

I. QUARTERLY and Annual HIGHLIGHTS

• 4th Quarter 2001

- Distributed the BBEDC newsletter to 3,159 boxholders and others each quarter
- Purchased additional 10% investment in the Arctic Fjord
- BBEDC made capital contribution to BBSRI in excess of \$280,000
- Awarded \$115,729 to 56 Resident Higher Education Students
- Created an Outreach/Economic Development Coordinator position.
- Obtained in excess of \$1 million in grant funds to supplement and enhance BBEDC programs
- Distributed the BBEDC 2000 Annual Report to the public to 3,159 boxholders and agencies in and out of the region
- Obtained DOL grant funding for In-school/Out-of- school programs
- Hired an Administrative Assistant
- Filled the position of Grant Writer/Manager
- Filled 11 out of 13 Summer Intern positions in region
- Resident 4E Halibut fishermen harvest entire 4E Quota
- Hosted a feature food writer from England and Completed the European salmon market potential project
- Bristol Bay Salmon featured in the London Times newspaper
- Created and filled new office internship in Lynden, Washington with Alaskan Leader
- Developed and filled a Maintenance Internship at Icicle Seafood's Bellingham plant

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:
A policy committee meeting took place during the third quarter. The Board and Key staff Travel Policy was reviewed and further refined due to the October plane crash that claimed the lives of 10 residents. No other changes were made to existing policies, procedures, articles and bylaws.
- 1.1.2 Review committee and officer positions:
Elections of officers and committee appointments take place annually during the November meeting. The same officers of the corporation were again confirmed by the Board.
- 1.1.3 Review and revise board calendar:
The 2002 board calendar was reviewed and adopted at the November 2001 Annual meeting. The 2002 task and meeting calendar was also presented and approved during the fourth quarter of 2001.
- 1.1.4 Conduct board training:
Strategic planning will take place in February 2002 and will not be postponed due to the NMFMC taking up CDQ Policy issues at its April 2002 meeting. All Board Alternatives will also attend the February session to better educate and inform the CDQ communities on BBEDC activities.

1.2 Develop and maintain strategic and annual plans

- 1.2.1 Review long range strategic plan and modify as needed:
As stated in 1.1.4, staff is in the process of organizing a strategic planning session, now postponed until early 2002.
- 1.2.2 Approve annual operating plan and budget:
The 2002 annual operating plan and budget were approved at the November 2001 Annual meeting. Adjustment to the 2002 budget will be considered by the Board at their February meeting to plan for the 2003-2005 CDP and other program adjustments anticipated from the outcome of strategic planning.
- 1.2.3 Monitor progress of annual operating plan:
This task is ongoing and is monitored by management staff on a daily and monthly basis. All management staff provides the Board of Director's with a monthly activity report. All activities are tracking as planned.

2 *Maintain effective and efficient staff and administration*

2.1 Review and maintain policies and procedures

- 2.1.1 Review job descriptions:
All job descriptions, staff structure, and personnel and board policies and procedures were reviewed at the May 2001 Board meeting. The new management structural changes became effective upon the hiring of the COO during the first quarter of 2001. The Organizational Chart and other policies were also amended to reflect the new structure and position titles.
- 2.1.2 Review staff structure:
See 2.1.1 above. The new management structure was fully implemented during the Second quarter.

2.2 Recruit and retain skilled staff

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

3 *Maintain budgeting, financial planning and reporting and financial controls*

3.1 Allocate royalty income

- 3.1.1 Allocate all royalties, 50% to ASIF, 45% to Operations, 5% to Scholarship Trust:
All Royalty funds continue to be allocated in the manner outlined in the CDP.

3.2 Prepare annual budgets

- 3.2.1 Develop consolidated and detailed budgets annually:
This objective is satisfied annually at the November meeting. The 2002 Operating, CIF, Scholarship and BBSRI Budgets were approved during the November 2001 meeting. Some items that were not budgeted due to unknown length of the upcoming CDQ cycle, results of the CDQ Policy changes, and outcomes of strategic planning will be considered during the first quarter of 2002.

3.3 Prepare monthly and quarterly financial statements

- 3.3.1 Prepare and review monthly and quarterly financial statements:
Quarterly financial statements (as well as monthly statements) are prepared in a timely manner and reviewed by management. The Finance and Audit committee and Full Board review quarterly statements at their scheduled meetings.

3.4 Review fund manager's performance annually

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

This policy will again be reviewed prior to or during the scheduled strategic planning session scheduled for early in 2002.

