

I. QUARTERLY and ANNUAL HIGHLIGHTS

4th Quarter and year 2000

- Finalized and approved the 2001 operating and related budgets
- Held 2 Board Meetings this quarter, one in person and one via teleconference
- Held Fourth Quarter Committee Meetings
- Changes job description from Executive Director to Chief Operations Officer,
Deputy Director to Chief Administrative Officer and Director of Governmental Affairs to President/CEO
- Elected Officers, Executive Committee and Appointed members to Committees
 - Conducted CDP village presentations in 17 communities, traveled twice this year to each CDQ community
 - Purchased additional Sablefish IFQs
 - Hired an Executive Director for the BBSRI
 - Hired a resident In-Season 4E halibut fishery manager
 - Facilitated the availability of ice, bait and commercial markets in all major river systems in the region to enhance the 4E halibut fishery
 - Successful in obtaining a regulatory waiver to bring 4D halibut inshore to are 4E supplement the resident fishermen's quota
 - Completed 2001-2002 Royalty and Employment agreement negotiations
 - Hired a new Employment and Training Director
 - Filled the new position of Education Initiative Coordinator
 - Provided administration and support for the 4E Halibut fishery
 - Held four Quarterly Board and Committee Meetings
 - Traveled to non-CDQ communities on recruitment trips
 - Awarded Regional Infrastructure Development Project
 - Moved the H.S. Scholarship Trust into 501 (c) 3 status

- Pre-approved the first 2001 Regional Infrastructure Matching Fund Project
- Change job description from Grant Technician to Grant Writer/Manager
- Completed and submitted the 2000-2001 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 2000 Annual meeting. The next scheduled review will occur during the fourth quarter of 2001.
- 1.1.3 Review and revise board calendar:
The 2001 board calendar was reviewed and adopted at the November 2000 Annual meeting. The 2002 task and meeting calendar will be presented during the fourth quarter of 2001.
- 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 – 2002 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 2001 annual operating plan and budget were approved at the November 2000 Annual meeting. The 2002 plan and budget will be considered during the fourth quarter of 2001.
- 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. As of the conclusion of the fourth quarter, the position has not been filled and solicitation is ongoing.

At the November 2000 Annual meeting, the Board of Directors adopted a President/Chief Executive Officer concept for managing the organization. The previous Executive Director position was eliminated and replaced by the Chief Operations Officer position. The Deputy Director position became the Chief Administrative Officer. These changes will become effective upon the hiring of the COO, expected to occur during the first quarter of 2001.

2.1.2 Review staff structure:

See 2.1.1 above. The new position of Education Coordinator was approved during the second quarter. During the fourth quarter, the Board and Executive Committee conducted an intensive review of the existing staff structure and adopted a new management style outlined in 2.1.1 above.

2.1.3 Review and update personnel and board policies and procedures:

See 2.1.1 above. As a result of the new fourth quarter management style and title changes, a comprehensive review of the Board and Personnel Policies, including the Bylaws, occurred to make changes necessary to conform to the new management style.

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. Two Finance and Audit Committee meetings took place during the fourth quarter to review the 2001 budget prior to presentation to the Board of Directors. The Board of Directors ultimately approved the budgets at their November 2000 Annual meeting.

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, Third and Fourth 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 2000 "Annual" Report is included in the consolidated Fourth Quarter 2000 report to the State in January of 2001. The 2000 Audit will be submitted to the State after Board review and approval at the May 2001 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. The 2001 Fishing Plan will be reviewed during the first quarter of 2001 for the year 2001.
- 5.3.2 Review and approve Bristol Leader CDQ Fishing Plan:

- The 2000 CDQ Fishing Plan with Bristol Leader has been received and approved. The 2001 Fishing Plan will be reviewed during the first quarter of 2001 for the year 2001.
- 5.3.3 Review and approve North Pacific CDQ Fishing Plan:
The 2000 CDQ Fishing Plan with North Pacific has been received and approved. The 2001 Fishing Plan will be reviewed during the first quarter of 2001 for the year 2001.
- 5.3.4 Review and approve Kaldestad CDQ Fishing Plan:
The 2000 CDQ Fishing Plan with Kaldestad has been received and approved. The 2001 Fishing Plan will be reviewed during the first quarter of 2001 for the year 2001.
- 5.3.5 Review and approve Icicle CDQ Marketing Plan:
The 2000 CDQ Marketing Plan with Icicle has been received and approved. The 2001 CDQ Marketing Plan with Icicle will be reviewed during the first quarter of 2001 for the year 2001.

