

## **I. QUARTERLY HIGHLIGHTS**

- **The Board of Directors met in Dillingham on September 17, 1999 and held committee meetings on September 16<sup>th</sup> .**
- **Conducted a "Regional Infrastructure" Workshop for the Board of Director's.**
- **The communities of Levelock, Portage Creek and Ekwok appointed representatives to the BBEDC Board.**
- **New representatives for Pilot Point and Twin Hills were appointed this quarter.**
- **15 residents fished 4E halibut this season.**
- **Completed the 2 Regional Test Fishery projects.**
- **Amended the By-laws of the Corporation to reflect the inclusion of the three new communities.**
- **Held an orientation workshop for the new board members and staff.**
- **Hired an Employment and Training Coordinator.**
- **Submitted the 2000 CDP revision for Pollock.**
- **Maintained Pollock Quota Allocation of 21%.**
- **Applied for 2% disaster loan funds from the State Division of Investments to make matching funds available for the EDA grant application for Ice Machines.**
- **The in-region internship program was again approved to take place during the fourth quarter.**

## **II. COMMUNITY DEVELOPMENT**

### **A. Progress Toward Goals, Objectives, Milestones**

#### **1. Maintain an Effective and Efficient Board of Directors.**

##### **1.1 Establish and maintain bylaws and board procedures.**

###### 1.1.1 Review Bylaws and Procedures:

The By-laws were amended at the September Board meeting with several “housekeeping” changes made. The By-laws now reflect the addition of the three new communities into the corporation

###### 1.1.2 Annually review committee structure:

At the Annual Board meeting in November, committee appointments and officer elections are made for the coming year. However, at the May meeting, appointments to committees were made due to the resignation of members or changes in community representation.

###### 1.1.3 Review and revise board calendar annually:

The board calendar for 2000 will be presented at the November 1999 Annual board meeting.

###### 1.1.4 Provide financial report analysis training:

A financial report workshop was held for the Finance and Audit committee members prior to the May 1999 Board of Directors meeting. All Board members were invited to participate.

###### 1.1.5 Conduct Board training as needed:

A half-day “Regionalization of Infrastructure Development” Workshop was held prior to the September meeting with lead staff and board members present. The meeting was organized and facilitated by John McPhearson of HDR, an Anchorage Engineering Firm. This was a very productive and enlightening workshop for all participants.

The Regionalization of Infrastructure workshop had four main purposes:

-To screen ideas, strategies, and projects identified in the Infrastructure Needs Assessment;

-Identify the most reasonable strategies and projects;

-Prioritize the list; and

-Get Board approval on the final list.

Evaluation criteria used were the Mission Statement, Bylaws, 1998-2000 Multi-Species CDP Goals and Objectives, and the Regional Infrastructure Development Program Goals and Objectives.

Two Board members attended the State Pollock Allocation public hearing and the one-on-one meeting held in Anchorage at the end of September. In an effort to provide a better understanding of the political and regulatory process, BBEDC encourages Board members to observe and participate in these processes.

## **1.2 Develop and update Long Term Strategic Plans.**

### **1.2.1 Review long range plan and modify as needed:**

A strategic planning session was held in January to revisit and identify long term goals.

## **1.3 Develop and update annual operation plans.**

### **1.3.1 Review progress and update annual operations plan mid year if needed:**

The annual work plan for 1999 was adopted at the board meeting in November 1998. Activities are tracking as planned. Plans to conduct a 2001-2003 strategic planning session for the Board and staff began during the third quarter.

### **1.3.2 Monitor progress on Ops. Plan monthly:**

The operations of the corporation continue to be monitored by management on a monthly basis. All management staff provides the Board with a monthly activity report.

### **1.3.4 Develop and approve annual operating plan:**

This is done at the Annual Meeting in November the year preceding the implementation of the Operating Plan. The 2000 Board Meeting Calendar and Task Plan will be approved at the November 1999, Annual Meeting.

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

### **2.1 Identify skills needed and plan staff.**

#### **2.1.1 Review staff tasks, skills, job descriptions and structure annually:**

Job descriptions were reviewed and modified as necessary at the May board meeting. The Employment and Training Director, Employment & Training Coordinator and CDQ Quota Manager job descriptions were changed to reflect actual tasks and responsibilities. All other position descriptions remain the same.

The position of Employment & Training Coordinator was filled this quarter . The selected applicant was an intern for BBEDC earlier in the year.

Three staff members attended development training this quarter that will be beneficial to their current position with the corporation.

### **2.2 Recruit staff and evaluate progress.**

#### **2.2.1 Do annual ED performance review:**

A positive performance evaluation was completed in September and the employment contract was extended for an additional two years.

#### **2.2.2 Perform staff evaluations annually:**

Staff evaluations are on going and annual evaluations are being conducted as anniversary dates occur. All staff members have received their annual evaluations for 1999.

### **2.3 Develop and update personnel manual.**

#### **2.3.1 Annually review and update personnel policies and procedures:**

An annual review took place during the May meeting with an addition to the policy regarding Key Employee Travel. This policy was developed so all three top key employees do not travel on the same plane or mode of transportation to ensure the continued financial viability and success of the corporation.

### **2.4 Develop financial plan, budget and controls.**

#### **2.4.3 Allocate all royalty funds 50, 45%, and 5% to ASIF, CDP, and Scholarship.**

Funds continue to be allocated in the manner required by the CDQ Plan. Scholarship funding has now repaid the ASIF for forward funding from 1996. This obligation was satisfied during the second quarter. The Reserve Account forward funding from ASIF was also paid back during the second quarter.

#### **2.4.6 Update Fund Management Plan as needed and submit for approval:**

A review of the BBEDC Corporate Investment Policy was conducted by the Finance and Audit Committee prior to the May Board meeting. A revision was made to the BBEDC Corporate Investment Policy to allow maximum return on funds in the Reserve Account, outside of addressing cash flow needs. The amendment to the BBEDC investment strategy will reflect current strategy used in the ASIF.

#### **2.4.8 Review fund manager performance annually:**

The investment portfolio is monitored continuously and an annual report was made available to the Finance and Audit Committee and Board of Directors in May. In addition, quarterly fund performance reports are distributed to the Board of Directors.

#### **2.4.11 Develop Consolidated and Detailed Budgets annually:**

The 2000 budget will be presented for approved at the Annual Meeting in November 1999, and submitted to the state in December. BBEDC has invested in non-profit accounting software and the contract accounting firm has implemented it.

