead Sole	789.600	0.030	0.00%	0.18%
Arrowtooth	1753.763	1.940	0.11%	11.43%
Other Species	831.558	2.190	0.26%	12.91%
BS Other Rockfish	5.400	0.170	3.15%	1.00%
BS O. Red Rockfish	2.380	0.030	1.26%	0.18%
TOTAL HARVEST		16.970		

SPECIES	PSQ Allocation			Target Fishery Information
	KG or # Allocated	KG or # Harvested	Percentage of Allocation	Rate (kg/MT or #/MT) % of Target Fishery
PROHIBITED**				
Halibut (MT)	75.460	0.270	0.36%	1.59%

**Halibut in the longline fishery is the only species deducted from PSQ allocations

The other PSQ catch, such as crab and salmon do not count against our PSQ allocations

1) Summary of harvesting activities by target fishery.

7.5 MT of BS turbot and 3.4 MT of BS Sablefish were harvested this quarter.

2) Summary of bycatch:

Bycatch in this dual target fishery was mainly comprised of Pacific Cod and Other Species.

Aleutian Islands Sablefish & Turbot Harvesting Activity:



SPECIES	CDQ Allocation			Target Fishery Information
	Metric Tons Allocated	Metric Tons Harvested	Percentage of Allocation	% of Target Fishery
AI Greenland Turbot	41.400	16.710	40.36%	32.98%
AI Sablefish	72.800	22.560	30.99%	44.52%
		39.270		77.50%
BYCATCH				
Pollock - AI	N/A	0.020	N/A	0.04%
Other Flatfish	1257.000	0.010	0.00%	0.02%
Arrowtooth	1753.763	4.400	0.25%	8.68%
Pacific Cod	2895.000	0.550	0.02%	1.09%
Other Species	831.558	1.180	0.14%	2.33%
AI Other Rockfish	10.200	3.740	36.67%	7.38%
SRRE	13.200	1.500	11.36%	2.96%
TOTAL HARVEST		50.670		
SPECIES	PSQ Allocation			Target Fishery Information
	KG or # Allocated	KG or # Harvested	Percentage of Allocation	Rate (kg/MT or #/MT) % of Target Fishery
PROHIBITED**				
Halibut (MT)	75.460	0.490	7.97%	0.97%

**Halibut in the longline fishery is the only species deducted from PSQ allocations
The other PSQ catch, such as crab and salmon do not count against our PSQ allocations

1) Summary of harvesting activities by target fishery.

16.7 MT of AI turbot and 22.5 MT of AI Sablefish were harvested this quarter.

2) Summary of bycatch:

Bycatch in this dual target fishery was mainly comprised of Arrowtooth and Other Rockfish.

Halibut 4D Harvesting Activities:



SPECIES	CDQ Allocation			Target Fishery Information
	Pounds Allocated	Pounds Harvested	Percentage of Allocation	% of Target Fishery
4E Halibut (in lbs)	140,070	190,610	136.08%	100.00%

1) Summary of harvesting activities by target fishery:

BBEDC harvested a portion of our 4E quota in Area 4D. As required, BBEDC offered the unharvested 4E quota to CVRF, NSEDC, and YDFDA, and when all groups declined harvesting this quota with local fishermen, BBEDC targeted the remaining 4E quota in 4D.

2) Summary of bycatch:

There was no bycatch data reported in the 4D halibut fishery.