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 took place in December of this year. BBEDC lead staff and executive committee members met with Arctic Storm in Anchorage on December 5, 2000. 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 October 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 of 2000 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 Fourth Quarter BBEDC participated in community or agency meetings with the following entities:
Throughout the year 2000 BBEDC met or participated in meetings with the following entities: IRS, IRS Citizens Advocacy Panel meetings, all four regional school districts, Bristol Bay Campus, Bristol Bay Area Health Corporation, Bristol Bay Native Association-Workforce Development, At Sea Processors Assoc. member Alaska Ocean on a recruitment trip to non-CDQ communities, UAA-Anchorage, and UAF-Fairbanks.
Locations traveled to by staff during 2000 include: Clarks Point, Aleknagik, Ekwok, Togiak, Naknek, King Salmon, Fairbanks, Anchorage, New Stuyahok, Koliganek, Iliamna, Nondalton, Kokhanok, Newhalen, Bethel, Juneau.

Throughout the year, the Executive Director, Deputy Director traveled to all CDQ communities to hold public meetings explaining the current and proposed activities and projects of BBEDC that are included in the 2001-2002 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:
During the fourth quarter the following items were advertised in the region through flyers, radio announcements, faxes to community offices, Board member weekly mail-outs and cable advertisements:
- Position available, BBEDC-Arctic Storm Office Internship
 - Chief Operating Officer position opening
 - High School Intern advertisement
 - BBEDC/Icicle Seafoods Office Internship Position opening
 - Sub-Region #1 Position opening
 - Grant Writer/Manager Position opening
 - 2nd BBEDC/Icicle Office Internship opening
 - Seafood Industry position openings advertisement

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. Promotion of the CDQ program in ongoing effort undertaken by BBEDC.

7 Provide Work Readiness training through Education Initiative

7.1 Develop and implement Work Readiness curriculum for regional school districts

- 7.1.1 Implement Work Readiness program in classroom:
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 four regional school district's Consortium met with the Coordinator either in person or telephonically during the Second through fourth Quarters 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 worked 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.

During the fourth quarter, BBEDC assisted two of the four school districts in obtaining new textbooks that will be used at the Middle school level to teach work-place skills, and career awareness. Each of the four school districts has implemented a Work Readiness/STW curriculum to some extent. Some districts are farther than others in the implementation of the curriculum for K-12. The Lake and Peninsula School, with the purchase of the new books, has now integrated work readiness/STW programs at all levels K-12. The Bristol Bay School district has work readiness programs at the High school and with the addition of the new books, at the middle school level. They are also exploring programs for the Elementary level. Dillingham School district has work readiness/STW activities at all levels and are working on enhancing what they already have. Southwest Region Schools has finalized their High School work readiness curriculum and are in the process of implementing it, and are researching different programs for the middle and elementary levels.

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 during the Second Quarter of 2000 and 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 was a major focus during the third quarter.

Refinement and individualization of a curriculum is a continual process. As school districts try different programs they are encouraged to share their successes and failures with the rest of the consortium, thus preventing duplicate errors. Different programs are being looked at and tried by the individual districts, and the sharing of the results of these efforts provides valuable information to the schools.

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 sponsored two training seminars during the fourth quarter. One in Dillingham and another in King Salmon. The CHOICES training seminars trained volunteer presenters from our region to present 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.

The Employer training seminars trained 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.

Year to date progress for 2000:

The "Education Initiative" has undergone much transition and progress this past year. In May an Education Initiative Coordinator was hired. With the turnover of 3 of the 4 school district superintendents much effort has gone into gaining the support of the new administrations and bringing them up to date. Although the progress of the Education Initiative has been slowed due to the turnover in superintendents, much progress has occurred throughout the past year.

The consortium has met various times throughout the year to share resources, information, ideas and to find ways to work together to increase the employability skills in our youth. The group is working with the Alaska Funding Exchange to find alternative funding sources to assist in the development and implementation of various programs and curricula.

Good working relationships have been established with the school districts and with various community partnerships. All four school districts have made, and continue to make, improvements in their Work Readiness programs. School-to-Work Training has been offered to area businesses and community members.

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.

We continue to pursue funding sources to conduct the survey. The first grant application to conduct the study was not funded. However, we submitted a new proposal in November and are still waiting to find out if it will be funded. We recently received a call from Mark Davis with Senator Stevens office and are working with him to find funding for the “Casting the Net” proposal to conduct the regional survey.

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:
1 permit was classified as “saved” during the fourth quarter. The permit holder was from a CDQ community in the region. Staff was unable to “save” another resident permit due to a severely delinquent tax obligation loan. Unfortunately, this permit was ultimately sold to resolve debt issues.

Staff continues to have a close relationship with the IRS and will persist in representing clients to the best of our ability.

During the year 2000, a total of 24 Commercial Limited Entry Permits were classified as “saved” from sale or seizure by the IRS and other lending institutions. This was made possible through intervention services provided by BBEDC staff.

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 fourth quarter, a total of 67 resident permit holders were contacted by telephone or in person regarding IRS debt issues or problems.