#### **2.4.13 Prepare Quarterly Financial and management reports:**

Quarterly financial statements (as well as monthly statements) are prepared in a timely manner and reviewed by management. The Finance and Audit Committee and Full Board review quarterly financials at their scheduled meetings. A monthly management report is prepared by the Executive Director and distributed to the Board of Directors.

## **2.5 Utilize financial and performance audits to improve management.**

- 2.5.1 Financial and Agreed Upon Procedures Audit: The 1998 Audited Financial Statements and Agreed Upon Procedures were reviewed and approved by the Board of Directors at their May meeting.
- 2.5.2 Review audit results and revise operations plan as appropriate: The Board of Directors reviewed the 1998 audit and accompanying reports at the May 1999 meeting. No revisions to the operations plan are necessary.
- 2.5.3 Review and approve auditors: In May, the Board of Directors re-appointed the auditing firm of KPMG for an additional year.

## **2.6 Track Arctic Storm performance closely and monitor fishery.**

- 2.6.2 Review ASI Royalty Agreement Performance:  
BBEDC's Executive Director speaks with the Arctic Storm's Controller on a regular basis to discuss the status of royalty payments. To date, Arctic Storm is in compliance with the royalty agreement. BBEDC's Quota Manager is in regular contact with Arctic Storm during CDQ fishing seasons. A mid-year review meeting was held in late July via telephone with management staff of Arctic Storm and BBEDC. B Season CDQ Pollock fishing began during this quarter.
- 2.6.5 Review ASI Training and Employment Agreement performance:  
The review of the performance of Arctic Storm in relation to the employment agreement is an on-going process. Employment and training of BBEDC's residents is one of our most important goals. BBEDC staff is in weekly, if not daily, contact with Arctic Storm's recruiter regarding position openings and vessel internships.
- 2.6.8 Hold annual meeting with ASI and approve annual fishing plan:  
The Arctic Fjord Annual meeting was held in Seattle on January 19, 1999. BBEDC staff and Board Member Emil Christensen were in attendance.

BBEDC staff met with Arctic Storm in January to review and finalize the fish plan. Issues concerning Stellar Sea Lion protection caused the delay. The BBEDC Quota Manager constantly monitors activities related to the fish plan such as target catch, bycatch, and prohibited species catch.

The annual review meeting will be held in Anchorage on December 9, 1999, with Arctic Storm personnel, BBEDC management and the Executive Committee members present. A report on the 1999 royalty and employment goals will be presented.

## **2.7 Track Bristol Leader Fisheries performance closely and monitor fishery.**

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

- 2.7.5 Review BLF Royalty Agreement Performance:  
During the third quarter, CDQ Cod fishing continued. Aleutian Island CDQ Sablefish and Turbot were also harvested. BLF was in compliance with the provisions of the Royalty Agreement during this quarter.
- 2.7.8 Review BLF and ALF Training and Employment Agreement Performance:  
Bristol Leader LLC has been very accommodating in their implementation of an employment program, working with BBEDC more than a year before the MSCDQ was implemented. Please see Section II, C, 1 for information regarding employment/interns that were on ALF/BLF boats during the third quarter.
- 2.7.11 Approve annual fishing plan:  
The fish plan was finalized in the first quarter and met BBEDC's objectives.

**2.8 Track North Pacific Fishing performance closely and monitor fishery.**

- 2.8.2 Review NPMI Royalty Agreement Performance:  
The fish plan was finalized during the first quarter. NPMI harvested CDQ Flathead Sole during the third quarter and were in compliance with the provisions of the Royalty Agreement.
- 2.8.5 Review NPMI Training and Employment Agreement performance:  
It has been extremely difficult to recruit interested residents to work on the H & G vessels. The pay is less than that of factory trawler work, and the working and living conditions are more cramped. Advertisements have been ongoing with several residents showing interest. Two residents have filled available processor positions onboard NPMI vessels this quarter. One intern worked in the NPMI Seattle Office from January through mid June. A second intern was then placed in the position this quarter. Please see Section II, C, 1 for more information.
- 2.8.8 Hold annual meeting with NPMI and approve annual fishing plan:  
BBEDC met with NPMI in January to review the initial fish plan. After several revisions, the 1999 Fish Plan was approved.
- 2.8.11 Review and approve final fishing plan:  
The final fishing plan was approved during the first quarter of 1999.

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

- 2.9.2 Approve Annual Fishing Plan:  
BBEDC met with KFL in January 1999 to review the initial fish plan. After a few revisions to adjust the CDQ numbers and fishing vessels, the 1999 Fish Plan was approved.
- 2.9.4 Hold annual meeting with KFL:  
The Annual Meeting was held in January 1999.

- 2.9.6 Review KFL Royalty Agreement performance:  
KFL is in compliance with the terms of the Royalty Agreement.
- 2.9.8 Review KFL Training and Employment Agreement Performance:  
The Executive Director and the Employment and Training Director met with KFL during a February trip to Seattle and reviewed the Training and Employment Agreement. Staff is in regular contact with KFL and forwards applications on a regular basis. See Section II, C, 1 for employment information.

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

- 2.10.2 Review ISI Royalty Agreement performance:  
CDQ Opilio Processing took place in the second quarter. Icicle is in compliance with the terms of the Royalty Agreement.
- 2.10.5 Review ISI Training and Employment Agreement Performance:  
The Executive Director and the Employment and Training Director met with ISI during a February trip to Seattle and reviewed the Training and Employment Agreement. Staff is in regular contact with ISI to place residents in intern or other support positions. Icicle was very gracious in assisting BBEDC with the support services for CFEC in the Naknek area. They provided supervision and an intern position in their Naknek office to service that area. Plans to meet and improve the training and employment goals will take place during the fourth quarter. Please see Section II, C, 1 for more information.
- 2.10.8 Hold annual meeting with IFI and approve annual fishing plan:  
BBEDC does not receive a "fish plan" from Icicle. However, Icicle does submit a Processing and Marketing Report. BBEDC has received and accepted the 1999 Processing and Marketing Report from Icicle.

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

**3.1 Develop and publish quarterly newsletter.**

- 3.1.2 Produce and Distribute Quarterly Newsletter:  
Staff produced and distributed a quarterly edition of the *BBEDC CDQ News* in July 1999 and sent it to 2,880 individuals, communities, groups and regulatory agencies. During the Boards September meeting a name for the newsletter was selected from 20 entries. "The BBEDC Tide....for information that flows" was selected as BBEDC's newsletters name.

In addition to the quarterly newsletter, BBEDC distributed a "jobs and training" flyer to all CDQ residents during the month of July in an effort to attract exiting salmon fishermen to available jobs.