Pollock Harvesting Activity



SPECIES	CDQ Allocation			Target Fishery Information
	Metric Tons Allocated	Metric Tons Harvested	Percentage of Allocation	% of Target Fishery
Pollock	23919.000	13658.580	57.10%	99.86%
BYCATCH				
Turbot Bering	116.750	0.030	0.03%	0.00%
Pacific Cod	2895.000	15.330	0.53%	0.11%
Atka Mackerel - Eastern	209.100	0.010	0.00%	0.00%
Rock sole	2021.400	0.150	0.01%	0.00%
Flathead sole	789.600	0.840	0.11%	0.01%
Arrowtooth	1753.762	0.180	0.01%	0.00%
Other species	831.558	2.890	0.35%	0.02%
Other rockfish - BS	5.400	0.070	1.30%	0.00%
Other Red Rockfish - BS	2.380	0.290	12.18%	0.00%
TOTAL HARVEST		13678.370		
SPECIES	PSQ Allocation			Target Fishery Information
	MT or # Allocated	MT or # Harvested	Percentage of Allocation	Rate (MT/MT or #/MT) % of Target Fishery
PROHIBITED				
Halibut (MT)	75.460	0.240	0.32%	0.000
Bairdi Tanner Z2	47,250.000	2.030	0.00%	0.000
Chinook Salmon	756.000	6.660	0.88%	0.000
Non-Chinook Salmon	662.000	70.480	10.65%	0.005

1) Summary of harvesting activities by target fishery.

The Arctic Fjord was the only vessel that harvested pollock for BBEDC this quarter. The Arctic Fjord continued harvesting CDQ from the Second quarter and caught 13,658.58 MT of pollock.

2) Summary of bycatch:

Fishing during the second quarter was very clean. The majority of non-target bycatch was Pacific Cod

B. Processing Report

Pacific Cod Processing Activities

The Pacific Cod processed on the Bristol Leader was made into both collarbone on and collarbone off product forms. A portion of the bycatch of skates was processed into skate wings.

Halibut Processing Activities

All of the 4E and 4E halibut was sold in the round.

Bering Sea Sablefish and Turbot

The Bering Sea Sablefish and Turbot processed on the Bristol Leader was made into both collarbone on and collarbone off product forms. A portion of the bycatch of skates was processed into skate wings.

Aleutian Islands Sablefish and Turbot

The Bering Sea Sablefish and Turbot processed on the Bristol Leader and Alaskan Leader was made into both collarbone on and collarbone off product forms. A portion of the bycatch of skates was processed into skate wings.

Pollock Processing Activities

The Arctic Fjord concentrated on fillet/minute production. The Arctic Fjord produced 1,815.80 Mt of surimi, 892.87 Mt of block and 847.825 Mt of mince. The overall recovery from the Arctic Fjord's production was 26.0%.

C. Compliance/Enforcement Issues

Pacific Cod

There was no compliance or enforcement issues reported this quarter.

Halibut Processing Activities

There was no compliance or enforcement issues reported this quarter.

Bering Sea Sablefish and Turbot

There was no compliance or enforcement issues reported this quarter.

Aleutian Islands Sablefish and Turbot

There was no compliance or enforcement issues reported this quarter.

Pollock

On August 9th and 10th, the Arctic Fjord made five tows inside the newly defined critical habitat created by the ruling of Judge Zilly. The injunction has created a lot of confusion for the entire Pollock industry with the result being new definitions of Critical Habitat. At present, over 30 vessels have misinterpreted Judge Zilly's injunction. These tows have been voluntarily reported to NMFS enforcement, which is our policy on all Compliance and Enforcement Issues, and no action has been taken to date.

D. Other Fishing Issues/Activities

Pacific Cod

There was no Other Fishing Issues/Activities to report this quarter.

Halibut

There was a bit of confusion regarding the combination of the Halibut Statistical areas 4D and 4E into "Area 4F". The F/V Sunrunner delivered a landing of 4D CDQ quota and the Enforcement Officer in Dutch Harbor issued the Skipper with a violation ticket. When the landing was recorded, there was no quota showing for 4D.

However, the ticket was subsequently "tore-up" when the combined Area 4F was explained to him.

Bering Sea Sablefish and Turbot

There was no Other Fishing Issues/Activities to report this quarter.

Aleutian Islands Sablefish and Turbot

There was no Other Fishing Issues/Activities to report this quarter.

Pollock

There was no Other Fishing Issues/Activities to report this quarter.

Quarterly Reports

In preparing the quarterly report summaries, BBEDC identified mistakes made in previous quarterly report submissions. The quarter-by-quarter totals on the following page have the corrections incorporated. In a subsequent submission, BBEDC will revise the previous quarterly reports.