As stated during the second quarter, a majority of spring and summer months of staff time was consumed facilitating the transfer of permits, assisting with vessel agreements, crew agreements and matching permit holders with vessels. The remaining two seasons of the year were spent facilitating work out agreements, intervening in potential seizure cases and assisting resident fishermen in budgeting and financial management.

During the 2000 tax season, the IRS and BBEDC personnel were able to assist 1,200 taxpayers in filing their 1999 tax returns.

A total of 402 resident permit holders and fishermen were contacted regarding IRS debt issues.

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 fourth quarter:

- 8 regarding Child Support problems;
- 7 CFEC emergency transfer inquiries or actions;
- 6 contacts regarding Entry Commission paperwork or questions;
- 13 regarding loan issues;
- 40 inquiries were made regarding sales or purchases of limited entry permits or vessels;
- 28 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. During the fourth quarter, staff traveled to Washington and Oregon to participate in CAP meetings. The Pacific Northwest IRS CAP was responsible for forwarding 6 proposals for US legislative and congressional changes to the IRS regulations. These recommendations will reduce or eliminate problems taxpayers encounter, will reduce taxpayer burden, simplify tax law complexity, and ensure the tax system provides fairness and equity for all taxpayers. BBEDC is pleased, and honored, that one of our staff members was selected to serve on this most important panels.

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 fourth quarter: Chignik Lake, New Stuyahok and 20 residents from various parts of Alaska.

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:

The 2001 work-plan was reviewed and completed during two meetings by the Regional Fisheries Development committee this quarter. A preliminary meeting was also held in the third quarter to narrow the list. The committee met once in October and again in November and brought several recommended projects to the Full Board for consideration. In light of the dismal forecasts and market conditions for salmon in recent years, greater emphasis was placed on salmon (specifically sockeye) strategies and market development and underutilized species development.

The proposed 2001 RFD Work-plan and associated budgets were reviewed and approved by the Full Board at their November Annual meeting.

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. Since this project is important to the committee and Board, it has again been budgeted for the 2001 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 is an ongoing process and now with our interest in Capilano Pacific, specific market identification can be put to the test. BBEDC was successful in convincing the Orvis Company (a sporting goods and high end housewares company with \$500 million in sales) to carry our Capilano *Wildfish* smoked salmon in its widely circulated consumer catalogue after their announcement to reject further use of farmed product because of ecological concerns. BBEDC continues to work with Orvis to expand their product line to include other Bristol Bay salmon species. Additionally, development work began this quarter, and will continue into 2001, regarding pilot sockeye program with a major high-end retailer in the UK.
- 9.3.2 Promote emphasis on quality of Bristol Bay salmon:
A small project to promote regional name identification and improve quality was conducted in partnership with Capilano Pacific this year. Capilano successfully implemented our contract for installing slush ice systems on a number of local boats in 2000. Four boats were successfully converted, and quality results were very positive. As a result, this project will again be approved and budget for 2001 and will include other processors into the program. 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. All blue print drawings were completed during the fourth quarter as well as the model. Since the finished model is fragile, one of BBEDC's consultants will hand carry it to Dillingham and it should be ready for board review during the first quarter of 2001.

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 conducted workshops in four CDQ communities this year concerning financial aspects of business development during the first/second quarters. BBEDC staff and consultants continually work 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 year 2000. Three new additional communities will receive workshops on business development during 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.

During the fourth quarter, technical assistance was provided to the community of Naknek regarding their interest in developing a processing plant; the community of Togiak regarding their interest in a fresh fish project; and a South Naknek regarding a residents interest in a small processing facility.

With the assistance of BBEDC, the Naknek processing plan project did receive the grant they applied for. The RDA Mini-grant funds were approved for their first step in acquiring a processing facility. This grant will allow Naknek to initiate a training program for seafood sanitation/handling. This would bring the users of the facility current with DEC regulations and prevent the plant from being closed and the permits being lost from not following the regulations.

Total 2000 activity:

Two Infrastructure projects received technical assistance, those being redesign work on the City of Dillingham Cold Storage Dock and the City of Egegik's intended purchase of the local electrical utility and plant. Eight residents received assistance to develop their projects throughout the year. These projects ranged from starting up a small seafood processing facility to barge services to starting Bed and Breakfast operations. Approximately one half of the projects show potential with others being determined not eligible for the program, due to lack of a fisheries relationship.

The program is receiving more and more interest from the communities and residents. This program will again be budgeted for the year 2001.

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 participated 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. Matching funds have not been distributed by the end of this year, but will be identified for funding in 2001.