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

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

### **3.2 Develop and maintain effective press relations.**

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

BBEDC and Pollock partner, Arctic Storm, have jointly sponsored several public radio news and weather programs in an effort to encourage employment interest and show support for sustainable fisheries management.

### **3.3 Provide regular Board and staff contact with villages.**

- 3.3.2 Executive Director and Staff visits to Villages: The Deputy Director and President made visits to the CDQ community of Port Heiden and non-CDQ communities of Iliamna and Newhalen during the third quarter to conduct community orientations regarding BBEDC and answer questions about the CDQ program. In addition, staff traveled to Manokotak to promote BBEDC employment, training and higher education programs. Applications for fall intern positions were also distributed.

The Employment & Training Director traveled to Anchorage in September to attend training for “community in the classroom”, which is a part of the School to Work and Educational Initiative program. Several regional school representatives also attended this training.

During this quarter, several lead staff members and two board members attended the State public hearing on the Pollock Allocations and the one-on-one meeting with the oversight team.

The Permit Broker is a member of the IRS Citizens Advocacy Panel and attended two meetings this quarter, one in Anchorage and one in Seattle.

The Executive Director also traveled to Anchorage to meet with several business associates and also met with the 5 other CDQ groups to discuss issues of common concern.

**3.4 Prepare and file necessary reports on time.**

3.4.2 Prepare and file annual report: The Annual Report for 1998 was submitted at the end of May.

3.4.5 Prepare and file four quarterly reports to the state each year:  
The First, Second and Third Quarterly Reports for 1999 were filed in a timely manner.

**4. Provide self-sustaining Basis for Community Development.**

**4.1 Manage ASIF to provide ongoing revenues to BBEDC.**

4.1.2 Maintain ASIMCo in dormant state:

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

An Annual Meeting was held during the second quarter to re-elect officers and receive a status report on the company. ASIMCo remains in good standing with the State and parent company, BBEDC.

4.1.4 Provide annual training for Royalty, Negotiating, & Invest. Committee:  
This committee has been merged into the Executive Committee to reduce redundancy of action. The Executive Committee meets frequently to review potential investments and most of them participated in a financial and investment strategy presentation and investment policy review this year.

4.1.6 ASIF earnings fund ASIF Project Management:  
ASIF earning support activities in the ASIF Project.

4.1.9 Net ASIF earning transfer to Operations:  
ASIF non-royalty earnings, net of expenses, were transferred to operation in early February 1999.

4.1.12 Annually search for investment options meeting ASIF criteria:  
BBEDC continues to search for investments in the seafood industry that meet the criteria for investments as outlined in our CDP. BBEDC continues to respond to offers for purchase of IFQ's as they arise.

4.1.15 Annually invest in priority investment options meeting ASIF criteria:  
One IFQ purchase and investment in Capilano Pacific LLC was completed during the second quarter . No investments were made during the third quarter.

#### **4.2 Establish Regional Business Development Fund.**

##### 4.2.1 Maintain balance of RBDF at \$0.5 million:

Funds have been reserved (set aside) in the ASIF budget to fund this project.

#### **5. Employment for Region's Residents.**

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

##### 5.1.2 Place total of 150 entry-level/advanced hires with ASI:

Please see Section II, C, 1.

##### **5.2 Place entry level BBEDC resident hires on Partner vessels.**

##### 5.2.2 Place a total of 25 entry-level hires with NPFI if available:

As of yet, no positions have come available. Please see Section II, C, 1.

##### 5.2.5 Place a total of 12 entry-level hires with BLF if available:

Please see Section II, C, 1.

##### 5.2.8 Place a total of 4 entry-level hires with KFL if available:

Please see Section II, C, 1.

##### **5.3 Place experienced BBEDC resident hires on Partner vessels.**

##### 5.3.1 Track advancement of BBEDC residents on NPFI vessels:

Two positions were filled during the third quarter and staff continues to provide employment applications to interested residents. Staff regularly assisted NPFI in distributing advertisements for available positions. Please see Section II, C, 1.

##### 5.3.2 Track advancement of BBEDC residents on BLF vessels:

Please see Section II, C, 1.

##### 5.3.3 Track advancement of BBEDC residents on KLF vessels:

Please see Section II, C, 1.

##### 5.3.4 Track advancement of BBEDC residents with ISI:

Please see Section II, C, 1.

##### **5.4 Establish vigorous permit retention program.**

##### 5.4.1 Maintain working relationship with IRS and other agencies:

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

Staff member Bernice Heyano was nominated and selected to sit on the National IRS Citizens Advocacy Panel. This particular panel represents the Pacific Northwest Region and Bernice Heyano is the only representative from

Alaska. During this quarter, Bernice traveled to Anchorage, Alaska and Seattle, Washington to investigate complaints and consider suggestions from taxpayers.

During the third quarter, the permit broker continued to provide oversight for the summer intern program with CFEC in the transfer and renewal of permits. Two intern positions were established for this purpose, one in Dillingham and one at Icicle Seafood's office in Naknek. Attached in the Appendix section of this report is a letter from Karen Wells, CFEC, commending BBEDC and Bernice for the outstanding service provided to Bristol Bay fishermen on their behalf.

5.4.3 Provide in region permit brokerage:

The Permit Brokerage was established in 1994 and continues to operate under BBEDC.

5.4.6 Retain 20 permits through tax counseling and brokerage services:

During the third quarter a total of 5 commercial fishing permits were "saved" from sale or seizure through intervention services provided by Permit Brokerage staff. These permits were saved through loan intervention services. These permit holders had used their permits as collateral for boat loans and were unable to meet the payment schedule. The Brokerage staff then assisted the permit holders in filing loan extensions, loan re-financing packages or negotiates with lenders for lower payments.

In addition to IRS contacts, the Permit Brokerage was in contact with 80 fishermen to coordinate Emergency Transfers of Permits, 54 fishermen regarding Loan problems, 43 fishermen seeking to buy or wanting to sell a permit, and 64 other contacts related to the commercial fisheries.

5.4.9 Contact 150 permit holders in arrears with IRS annually:

During the third quarter, 75 contacts were made with permit holders who are in arrears with the IRS. Staff continued to assist the IRS in scheduling travel to CDQ and non-CDQ Bristol Bay communities. Staff also makes the initial contact with taxpayers, schedules appointments and advertises the IRS services in the region.

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

5.5.1 Manage fishery to maximize participation by residents:

Out of the 77 permits issued, 15 residents actually landed fish.

In addition, BBEDC made available 4E quota to the Norton Sound Economic Development Corporation where 7 additional resident fishermen harvested halibut this quarter.