BBEDC 2000 CDQ Harvests By Quarter & Yearly Total

Species	2000	CDQ Harvests				Catch To Date	Percent Caught
	Allocation	Quarter 1	Quarter 2	Quarter 3	Quarter 4		
Atka Mackerel (Total)	902.530	1.090	177.950	0.010		179.050	19.84%
Eastern 541	209.100	0.080	174.910	0.010		175.000	83.69%
Central 542	314.840	0.000	1.250	0.000		1.250	0.40%
Western 543	378.590	1.010	1.790	0.000		2.800	0.74%
Arrowtooth (-15% NSR)	1,753.763	2.050	11.460	6.680		20.190	1.15%
Other Flatfish	1,257.000	5.540	4.890	0.080		10.510	0.84%
Flathead Sole	789.600	31.970	21.500	0.870		54.340	6.88%
Turbot (Bering Sea)	116.750	0.520	77.740	3.560		81.820	70.08%
Turbot (Aleutian Islands)	41.400	0.000	0.130	16.710		16.840	40.68%
Pacific Cod	2,895.000	1,042.720	1,408.890	29.900		2,481.510	85.72%
Pollock	23,919.000	9,411.990	774.070	13,658.580		23,844.640	99.69%
Non-Quota Pollock (BS)	N/A	11.520	28.420	1.790		41.730	N/A
Non-Quota Pollock (AI)	N/A	0.380	0.340	0.020		0.740	N/A
Pacific Ocean Perch (EBS)	33.150	0.120	0.340	0.000		0.460	1.39%
Pacific Ocean Perch (AI)	156.740	0.000	0.000	0.000		0.000	0.00%
Eastern 541	39.780	0.070	0.010	0.000		0.080	0.20%
Central 542	44.710	0.000	0.010	0.000		0.010	0.02%
Western 543	72.250	0.000	0.000	0.000		0.000	0.00%
Other POP (SRSN, EBS)	2.380	0.050	0.790	0.320		1.160	48.74%
Sharp/Northern (AI)	65.620	0.220	1.340	0.000		1.560	2.38%
Short/Rougheye (AI)	13.200	1.930	1.800	1.500		5.230	39.62%
Other Rockfish (EBS)	5.400	0.480	0.570	0.240		1.290	23.89%
Other Rockfish (AI)	10.200	1.250	0.420	3.740		5.410	53.04%
Rocksole	2,021.400	128.370	5.170	0.150		133.690	6.61%
Sablefish Trawl BS	11.000	0.000	0.000	0.000		0.000	0.00%
Sablefish Trawl AI	9.000	0.000	0.000	0.000		0.000	0.00%
Sablefish Fixed Gear BS	32.340	0.000	13.680	3.530		17.210	53.22%
Sablefish Fixed Gear AI	72.800	0.000	0.000	22.560		22.560	30.99%
Yellowfin Sole	2,311.000	31.840	14.720	0.050		46.610	2.02%
Squid (-15% NSR)	26.239	9.360	0.030	0.000		9.390	35.79%
Other Species (+NSR)	831.558	146.550	321.610	7.270		475.430	57.17%
Non Specific Reserve (NSR)	0.000	0.000	0.000	0.000		0.000	N/A
4D Halibut (in lbs)	140,070	0	0	190,610		190,610	136.08%
4E Halibut (in lbs)	117,000	0	62,099	328		62,427	53.36%
BS Opilio	478,564	0	477,917	0		477,917	99.86%
BB Red King Crab	122,053						
Prohibited Species	Total	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Catch To Date	Percent Caught
Halibut (mt of mortality)	75.46	2.220	15.940	1.120		19.280	32.51%
Bairdi Zone 1	15,563.00	2.380	0.000	0.000		2.380	0.02%
Bairdi Zone 2	47,250.00	1.720	284.030	2.030		287.780	0.61%
Opilio Tanner Crab (numbers)	75,038.00	0.000	0.000	0.000		0.000	0.00%
Red King Crab (numbers)	1,528.00	0.000	165.620	0.000		165.620	0.00%
Chinook Salmon (numbers)	756	135.520	0.000	6.660		142.180	18.81%
Other Salmon (numbers)	662	7.180	0.000	70.480		77.660	11.73%