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

4th 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 4 th Quarter of 2000	Oct. 1 – December 31, 2000		Employment Form		Year to Date People
	Quarter		Year to Date		
	Positions/Trips	Wages	Positions/Trips	Wages	
<u>BBEDC Management/Admin</u>	14	\$126,474.15	14	\$504,576.66	15
<u>CDQ Pollock Related (AS/AF)</u>					
A/B SEASON			83	\$257,190.17	47
C/D SEASON	20	\$66,487.58	100	\$100,533.60	64
Yellow Fin			9	\$4,753.15	9
Hake Trips			14	\$44,582.83	14
Shipyard	10	\$20,580.96	31	\$28,955.16	26
<u>Other Employment</u>					
Arctic Storm Recruiter	1	\$11,303.28	1	\$48,743.06	1
<u>Long Line Fishing</u>					
Alaskan Leader	2	\$12,775.24	8	\$40,420.23	3
Bristol Leader			2	\$16,355.98	2
<u>Crab Fishing</u>					
Bristol Mariner	1	\$18,361.81	1	\$29,919.69	1
Nordic Mariner			3	\$10,876.60	3
Other Vessels			2	\$10,446.51	2
<u>Bottom Fishing</u>					
North Pacific Fishing	1	\$14,479.86	6	\$44,908.65	4
<u>Other Fishing Employment</u>					
4E Halibut Fishing			42	\$163,800.00	42
Icicle Seafood's	1	\$674.82	12	\$26,185.62	6
Capilano salmon fleet recruit.			10		10
<u>Internships</u>					
Arctic Storm Vessel	2	\$11,760.33	14	\$49,371.43	2
Arctic Storm Office	1	\$5,171.10	2	\$18,602.56	2
Icicle Seafood's Office	1	\$2,656.72	2	\$13,106.55	3
North Pacific Fishing	1	\$4,520.71	2	\$12,091.04	2
Icicle Vessel/Plant/Shipyard			1	\$6,650.71	1
ADF&G			6	\$21,621.10	6
In-house Office	1	\$381.00	1	\$1,233.00	2
Alaskan Leader Vessel	1	0	1	\$4,650.00	1
Bristol Leader Vessel	1	0	3	\$22,650.00	3
Specialized Interns	2	\$11,881.36	4	\$17,787.11	4
Other Interns			3	\$2,721.28	3
Capilano Interns	2	\$14,415.26	2	\$36,042.06	2
TOTAL	62	\$321,924.18	379	\$1,538,774.75	280

C. 2 Employment Summary

Management/Admin.	14 positions were actively filled during the 4 th 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.
A/B Season	20 residents fished the pollock B season as processors; 1 of those residents was a resident of New Stuyahok; 10 residents worked the shipyard during the off season; 1 recruiter was employed during the 4th Qtr.
C/D Season Yellowfin Hake Shipyard	Annual: The average trip per person was 3.78 trips in 2000. Employment increased from 114 persons in 1999 to 160 persons in 2000. Retention of valuable employees was high in 2000. 26 residents worked as shipyard and related 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 galley Intern and worked during 4 th quarter but will be paid in 1 st quarter 2001; 1 resident worked as crewmember.
Bristol Leader	1 resident worked as an Oiler/wiper but his wages will be paid in 1 st quarter 2001.
Crab Fishing	1 resident continues to fish on the Bristol Mariner. Annual: 1 resident has fished as a regular deckhand every season.
Bottom Fishing	1 resident continues to work with our multi species bottom fish partner. Annual: 1 resident has moved from a beginning deckhand and now serves as rotating Deck boss. His future lies in the wheelhouse.
4E Halibut fishing	no halibut activity
Other Employment	1 resident filled processing positions on Icicle Seafood's floating processors. Annual: 1 resident fished from Jan 2000 through August 2000.
	10 Local Bristol Bay fishermen were successful in being recruited into the Capalino fleet of fishermen for their salmon operations.

Internships

Arctic Storm vessel	1 residents was placed as Interns on the deck. Annual: 1 resident worked as deckhand intern throughout 2000 and through his hard work and good attitude, he was recently hired as a full-time deck hand..
Arctic Storm office	1 resident worked as an office intern. Annual: We have had 2 successful office internships. 1 resident, after the completion of his internship went to college full-time.
Icicle Seafood's N. Pacific Fishing	1 resident filled Icicle office internship. 1 resident filled office internship. Annual: 1 resident extended her internship into a more advance internship and is taking a 3-credit college course on Sustainable Fish.
Icicle Plant/Vessel ADF&G	No Activity. 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	1 resident is worked as Galley intern but will be paid for this trip in 1 st quarter 2001. Annual: 1 resident worked as galley intern and continues to fill processing positions consistently.
Bristol Leader	1 resident continues an oiler/wiper internship

Annual: 1 resident started 2000 as an oiler/wiper intern and continues these duties in addition to baiting/processing.

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 filled advanced internships, however these internships were discontinued in the 4th quarter.