5.5.2 Seek changes to regulations/allow 4D halibut to be fished in 4E:

BBEDC was successful in their attempt to move some of the 4D halibut CDQ quota in shore if the 4E quota fishing effort maximize the available 4E quota. However, a delay in NMFS publishing the regulation change prevented BBEDC from having the ability to move 4D quota inshore. Plans are being made to provide the additional quota to residents during the 2000 season.

## **6. Provide Appropriate Training and Educational Opportunities:**

### **6.1 Maintain scholarship trust fund.**

#### 6.1.1 Maintain trust fund value by inflation proofing corpus of fund:

BBEDC continues to follow the established policy to inflation proof, and provide scholarships equaling 3% of the capital base of the fund. During this quarter, BBEDC distributed \$90,000 in higher education scholarships to 44 resident students.

#### 6.1.2 Contract management of scholarship awards and monitor performance:

BBNA continues to recruit for applications in their “super scholarship package”. Through the contracted service agreement, BBNA staff is in regular contact with students and councils them to increase their success and productivity. In fact, several area higher education students have been hired in various universities to counsel and support other new students entering these institutions. This year, BBEDC assumed responsibility for some clerical support during the application review period as agreed in the contract. The HSST trustees adopted a grievance policy for the program at their May meeting and this policy will implement during the 2000-2001 application cycle.

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

In August 1999, the scholarship selection committee met and awarded \$90,000 in academic scholarships to 44 qualified resident students.

### **6.2 Place experienced residents as Interns with Partners.**

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

#### 6.2.5 Place at least 3 interns in office or other settings with ASI:

See Section II, C. 1.

#### 6.2.8 Place at least 3 interns in ISI offices or other settings:

See Section II, C, 1.

#### 6.2.11 Place at least 2 interns in ISI support operations:

See Section II, C, 1.

#### 6.2.14 Place at least 3 interns in offices of NPFI, BLF, KFL:

See Section II, C, 1.

### **6.3 Provide ABE/GED and vocational training programs.**

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

- 6.3.5 Provide GED training for up to 16 annually: See Section II, C., 2.
- 6.3.8 Provide basic vocational training for up to 40 annually:  
See Section II, C, 2.
- 6.3.11 Provide advanced voc/tec training for up to 5 annually:  
See Section II, C, 2.
- 6.3.13 Provide basic voc/tech training in outlying communities:  
44 CDQ residents received training in their villages in Medic First Aid/ CPR and Marine Safety and Survival during the third quarter. Two classes were conducted in the communities of Levelock and Manokotak. All participants received certification in these areas.

**6.4 Provide Internships with regional businesses and agencies**

- 6.4.2 Place at least 2 summer interns with ADF&G:

Two resident interns worked in the Commercial Fisheries offices of ADF&G in Dillingham and King Salmon this quarter. In addition, the ADF&G Sport Fish Division had one resident intern returning to work with them on the Lake Aleknagik Pike Study Program . The proposed Naknek River Creel Survey intern program did not materialize this year. BBEDC hopes to continue to expand it's agreement with ADF&G in future years.

Although all positions have not been in the commercial fisheries offices, BBEDC provides residents with exposure to the many and varied career opportunities in the fisheries arena.

- 6.4.5 Place at least 1 intern in BBEDC's office  
No high school interns were employed in the BBEDC offices during the third quarter, although one of the previous high school interns was hired as a Specialized Intern. School was not in session during the majority of this quarter and BBEDC began advertise for a new intern to start in the fourth quarter. See section 6.4.8 for more information.

- 6.4.8 Place at least 2 interns with businesses/agencies  
One resident finalized their training internship, provided through the UAF Bristol Bay Campus, in July. This program was intense and has specific goals and milestones. The intern is now ready for entry level administrative assistant type of employment. Staff will meet with this intern during the fourth quarter to identify and assist her in applying for jobs that meet her career goals and newly acquired skills.

The Specialized Intern who finalizing the report from the '98 Regional Household Survey has received a biologist position with ADF&G and is now

stationed in Dutch Harbor. This former intern successfully received his Masters Degree in Biology and has already received his Masters in Statistics.

The CFEC intern in the Permit Brokerage office continued working this quarter. This spring/summer BBEDC agreed to assist and facilitate emergency transfer of permits and other licensing tasks, which were normally done by CFEF at ADF&G offices in the region, at the BBEDC and at Icicle Seafood's Naknek office. A former Seattle Office Intern continued her CFEC internship in the Naknek office of Icicle Seafood's. Both these positions expired toward the end of July.

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

- 6.5.1 Provide opportunities for non-CDQ village residents as funding available: Non CDQ residents receive training onboard our partner vessels whenever a person shows the aptitude and desire to advance. In the third quarter, a resident of Nondalton was hired to fill a part-time ABE/GED instructor position, which is supported financially by BBEDC.

Seven Norton Sound residents participated in harvesting BBEDC's 4E halibut quota during the quarter.

## **6.6 Develop employment skills program for youth**

- 6.6.5 Recruit curriculum coordinator and implement program: The 6-12 grade curriculum that was developed has been implementation in the fall '99 school year by all four regional school districts. Two of the school districts have also implemented the K-5 curriculum this quarter. The project is progressing on schedule and all school districts are fully participating.

The Employment & Training Director again traveled to Anchorage this quarter to attend training sessions for "Community in the Classroom" and "Career Choices", which are components of the Educational Initiative project.

A job description and solicitation for the Educational Initiative Coordinator will occur in the fourth quarter.

## **7. Implement Regional Fisheries Development Project.**

### **7.1 Develop a regional fisheries workplan.**

- 7.1.2 Select several initiatives annually for regional development: The Board of Directors will approved the 2000 Regional Fisheries Development Plan at the November 1999 board meeting.
- 7.1.5 Implement the annual fisheries development priorities: The projects for 2000 will be approved at the November 1999 meeting. **Test Fisheries:** The two test fisheries were concluded this quarter. A preliminary report should be available toward the end of the fourth quarter.

**4E Halibut:** The Regional Fisheries Committee will discuss the 1999 season during the fourth quarter and make any recommended changes at that time.

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

**7.2.1** Annually review under-utilized species and value-added opportunities: BBEDC continues to look for marketing opportunities for seafood species identified in the Test Fisheries. Samples of species caught during the 1999 surveys have been sent to Japan for market research and to make contacts with potential markets. BBEDC continues to work with fishermen in the investigation of various value-added concepts and market research. The second phase of the Marketing Workshop will be held during the second quarter.