3.5 Prepare annual audit and approve

- 3.5.1 Prepare and approve annual audit/agreed upon procedures:
Staff presented the FY 2000 Audited financial statements and Agreed Upon Procedures to the Board of Directors at their May 2001 meeting. Both reports were subsequently approved by the full Board of Director's and submitted to the State.
- 3.5.2 Review and approve auditors:
The Board of Directors approved the renewal of the current Audit, Legal and Investment managers during the September 22, 2001 Board 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 2001 Reports were filed with the State in a timely manner. Administrative efforts to improve reporting are underway. The Third quarter report was one day late due to the tragic plane crash in our region that caused numerous delays and emotional adjustment.

4.2 Prepare annual report and audit

- 4.2.1 Prepare and file annual report and audit:
The 2001 "Annual" Report is included in this report to the State. The 2000 Audit was 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 2001.

5.3 **Review and approve annual CDQ fishing plans**

- 5.3.1 Review and approve Arctic Storm CDQ Fishing Plan:
The 2001 Fishing Plan was received and approved during the first quarter of 2001.
- 5.3.2 Review and approve Bristol Leader CDQ Fishing Plan:
The 2001 Fishing Plan was received and approved during the first quarter of 2001.
- 5.3.3 Review and approve North Pacific CDQ Fishing Plan:
The 2001 Fishing Plan was received and approved during the first quarter of 2001.
- 5.3.4 Review and approve Kaldestad CDQ Fishing Plan:
The 2001 Fishing Plan was received and approved during the first quarter of 2001.
- 5.3.5 Review and approve Icicle CDQ Marketing Plan:
The 2001 CDQ Marketing Plan with Icicle was received and approved during the first quarter of 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 2000 in Anchorage, Alaska. The 2001 Annual Meeting took place in December with the Executive Committee and lead staff in attendance.
- 5.4.2 Bristol Leader Annual Mtg/Review Royalty and Employment Agreements:
The Annual Meeting with Bristol Leader group took place during the first quarter of 2001 in Seattle with the COO, lead consultant, Board representative and Quota Manager in attendance.
- 5.4.3 North Pacific Annual Mtg/Review Royalty and Employment Agreements:
The Annual Meeting with North Pacific took place during the first quarter in Seattle with the COO, Lead Consultant and Quota Manager in attendance.
- 5.4.4 Kaldestad Annual Mtg/Review Royalty and Employment Agreements:
The Annual Meeting with Kaldestad took place during the first quarter in Seattle with the COO, Lead Consultant and Quota Manager in attendance.
- 5.4.5 Icicle Annual Mtg/Review Royalty and Employment Agreements:
The Annual Meeting with Icicle took place during the first quarter in Seattle with the COO, Lead Consultant and Quota Manager in attendance.

5.5 **Manage 4E halibut fishery to maximize benefits to residents**

- 5.5.1 Manage fishery to maximize benefits to residents:
During the first quarter staff widely advertised the availability of 4E CDQ halibut permits to residents. The deadline for applications was set for April 13, 2001. This provided a 6-week application period. Solicitation efforts included notifications to every CDQ community village,

city and tribal offices. All BBEDC Board members were sent the notification as well as advertisements on local cable TV stations, newspaper ads, flyer and posters. Additionally the local radio stations carried announcements and staff regularly contacted the public radio station KDLG and make announcements on the live air show, Open Line.

Despite many significant organizational improvements and the very strong effort of both BBEDC staff and of Capilano, the net results were far below expectations again that year, with only about 70,000 lbs taken by local fishermen. However, 2001 saw a major turn around in the fishery. Togiak Fisheries resumed operations after being closed for two years, and they decided to make a serious effort on halibut. The 2000 Capilano results in Togiak set a precedent for better prices, and Togiak fisheries paid \$1.40 for No. 1 grade. With the good price and a really strong effort from fishermen, the 2001 landings exceeded the best previous year by a factor of two, with some 150,000 pounds of halibut landed. The entire 4E allocation of 117,000 lbs was used, and over 30,000 lbs of offshore, 4D quota was also taken by inshore fishermen.