D. TRAINING

4th 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				
Oct. 1 – Dec. 31, 2000				
4th Quarter 2000				
	<u>Quarter</u>		<u>Year to Date</u>	
	People	Expenditure	People	Expenditure
<u>Scholarships</u>				
Post-secondary		\$	62	\$92,132.00
Advanced Vocational Administration	7	\$4,059.00	21	\$40,644.50
<u>Voc-Tech Classes</u>				
Basic	85	\$11,184.00	300	\$48,736.11
Other				
<u>Other Training</u>				
Fisheries Related CDQ Staff/Board			18	\$525.00
<u>ABE/GED</u>	42	\$10,787.92	195	\$30,000.00
GED Diplomas Earned	[3]		[10]	
<u>Other Expenditures</u>				
Drug Testing			4	\$1,090.00
<u>Internships</u>				
Arctic Storm Vessel	1	0	2	\$44,123.36
Arctic Storm Office	1	\$3,063.98	1	\$23,401.23
Icicle Seafood's Office	1	\$6,649.16	2	\$24,356.83
Icicle Vessel/Plant/Shipyard	0	0	4	\$8,854.96
North Pacific Fishing Office	1	\$4,520.71	1	\$16,120.96
ADF&G		0	0	
In-house Office	2	\$196.97	5	\$1,048.97
Alaskan Leader Vessel	1	0	2	\$22,650.00
Bristol Leader Vessel		0	1	\$22,650.00
Specialized Interns	2	\$1,650.00	3	\$9,327.73
CDQ Community Interns			3	\$2,576.88
Capilano Interns	2	\$3,010.77	2	\$23,569.74
TOTAL	145	\$45,122.51	626	\$411,808.27

D. 2. Training Summary

Scholarships

Post-secondary

Annual: 62 residents qualified for our Harvey Samuelson Scholarship Fund compared to 1999's 42 residents; a difference of 20 residents.

Advanced Vocational

2 attended AVTEC; 1 completed her EMT I Certificate; 1 is attending University of Washington and taking Sustainable FISH I (3 credits) while continuing her internship; 1 went to CEE and received his CDL; 1 is a regional intern taking business related classes at the B.B. Campus.

Administration

Annual: Employment and Training Director and Coordinator completed a 2-day course in Fundamentals of Employment Law; E/T Coordinator attended and completed several 1-2 day courses which included, How to Design Eye Catching Brochures, Newsletters, Ads, Reports – Excelling as a First Time Supervisor – Mistake-Free Grammar and Proofreading - Communication

Skills - Effective Problem Solving & Decision Making and Choosing to Lead.

Vocational-Technical Classes

Basic 85 residents participated in basic vocational/technical course offerings throughout the Bristol Bay region. Courses ranged from Grant Writing and Management, Computer Programs; Supervision and Marine safety.

Other

Other Training

Fisheries Related **Only indirectly.**

CDQ Staff Board **None.**

ABE-GED 42 CDQ and non-CDQ residents received Adult Basic Education class, life skills and college preparatory training. 3 of these residents acquired their GED in the 4th Quarter.

Annual: A total of 10 residents earned their GED diplomas this year.

Internships

Arctic Storm vessel 1 residents was placed as Advanced Intern on the deck;
Annual: The person was moved to a permanent full time position in the 1st quarter of 2001 with Arctic storm

Arctic Storm office 1 resident worked as an office intern

Icicle Seafood's 1 resident filled an Icicle office internship

N. Pacific Fishing 1 intern completed a Seattle office internship. The resident was exceptional and N P F asked for an extension of her internship. We extended her internship 6 months and she is working and taking college credits

Icicle Plant/Vessel no activity. **Annual :one resident worked from January through August and will return to work in January**

ADF&G no activity. **Annual: 4 residents worked as ADFG interns. One of these is currently attending college as a full time student.**

In House/Office 1resident filled the in house intern position **Annual: 2 residents served as in house office interns both are currently continuing their high school education.**

Alaska Leader Vessel No activity this quarter.

Bristol Leader No activity this quarter.

Specialized Interns No activity. **Annual: 6 residents filled different specialized intern positions. One resident will have a regular seasonal position as a result of the internship. One is now a full time teacher for one of the local school districts. Another is working as a temporary long term substitute teacher. One continues their high school education and works as a clerk at a store.**

Other Interns **Annual: 1 resident continues her internship at Bristol Bay Campus in Dillingham. This Intern has also taken several classes, funded through our Basic Voc monies, at the BB Campus to improve her employability after her internship. I resident successfully finished an internship with CFAB. This resident did so well CFAB asked to extend the internship from 3 months to 6 months. This extension was granted.**

Capilano Interns 2 residents filled advanced internships, however these internships were discontinued in the 4th quarter.

SUBSIDARIES

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.

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 1st quarter of 2001.

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) was 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 were 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 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. BBEDC will make a capital contribution at the beginning of 2001, which will be supplemented by solicited grant funds to carry our research projects.