The investment in Capilano Pacific LLC is a first step in one of the long-term goal of BBEDC to participate in Bristol Bay value added products and marketing. Capilano Pacific LLC has been successful in being the first organization to receive an “International Organic” certification of seafood, which is salmon from Bristol Bay.

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

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

Two local fishermen were selected through an RFP process to conduct the two test fishery surveys for 1999. Both surveys were completed this quarter.

A final report on the 1999 Middle and Southern Bristol Bay area test fishery should be completed by the fourth quarter.

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

**7.2.9** Investigate other opportunities to identify new species: Once the data obtained from the two other surveys conducted this summer is analyzed, more information will be available in new species development.

**7.3 Fund development of fishery opportunities determined to be feasible.**

**7.3.3** Fund development of fishery opportunities determined to be feasible:

BBEDC continually seeks out fishery opportunities. This is an ongoing task.

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

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

7.4.5 Investigate other opportunities to identify new species:

Other opportunities will present themselves once data is compiled and digested from all three of the regional fisheries surveys.

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

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

BBEDC Board members are encouraged to attend NPFMC meetings to gain a better understanding of the regulatory process. This quarter, two board members attended the State Public hearing for the 2000 Pollock allocation and private one-on-one meeting in Anchorage.

7.5.2 Promote new CDQ's and extension of CDQ's in time:

One of BBEDC's long term goals is to preserve and extend the CDQ program well into the future. Staff is constantly monitoring issues concerning the promotion of new CDQ's and extension of the current program. At the Boards May meeting a decision was made to adopt a pro-active role in the protection and continuation of the CDQ program.

**8. Provide for seafood industry related infrastructure development.**

**8.1 Establish Technical Assistance Project.**

8.1.4 Perform an Infrastructure Needs Assessment in 14 CDQ communities:

An assessment and prioritization of Infrastructure needs of the 17 CDQ communities in the Bristol Bay Area has been complete. The Reserve Account was forward funded to "jump start" this Infrastructure Development Program and its immediate implementation.

The Infrastructure Needs Assessment is being expanded to focus on a "regionalization" approach to development of infrastructure. The Board of Directors attended a workshop in September to consider the proper prioritization of the various suggested projects.

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

The BBEDC technical assistance team from Alaska Business Development Center (ABDC) has been working with several residents in creating or further developing their businesses. In addition, the communities of Manokotak and Ugashik are currently working with ABDC to organize and fine-tune their infrastructure development plans.

Outreach to develop interest in both the Regional Business and Infrastructure Development programs is ongoing.

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

## **8.2 Establish Regional Business Development Project.**

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

One project has been completed. The applicant sought financing through private sources after the completion of the business plan.

## **8.3 Establish Regional Infrastructure Development Project**

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

## **B. Outreach**

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

BBEDC has established a web page on the Internet. The address is [www.bbedc.com](http://www.bbedc.com). Please check the web site for BBEDC's quarterly report and current information regarding programs and employment opportunities.

In mid-July, BBEDC produced a colorful and informative “Jobs and Training” flyer and mailed it to all 2,600 boxholders in the region.

As a result, several processing and internship positions were filled.

See attached appendix for additional information.

C. Employment for the 3<sup>rd</sup> Quarter of  
1999 1. Data Form

July 1st - September 30, 1999 Employment Form

	Quarter		Year to Date		Year to Date
	Positions/Trips	Wages	Positions/Trips	Wages	People
<u>BBEDC Management/Admin</u>	11	\$93,529.79	11	\$290,382.56	11
<u>CDQ Pollock Related (AS/AF)</u>					
A SEASON			70	\$305,962.87	30
B SEASON	27	\$50,221.35	27	\$50,221.35	19
Yellow Fin			7	\$8,001.94	7
Hake Trips			18	\$52,444.52	18
Shipyard			9	\$3,584.36	5
<u>Long Line Fishing</u>					
Alaskan Leader					
Bristol Leader	1	\$14.11	3	\$21,070.28	2
<u>Crab Fishing</u>					
Bristol Mariner					
Nordic Mariner	1	\$2,000.00	3	\$7,555.29	3
Other Vessels			2	\$48,288.08	2
<u>Bottom Fishing</u> North Pacific	2	\$ 0	2	\$ 0	2
<u>Fishing</u>					
<u>Other Fishing Employment</u>					
4E Halibut Fishing	15	\$97,500.60	15	\$97,500.60	15
Icicle Seafood's			2	\$2,216.22	2
<u>Other Employment</u>					
Bristol Bay Recruiter	1	\$10,500.00	1	\$33,133.33	1
<u>Internships</u>					
Arctic Storm Vessel	1	\$4,586.50	6	\$35,285.80	3
Arctic Storm Office	1	\$5,073.78	1	\$18,476.56	2
Icicle Seafood's Office	2	\$5,290.48	2	\$14,591.73	3
North Pacific Fishing	1	\$2,282.07	2	\$10,597.57	2
Icicle Vessel/Plant/Shipyard	1	\$1,387.97	7	\$18,677.47	5
ADF&G	3	\$7,474.89	3	\$13,986.77	3
In-house Office			2	\$912.00	2
Alaskan Leader Vessel	1	\$5,850.00	1	\$5,850.00	1
Bristol Leader Vessel	4	\$27,000.00	5	\$39,000.00	4
Specialized Interns	3	\$3,656.75	3	\$9,851.75	3
CDQ Community Interns			25	\$56,432.00	25
Other Interns	2	\$8,841.54	2	\$17,249.51	2
<b>TOTAL</b>	<b>77</b>	<b>\$325,209.83</b>	<b>229</b>	<b>\$1,161,272.56</b>	<b>172</b>

## C. 2 Employment Summary

B Season	27 residents went out for B season
Bristol Leader	1 resident “fisherman” was employed onboard the Bristol Leader.
Crab Fishing	One resident began working on the Nordic Mariner as a deckhand for the Bristol Bay Salmon season.
Bottom Fishing	2 residents filled bottom fishing processor positions.
4E Halibut fishing	A total of 15 residents landed fish during the season.
Other Employment	Arctic Storm continued to employ a Bristol Bay recruiter.