18.2 *Implement research*

18.2.1 Develop a research plan for Bristol Bay:

Work continued on refinement of a draft long-range research plan for the Institute. The first draft of that plan was 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.

During the year presentations were made at several meetings. These concerned the mission

and goals of the Institute and its long-range research interests. Presentations were made at the following meetings:

Nivalena Tribes Consortium Annual Meeting – Iliamna, Alaska
Arctic Research Commission – Dillingham, Alaska
American Fisheries Society, Alaska Chapter – Fairbanks, Alaska

In addition to these meetings the Executive Director presented technical material on Beluga Whale predation of salmon smolt at the Naknek Fish Conference “Failing Sockeye Runs – Targeting Solutions”.

As a result of work with the Alaska Funding Exchange and other contacts in the research field the PEW and Packard Foundations were determined to be appropriate Foundations to develop general support proposals for the Institute. Initial contacts, planning and conceptual development of proposals to match the Institute’s programs with funding priorities of these foundations will be initiated in 2001. Both will be based in part on the efforts that went into developing the Bristol Bay virtual community that was submitted or funding to the NSF.

The Institute also modified its bylaws to incorporate a Board of Scientific Advisors to the Board of Directors. A short list of candidates has been developed to fill the 3 Advisor positions. Final selection of successful candidates is expected in the first quarter of 2001.

Work was also completed on a logo for the Institute. The final logo design selected by the Board is shown below.



A procedure for award of matching grant funds was also developed and approved by the Board in the fourth quarter. The process includes specific evaluation criteria and overall ranking of projects submitted for funding. Guidance on research interests of the Institute is provided to organizations interested in securing support from the Institute. This guidance is based on long term research themes established by the Board. Research themes include:

1. Productivity of river systems in the Bristol Bay region
 - a. Factors influencing productivity of salmon stocks in Bristol Bay river systems: a) Nuyakuk River watershed, b) Ugashik River watershed, c) Egegik River watershed, d) Kvichak River watershed, e) Naknek River watershed, f) Togiak River watershed, g) Nushagak River watershed and I) Igushik River watershed.
2. Factors influencing survival of juvenile salmon in the Bristol Bay region
 - a. Predation effects on different life stages of salmon in fresh and marine waters
 - b. Nearshore estuarine and marine variables affecting migration patterns, timing, survival and production in juvenile salmon from Bristol Bay salmon stocks
3. Sustainable commercial fisheries
 - a. Predictability and causes of interannual and interdecadal variability in Bristol Bay salmon stocks: a) physical factors, b) climatic factors, and c) biological factors

- b. Identification and characterization of Bristol Bay salmon stocks and specific spawning populations
- c. Commercial infrastructure, processing capacity and new product development for a changing salmon fishery
- d. Experimental management and fishery protocols for Bristol Bay salmon stocks.

YEAR END SUMMARY

I. 2000 Projects Update

In our first year of operation the Institute supported the following projects in the Bristol Bay region:

- Ugashik Smolt counting Project
- Nushagak District Test Fishery Program
- Igushik River Salmon Enumeration Project
- Nuyakuk River Salmon Enumeration Project
- Togiak River Salmon Enumeration Project
- Lake Iliamna Limnology Study – marine derived nutrient inputs

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. It is unlikely that these proposals will be funded. However, Senator Stevens staff is interested in assisting BBEDC promote the US Dept. of Labor grant to the funding level. Continued work on the job study proposal will continue into 2001. Other related grants funds are also currently being explored and will continue into the next year.

BBSRI - Matching Grants

The Institute participated in one matching grant project in conjunction with the Alaska Department of Fish & Game and the Lake & Peninsula Borough. BBSRI contributed 25% of the funding to conduct the Ugashik Smolt counting Project. The Lake & Peninsula Borough contributed an additional 25% of the funds, with the remainder provided by the Department of Fish & Game.

Proposal Activity

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
- Factors Affecting Nearshore Survival and Production of Juvenile Sockeye Salmon from Kvichak Bay. A multi-phased project submitted to the Pollock Conservation Cooperative Research center. Phase I \$73,000
- Development of a shelf-stable caviar product form sockeye salmon roe – Fishery Industrial Technology Center. \$20,000
- Design of a 35 ft, purpose built fishing vessel – Fishery Industrial Technology Center. \$18,000
- Beluga Whale survey of the lower Kvichak River – Alaska Beluga Whale Committee. \$27,000

Two of these proposals, one to the Pollock Conservation Cooperative Research Foundation and the one to the Alaska Beluga Whale Committee, are being considered for funding. The other proposals were unsuccessful.

- 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. Loan and Grant funds are not expected to be used until the first quarter of 2001.
- 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, or the first quarter of 2001, 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:

No changes in the Board occurred during the fourth quarter.

2. Substantial Decisions:

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

-Approved new management structure: President/CEO, COO and CAO.

-

B. Amendment Status:

The following Amendments were filed and approved during the fourth quarter of 2000:

00-18BB

Tech: Transfer 30 mt of annual CDQ sharpchin/northern rockfish in AI from BBEDC to NSEDC

11/13/00

11/14/00

11/15/00

00-19BB

Tech: Transfer 108 mt Pcod from YD to BB

12/8/00

12/8/00

12/8/00

Throughout the year 2000, the following amendments were submitted and approved:

00-01

Tech: Transfer 221 mt from NSR into "other species" category

00-02

Tech Non-Core: Acquisition of addl Sablefish IFQs

00-03

Tech: Transfer 25mt from NSR to squid category

00-04

Sub: 4E Halibut as Stand Alone Project

00-05

Tech: Adding a Job Description for Education Initiative Coordinator

00-06

Sub: Guarantee of Bank Loan for Capilano Pacific, LLC

00-07

Tech: Housekeeping Amendment

00-08

Tech: Transfer 100 mt NSR to "other species" category

00-09

Tech: Updating skipper cards

00-10

Tech: Option of 1 or 2 CDQ observers on Alaska Leader/Bristol Leader

00-11

Tech Non-Core: \$100,000 request for Dillingham Dock Project

00-12

Sub: Transfer >10% of Atka Mackerel/POP from BBEDC to APICDA

00-13

Tech: Transfer balance of NSR to Other Species

00-14

Tech: Amend GOM (Milestones) Table and resume for Cynthia Olson

00-15

Tech: Housekeeping Amendment

00-16

Tech: Add Unisea as a shoreside 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

00-18BB

Tech: Transfer 30 mt of annual CDQ sharpchin/northern rockfish in AI from BBEDC to NSEDC

00-19BB

Tech: Transfer 108 mt Pcod from YD to BB

C. Other Issues

None.

IV. HARVESTING REPORT and Processing Report

A. Target Fishery Harvest Activity 4th Quarter

Pacific Cod Harvesting Activity:



SPECIES	CDQ Allocation			Target Fishery Information
	Metric Tons Allocated	Metric Tons Harvested	Percentage of Allocation	% of Target Fishery
Pacific Cod	2,895.000	475.650	16.43%	83.89%
BYCATCH				
Turbot BS	116.750	0.090	0.08%	0.02%
Non Quota Pollock BS	N/A	10.830	N/A	1.91%
Other flats	1,257.000	0.100	0.01%	0.02%
Flathead sole	789.600	0.600	0.08%	0.11%
Arrowtooth	1,753.762	1.690	0.10%	0.30%
Other species	439.824	77.010	17.51%	13.58%
Yellowfin	2,311.000	1.030	0.04%	0.18%
Other Rockfish (BS)	5.400	0.010	0.19%	0.00%
TOTAL HARVEST		567.010		100.00%
% of Target Retained			100.00%	
SPECIES	PSQ Allocation			Target Fishery Information
	KG or # Allocated	KG or # Harvested	Percentage of Allocation	Rate (kg/MT or #/MT) % of Target Fishery
PROHIBITED				
Halibut Mortality (MT)	75.460	3.080	4.08%	0.54%
Red King Crab	1528.000	27.500	N/A	4.85%
Bairdi Tanner Zone 1	15563.000	0.000	N/A	0
Bairdi Tanner Zone 2	47250.000	0.000	N/A	0
COBLZ Tanner	75038.000	0.000	N/A	0
Chinook Salmon	756.000	0.000	N/A	0
Other Salmon	662.000	0.000	N/A	0
**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 and Alaskan Leader harvested the remainder of BBEDC Pacific Cod allocation after the open access season ended. We also harvested 108 MT of Pacific Cod for YDFDA and 20 MT for NSEDC.

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.

Pollock Harvesting Activity



SPECIES	CDQ Allocation			Target Fishery Information
	Metric Tons Allocated	Metric Tons Harvested	Percentage of Allocation	% of Target Fishery
Pollock	23,919.000	54.190	0.23%	99.69%
BYCATCH				
Pacific Cod	2,895.000	0.100	0.00%	0.18%
Flathead sole	789.600	0.010	0.00%	0.02%
Other species	439.824	0.060	0.01%	0.11%
TOTAL HARVEST		54.360		100.00%
% of Target Retained			100.00%	

1) Summary of harvesting activities by target fishery.

A small amount of pollock (54 MT) was harvested by the Arctic Fjord during the fourth quarter. The 54 MT was what BBEDC held in reserve for bycatch in other fisheries.

2) Summary of bycatch:

Fishing during the second quarter was very clean. A very small amount of cod and other species was caught.