### Internships

Arctic Storm vessel	One resident worked as a deck intern.
Arctic Storm office	One resident filled an advanced Accounting Office Internship position in Seattle.
Icicle Seafood’s	One person filled the Seattle Office Internship position; one person filled an Icicle office position in Naknek.
N. Pacific Fishing	One resident filled the Seattle Office intern position at the office of North Pacific Fishing, Inc.
Icicle Plant/Vessel	One resident filled a Engine Maintenance Apprenticeship position with Icicles Seattle Shop.
ADF&G	Two residents filled Commercial Fish positions and the other filled a Pike Study position.
Alaskan Leader	One resident filled a Galley Asst. Intern position.
Bristol Leader	Two residents filled an Oiler/Wiper and two residents filled Galley Intern positions aboard the Bristol Leader
Specialized Interns	One resident successfully completed a training internship provided through the UAF Bristol Bay Campus.  Two residents filled CFEC internship positions; one in Naknek, the other in Dillingham.
<b>Other Interns</b>	One intern successfully completed the Assistant Harbor Master Internship with the City of Dillingham. One resident continued as the Development Intern in BBEDC’s office.

## D. TRAINING

### 1. Data Form

**TRAINING DATA**  
**July 1 – September 30, 1999**  
**3<sup>rd</sup> Quarter 1999**

	<u>Quarter</u>		<u>Year to Date</u>	
	People	Expenditure	People	Expenditure
<b><u>Scholarships</u></b>				
Post-secondary	44	\$90,000.00	44	\$90,000.00
Advanced Vocational Administration	7	\$13,452.65	13	\$25,632.54
		\$12,000.00		\$12,000.00
<b><u>Voc-Tech Classes</u></b>				
Basic	40	\$7,641.73	154	\$22,115.50
Other			0	\$14,589.00
<b><u>Other Training</u></b>				
Fisheries Related	44	\$3,729.00	120	\$12,321.55
CDQ Staff/Board	3	\$898.39	26	\$14,867.58
ABE/GED			135	\$11,977.93
GED Diplomas Earned	[16]		[19]	
<b><u>Other Expenditures</u></b>				
<b><u>Internships</u></b>				
Arctic Storm Vessel	1	\$5,272.59	6	\$37,990.98
Arctic Storm Office	1	\$8,385.03	2	\$24,522.40
Icicle Seafood's Office	2	\$8,644.86	3	\$20,662.05
Icicle Vessel/Plant/Shipyard	1	\$1,387.97	1	\$1,387.97
North Pacific Fishing Office	1	\$5,486.72	2	\$22,543.97
ADF&G	3	\$7,554.89	3	\$14,146.77
In-house Office			4	\$912.00
Alaskan Leader Vessel	1	\$6,455.27	1	\$6,455.27
Bristol Leader Vessel	3	\$28,156.75	4	\$40,534.71
Specialized Interns	3	\$3,656.75	3	\$11,949.61
CDQ Community Interns			25	\$56,432.00
Other Interns	2	\$8,841.54	2	\$17,651.01
<b>TOTAL</b>	<b>156</b>	<b>\$211,564.14</b>	<b>548</b>	<b>\$458,692.84</b>

## D. 2. Training Summary

### Scholarships

Academic	44 higher education students received scholarships for the 1999-2000 school year
Vocational	Students who were enrolled in vocational training were as follows: 1 student is continuing with the AVTEC diesel technology program; 1 student started program VI with the Welding Technology Program at the Testing Institute of Alaska; 1 attended fire-fighting training at the Washington State Patrol Fire Training Academy in North Bend, WA and crane operator/maintenance in Seattle, WA; 1 is attending Dona Anna technical college in Las Cruces, NM; 1 is attending Bates Technical College in Tacoma, WA; 1 student attended Compass North Nautical School in Anchorage, AK; 1 student is enrolled in UAA's Business Technology program;
Administration	Under annual contract services, payment was made for the 1999 year to the Bristol Bay Native Association.

### Vocational-Technical Classes

Basic	40 Students participated in several courses this quarter ranging from an Introduction to Quicken, Small Business Workshop I to Introduction to Personal Computers.
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### Other Training

Fisheries Related	A total of 44 residents took short-term classes offered by Instructor Ron Bowers in various communities this quarter. Classes provided include Medic First Aid, CPR and marine safety and survival.
CDQ Staff Board	3 staff members participated in training this quarter; One staff member participated in a computer application course; another staff member participated in Public Administration course; lastly, one staff member participated in a computer upgrade/wed design class.
ABE-GED	No activity this quarter due to the summer break.

### Internships

Arctic Storm vessel	One resident worked as a deck intern.
Arctic Storm office	One resident filled an advanced Accounting Office Internship position in Seattle.
Icicle Seafood's Office	One person filled the Seattle Office Internship position; one person filled an Icicle office position in Naknek

Icicle Seafood's Plant/Vessel	One resident filled a Engine Maintenance Apprenticeship at Icicle Seafood's Seattle Shop.
N. Pacific Fishing	One resident filled the Seattle Office intern position at the office of North Pacific Fishing, Inc.
ADF&G	Two residents filled Commercial Fish positions and the other filled a Pike Study position
Alaskan Leader	One resident filled a Galley Asst. Intern position aboard the Alaskan Leader.
Bristol Leader	Two residents filled an Oiler/Wiper and one other resident filled the Galley Intern position aboard the Bristol Leader
Specialized Interns	One resident successfully completed a training internship provided through the UAF Bristol Bay Campus.  Two residents filled CFEC internship positions; one in Naknek, the other in Dillingham.
<b>Other</b>	One intern successfully completed the Assistant Harbor Master Internship with the City of Dillingham. One resident continued as the Development Intern in BBEDC's office.

## E. OTHER ISSUES

None

## III. ADMINISTRATION

### A. Board Activities:

**1. Changes in the Board:** A new Pilot Point representative, Andrew Abyo, has joined the Board of Directors of BBEDC. The Port Heiden representative resigned his position on the Executive Committee and other committee appointments and BBEDC is waiting for the community to appoint another representative. The community of Ekwok appointed Jimmy Hurley as their representative; Levelock appointed Sergie Chukwak; and Portage Creek appointed MaryAnn Kapotak Johnson as their representative. All appointments will be completed during the fourth quarter.

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

The investment in Capilano Pacific, LLC was completed in early June 1999.

The Board of Directors approved funding the Bristol Bay Science and Research Institute with an initial investment of \$100,000.

At the May Board meeting the Bylaws were amended to reflect the addition of the three new communities.

In September, several housekeeping items were addressed and cleaned up in the Bylaws.

In September:

\*The Director of Governmental Affairs contract was extended for an additional year.

\*The Executive Director's contract was also renewed for an additional two years.

\*The in-region internship program was again approved to take place during the fourth quarter.

\*Approved an increase in the Line of Credit for Capilano Pacific LLC.

\*Authorized applying for the 2% disaster loan funds from the State Division of Investments in the amount of \$300,000 to make matching funds available for the EDA grant application for Ice Machines.

**B. Amendment Status:**

Five amendments were filed during the Third quarter:

TA 99-11	Added Tenacious, Heritage and Westward Seafood's to Fishing Plan forms;
TA 99-12	Balance Transfer of Non-specific reserve into "other species"
TA 99-13	Quota Transfer request
TA 99-14	Quota Transfer request (two other transfer requests)
SA 99-14	Ice Machine Project.

**C. Other Issues**

None Pending.

## IV HARVESTING REPORT

### IV Harvesting and Processing Report

#### A. Target Fishery Harvest Activity

##### Pollock Harvesting Activity:



SPECIES	CDQ Allocation			Target Fishery Information
	Metric Tons Allocated	Metric Tons Harvested	Percentage of Allocation	% of Target Fishery
Pollock	20832.00	4267.38	20.48%	99.58%
<b>BYCATCH</b>				
P. Cod	2655.00	8.18	0.31%	0.19%
BS Turbot	113.00	0.27	0.24%	0.01%
Flathead Sole	1159.40	2.70	0.23%	0.06%
Other Flats	1159.40	0.01	0.00%	0.00%
Rock Sole	1800.00	0.60	0.03%	0.01%
Yellowfin Sole	3899.50	0.01	0.00%	0.00%
Other Species	460.77	5.71	1.24%	0.13%
Arrowtooth	1798.57	0.33	0.02%	0.01%
<b>TOTAL HARVEST</b>		<b>4285.19</b>		<b>100.00%</b>
<b>% of Target Retained</b>			<b>100.00%</b>	
SPECIES	PSQ Allocation			Target Fishery Information
	KG or # Allocated	KG or # Harvested	Percentage of Allocation	Rate (kg/MT or #/MT) % of Target Fishery
<b>PROHIBITED</b>				
Halibut Mortality (MT)	77.22	0.23	0.30%	0.01%
Herring	N/A	0.08	N/A	N/A
Red King Crab	3150.00	0.00	0.00%	0.00
Bairdi Tanner Zone 1	14063.00	0.00	0.00%	0.00
Bairdi Tanner Zone 2	35213.00	0.00	0.00%	0.00
COBLZ Tanner	77625.00	0.00	0.00%	0.00
Chinook Salmon	756	4.05	0.54%	0.00
Other Salmon	662	77.4	11.69%	0.02

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

During the third quarter of 1999 the Arctic Fjord began CDQ fishing on July 26th until August 1st when Open Access opened. They then re-started CDQ on September 15th. During those two periods they harvest roughly 3,206 MT of pollock. The Arctic Storm fished from September 7th until September 11th and during that time harvested roughly 1,106 MT of pollock.

**2) Summary of bycatch:**

Fishing during the B season was relatively clean. The Arctic Storm did encounter a small amount of halibut; less than 0.3 MT. The majority of this halibut came in one tow when two large halibut (over 70 lbs. each) were encountered in the tow.

**Pacific Cod Harvesting Activity:**



SPECIES	CDQ Allocation			Target Fishery Information
	Metric Tons Allocated	Metric Tons Harvested	Percentage of Allocation	% of Target Fishery
P. Cod	2655.00	609.05	22.94%	79.51%
<b>BYCATCH</b>				
Non Quota Pollock	N/A	25.79	N/A	3.37%
BS Turbot	113.00	6.42	5.68%	0.84%
BS Sablefish	39.48	0.91	2.30%	0.12%
Other Flats	1159.40	0.19	0.02%	0.02%
Rock Sole	1800.00	0.03	0.00%	0.00%
Flathead sole	1159.40	3.90	0.34%	0.51%
Yellowfin Sole	3899.50	1.09	0.03%	0.14%
Other Species	460.77	115.65	25.10%	15.10%
Arrowtooth	1798.57	2.90	0.16%	0.38%
BS Other Rockfish	5.40	0.02	0.37%	0.00%
Other Red Rockfish	3.40	0.01	0.29%	0.00%
<b>TOTAL HARVEST</b>		<b>765.96</b>		<b>100.00%</b>
SPECIES	PSQ Allocation			Target Fishery Information
	KG or # Allocated	KG or # Harvested	Percentage of Allocation	Rate (kg/MT or #/MT) % of Target Fishery
<b>PROHIBITED**</b>				
Halibut Mortality (MT)	77.22	5.92	7.67%	0.77%
Red King Crab	3150.00	0.00	N/A	N/A
Bairdi Tanner Zone 1	14063.00	0.00	N/A	N/A
Bairdi Tanner Zone 2	35213.00	0.00	N/A	N/A
COBLZ Tanner	77625.00	0.00	N/A	N/A
Chinook Salmon	756	2.93	N/A	N/A
Other Salmon	662	0	N/A	N/A
**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:**

During the third quarter the Bristol Leader harvested 609.05 metric tons of Pacific Cod. Harvesting began on the 14th of August and continued through the 15th of September when open access began.

**2) Summary of bycatch:**

The predominant bycatch species in this fishery was Other Species. For the PSC species halibut bycatch was fairly low.

**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 Sablefish	46.40	27.36	58.97%	55.51%
AI Turbot	39.96	8.92	22.32%	18.10%
		36.28		
<b>BYCATCH</b>				
P. Cod	2655.00	2.42	0.09%	4.91%
Non Quota Pollock	N/A	0.06	N/A	0.12%
Flathead Sole	1159.40	0.02	0.00%	0.04%
AI Other Rockfish	10.20	1.53	15.00%	3.10%
Other Species	460.77	0.89	0.19%	1.81%
Arrowtooth	1798.57	4.84	0.27%	9.82%
Short/Rougheye - AI	14.40	3.25	22.57%	6.59%
<b>TOTAL HARVEST</b>		<b>49.29</b>		<b>100.00%</b>
SPECIES	PSQ Allocation			Target Fishery Information
	KG or # Allocated	KG or # Harvested	Percentage of Allocation	Rate (kg/MT or #/MT) % of Target Fishery
<b>PROHIBITED**</b>				
Halibut Mortality (MT)	77.22	1.47	1.90%	2.98%
Red King Crab	3150.00	0.00	N/A	N/A
Bairdi Tanner Zone 1	14063.00	0.00	N/A	N/A
Bairdi Tanner Zone 2	35213.00	0.00	N/A	N/A
COBLZ Tanner	77625.00	0.00	N/A	N/A
Chinook Salmon	756	0.00	N/A	N/A
Other Salmon	662	0.00	N/A	N/A
**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.**

The Bristol Leader conducted a mixed sablefish and turbot fishery beginning on the 1st of July. The fishery ended on the 11th of July with 27.36 MT of sablefish and 8.92 MT of Turbot.