Bristol Bay Red King Crab Harvesting Activities:



SPECIES	CDQ Allocation			Target Fishery Information
	Pounds Allocated	Pounds Harvested	Percentage of Allocation	% of Target Fishery
King Crab	122,053	120,688	98.88%	100.00%

1) Summary of harvesting activities by target fishery.

BBEDC had two vessels harvesting BB Red King Crab: Bristol Mariner and the Nordic Mariner. The fishery occurred after the open access fishery ended.

2) Summary of bycatch:

There was no bycatch reported for this fishery.

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.

Pollock Processing Activities

The one tow of pollock caught this quarter resulted in 11.06 MT of surimi. This is approximately a recovery of 20.4%

Bristol Bay Red King Crab Processing Activities

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

C. Compliance/Enforcement Issues

Pacific Cod

There was no compliance or enforcement issues reported this quarter.

Pollock

There was no compliance or enforcement issues reported this quarter.

Bristol Bay Red King Crab

There was no compliance or enforcement issues reported this quarter.

D. Other Fishing Issues/Activities

Pacific Cod

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

Pollock

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

Bristol Bay Red King Crab

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

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)							
Eastern 541	180.100	0.080	174.910	0.010		175.000	83.69%
Central 542	19.840		1.250			1.250	0.40%
Western 543	8.590	1.010	1.790			2.800	0.74%
Arrowtooth (-15% NSR)	1751.763	2.050	11.460	6.680	1.690	21.880	1.25%
Other Flatfish	1256.000	5.540	4.890	0.040	0.100	10.570	0.84%
Flathead Sole	788.600	31.970	21.500	0.870	0.610	54.950	6.96%
Turbot (Bering Sea)	106.750	0.520	77.740	4.570	0.090	82.920	71.02%
Turbot (Aleutian Islands)	38.400		0.130	16.710		16.840	40.68%
Pacific Cod	2973.000	1042.720	1408.890	30.610	475.750	2957.970	99.49%
Pollock	23919.000	9411.990	774.070	13658.580	54.190	23898.830	99.92%
Non-Quota Pollock (BS)	N/A	11.520	28.420	1.790	10.830	52.560	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			0.460	1.39%
Pacific Ocean Perch (AI)							
Eastern 541	9.780	0.070	0.010			0.080	0.20%
Central 542	9.710		0.010			0.010	0.02%
Western 543	7.250					0.000	0.00%
Other POP (SRSN, EBS)	2.380	0.050	0.790	0.320		1.160	48.74%
Sharp/Northern (AI)	5.620	0.220	1.340			1.560	2.38%
Short/Rougheye (AI)	9.200	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)	6.200	1.250	0.420	3.740	0.010	5.420	53.14%
Rocksole	2020.400	128.370	5.170	0.150		133.690	6.61%
Sablefish Trawl BS	11.000	0.040				0.040	0.36%
Sablefish Trawl AI	7.000					0.000	0.00%
Sablefish Fixed Gear BS	32.340		13.680	5.110		18.790	58.10%
Sablefish Fixed Gear AI	47.800			22.560		22.560	30.99%
Yellowfin Sole	2311.000	31.840	14.720	0.050	1.030	47.640	2.06%
Squid (-15% NSR)	26.239	9.360	0.030			9.390	35.79%
Other Species (+NSR)	817.558	146.550	321.610	7.270	77.070	552.500	66.44%
Non Specific Reserve (NSR)	0.000	N/A				0.000	N/A
4D Halibut (in lbs)	140,070			190,610		190,610	136.08%
4E Halibut (in lbs)	117,000		62,099	328		62,427	53.36%
BS Opilio	478,564		477,917			477,917	99.86%
BB Red King Crab	122,053				120,688	120,688	98.88%

Prohibited Species	Total	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Catch To Date	Percent Caught
Halibut (mt of mortality)	75.460	2.220	21.271	1.120	3.080	27.691	36.70%
Bairdi Zone 1	15563.000	2.380				2.380	0.02%
Bairdi Zone 2	47250.000	1.720	284.030	2.030		287.780	0.61%
Opilio Tanner Crab (numbers)	75038.000					0.000	0.00%
Red King Crab (numbers)	1528.000		165.620			165.620	10.84%
Chinook Salmon (numbers)	756.000	135.520		6.660		142.180	18.81%
Other Salmon (numbers)	662.000	7.180		70.480		77.660	11.73%

Note: Halibut in Areas 4E and 4D were combined by the Restricted Access Division of NMFS into Area 4F. BBEDC's 4F quota was 257,070 and the combined catch in areas 4D and E was 253,037, which is a utilization rate of 98.43%. Before BBEDC harvested any of our 4E quota in 4D, we offered the unharvested 4E quota to CVRF, NSEDC, and YDFDA. When they declined BBEDC harvested the remaining 4E quota in 4D. Also, the 2000 Allocation column takes into account all CDQ transferred in and transferred out of BBEDC's account.