**2) Summary of bycatch:**

The predominant bycatch species were Arrowtooth Flounder, Pacific Cod, and Shortraker/Rougheye. Halibut PSQ encountered was 1.47 MT of mortality

**Halibut 4E Harvesting Activities:**



SPECIES	CDQ Allocation			Target Fishery Information
	Pounds Allocated	Pounds Harvested	Percentage of Allocation	% of Target Fishery
4E Halibut	117,000	37,394	31.96%	100.00%

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

Our local fleet conducted halibut harvests in the third quarter after the end of the salmon season. BBEDC is utilizing fishermen in the Norton Sound region to harvest up to 50,000 pounds of the 4E quota.

**2) Summary of bycatch:**

There was no bycatch reported in this fishery.

**Flathead Sole Harvesting Activity:**



SPECIES	CDQ Allocation			Target Fishery Information
	Metric Tons Allocated	Metric Tons Harvested	Percentage of Allocation	% of Target Fishery
Flathead Sole	1159.40	257.61	22.22%	27.15%
<b>BYCATCH</b>				
P. Cod	2655.00	174.30	6.56%	18.37%
BS Turbot	113.00	1.25	1.11%	0.13%
Pollock	20832.00	49.96	0.24%	5.27%
Non Quota Pollock	N/A	125.26	N/A	13.20%
Other Flats	1159.40	0.92	0.08%	0.10%
Rock Sole	1800.00	97.61	5.42%	10.29%
Yellowfin Sole	3899.50	0.1	0.00%	0.01%
Other Species	460.77	49.48	10.74%	5.22%
Arrowtooth	1798.57	192.12	10.68%	20.25%
Other Red Rockfish	3.40	0.07	2.06%	0.01%
<b>TOTAL HARVEST</b>		<b>948.68</b>		<b>100.00%</b>
SPECIES	PSQ Allocation			Target Fishery Information
	KG or # Allocated	KG or # Harvested	Percentage of Allocation	Rate (kg/MT or #/MT) % of Target Fishery
<b>PROHIBITED</b>				
Halibut Mortality (MT)	77.22	8.19	10.61%	0.86%
Red King Crab	3150.00	0.00	0.00%	0.00
Bairdi Tanner Zone 1	14063.00	0.00	0.00%	0.00
Bairdi Tanner Zone 2	35213.00	7921.13	22.49%	8.35
COBLZ Tanner	77625.00	23138.45	29.81%	24.39
Chinook Salmon	756	0	0.00%	0.00
Other Salmon	662	0	0.00%	0.00

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

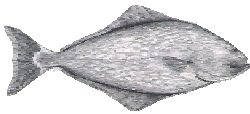
The Flathead sole fishery was conducted from September 9th through September 23rd. The US Intrepid was the vessel that prosecuted this fishery. A late closure of the open access Flathead fishery and a lack of CDQ observers after the open access fishery ended were a couple of reasons the fishery was not prosecuted at the desired level. Our harvesting partner indicated that the lack of observers cost the vessel a week of CDQ fishing.

**2) Summary of bycatch:**

The US Intrepid experienced higher pollock bycatch rates than expected. However, the rates were consistent with the pollock rates encountered by the American No. 1's during its experimental fishery. The vessel did take significant steps to reduce pollock bycatch such as gear adjustments and moving the vessel to different grounds.

The halibut bycatch rate was excellent for the Flathead fishery. Last year at this time, CDQ vessels were reporting halibut rates that made a Flathead CDQ fishery impossible to prosecute.

**Halibut 4D Harvesting Activity:**



SPECIES	CDQ Allocation			Target Fishery Information
	Pounds Allocated	Pounds Harvested	Percentage of Allocation	% of Target Fishery
4D Halibut (pounds)	140,070	69,042	49.29%	100.00%

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

The F/V Tenacious conducted this fishery. Harvest activity actually occurred in the second quarter but catch data was not available in time to include in the second quarter report.

**2) Summary of bycatch:**

There was no bycatch reported in this fishery.

**B. Processing Report**

**Pollock Processing Activities**

During the third quarter, the Arctic Fjord put up 403.34 MT of surimi, 303.10 MT of block and 107.67 MT of mince. This resulted in an overall recovery rate of 25%. The Arctic Storm produced 184.98 MT of surimi, 50.26 MT of block and 38.1 MT of fishmeal. The overall recovery from the Arctic Storm's production was also greater than 25%.

**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.

### **Aleutian Islands Sablefish and Turbot Processing Activities**

The Aleutian Islands 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.

### **Halibut Processing Activities**

All of the 4E halibut was sold in the round and the 4D were sold in an H&G product form.

### **Flathead Sole Processing Activities**

The Flathead sole and associated bycatch on the US Intrepid were processed primarily in an H&G product form.

## **C. Compliance/Enforcement Issues**

### **Pollock Fishery**

There was no compliance or enforcement issues reported this quarter.

### **Pacific Cod Fishery**

There was no compliance or enforcement issues reported this quarter.

### **Aleutian Islands Sablefish and Turbot Fishery**

There was no compliance or enforcement issues reported this quarter.

### **Halibut Fishery**

One issue that arose this quarter involved listing the F/V Tenacious in our CDP. BBEDC amended our CDP to include this vessel, but not with the appropriate form. No enforcement action has resulted to date.

### **Flathead Sole Fishery**

There was no compliance or enforcement issues reported this quarter.

## **D. Other Fishing Issues/Activities**

### **Pacific Cod**

One issue that remains a problem for BBEDC and most of the other CDQ groups is the differences in the catch estimates made by the observer and estimates of catch made by the vessel based on weekly production reports. The CDQ groups are collectively working on a solution to this problem.

### **Flathead Sole**

Observer estimates of cod and pollock catch were also a problem in the Flathead fishery. Cod for example, has to be 100% retained under IR/IU regulations, for this Flathead sole trip cod showed an 87% retention rate. Our harvesting partner indicates that "this is

likely due to sampling extrapolations where pollock and cod come out of the net first, and if sampling is not done throughout the codend, then there's a sampling bias that exaggerates the cod and pollock tonnages. This is a common complaint in the flatfish fisheries."

**Observer Availability**

As mentioned earlier in this report, lack of available observers cost BBEDC and our harvesting partner one week of Flathead Sole fishing time. BBEDC sees this as a growing problem that will continue into the future. This issue will be documented in our quarterly reports.