- 5.5.2 Facilitate the establishment of stable markets for 4E Halibut:
Marketing opportunities were identified to profile Bristol Bay fish, and sockeye, king and halibut were demonstrated at Selfridges in London. Contacts were made for distributor relationships and for high quality smoked sockeye and King salmon production in England for our fish. Bristol Bay was the emphasis, with the fish coming from Togiak. These were good initial steps forward and can be built upon next year. The Regional Fisheries committee will be addressing the issue of a halibut market for regional fishermen early in 2002.
- 5.5.3 Hold Workshops to enhance good fishing practices, limit bycatch and hook loss:
No activity occurred during the third and fourth quarters. However, two workshops were held in FY 2001 early in the year. Halibut workshops are currently in the planning stages and should be implemented in the 1st or 2nd quarter, 2002.

5.6 Work continuously with other CDQ groups on harvesting issues

- 5.6.1 Work with other CDQ groups on CDQ harvesting issues:
BBEDC's Fisheries Quota Manager is in regular contact with other CDQ group FQM's to discuss, evaluate and streamline harvesting issues the groups face. A considerable amount of time was spent during the past four quarters working with other CDQ Quota Managers to resolve some of the "other species" quota shortages that may affect the efficient prosecution of the cod and other quotas.

BBEDC FQM and Lead consultant continued to work this quarter in assisting and working with the other five groups to prepare comments on the SSL EIS.

Plans to discuss bycatch impediments and other negative deterrents to effectively prosecute the "other ground fish" species is continually being reviewed by all groups. Regularly scheduled FQM meetings are help with NMFS personnel.

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 during the first, second, third and fourth quarters and sent it to 3,155 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.

The third quarter newsletter revolved around informational salmon articles for residents to mull over as well as economic and educational opportunities, grant projects, CDQ fishing schedules and education initiative updates. This newsletter was distributed to the mailing list and box holders in the region during September 2001.

The fourth quarter newsletters will go to print and post office boxes early in the first quarter of 2002.

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 2001 to layout the 2000 Annual Report to the public. Although we intended to have the public annual report distributed by the end of the first quarter, the current workload for the staff prevented this from happening. Staff and a newly identified Layout/Design artist did complete the 2000 Annual Report with a mailout occurred during the middle of September 2001. Copies of this public report are attached to this report.

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 state’s web page. Staff is working on adding job, training and scholarship applications on the web site to accommodate interested persons. BBEDC secured the services of an “outside” person to review, comment and update the web page. Changes will be made in late January 2002 and updated on a regular weekly or monthly basis.

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 and throughout this year BBEDC participated in community or agency meetings with the following entities:
State Dept. of Labor, REDI Conference participants on a monthly basis;
Bristol Bay Native Association, Administration and Workforce Development divisions;
Dillingham City, Southwest Region, Lake and Penn and Bristol Bay School Districts;
Participated in 2 Southwest Alaska Voc/Education Center Board meetings;
UAF, Bristol Bay Campus and Campus Graduation;
IRS and IRS Citizens Advocacy Panel meetings;
Bristol Bay Salmon Science Symposium;
AVTEC graduation in Seward;
Marine Advisory Program meetings in an effort to work cooperatively together;
Several ADF&G; US Fish and Wildlife staff meetings to develop internships and programs;
And a Crop insurance informational meeting.

During the Fourth quarter staff traveled to the following communities to promote BBEDC:
Togiak: high school senior class informational meeting;
Egegik: Egegik employment and training outreach;
Clarks Point: solicited applications for internship and employment positions;

Manokotak: provided ;
 Naknek: Employment and Training recruitment and attended Job Fair;
 King Salmon: Employment and training recruitment and voc/tech class graduation;
 Ekwok: Recruitment trip for employment and training.
 Levelock: Recruitment trip for employment opportunities
 Aleknagik – North and South shores: Recruitment trip for employment and training.
 In addition BBEDC staff traveled to the non-CDQ community of Nondalton and New Stuyahok to implement DOL Youth grant.

Staff also traveled to Juneau this quarter to participate in the CDQ HR meetings, to Fairbanks to become familiar with the DOL grant and Anchorage numerous times for related agency meetings.

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:

- Seattle Office Intern Position opening – Arctic Storm
- Seattle Office Intern Position opening - Icicle Seafood's
- Processors needed advertisement
- Internship position opening
- Processors needed for month of January
- Availability of Voc/Tech Scholarships
- Position opening for Sub-Regional Technicians
- 2002 Winter Processing jobs open with Icicle

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:

With the beginning of a new school year, there have been changes in School District staff and programs. BBEDC has continued to work with each school district in the implementation of a work readiness curriculum. The grant from the Department of Labor WIA, which we were recently awarded will support the implementation of our Work readiness curriculum.

10-1-01 Traveled to New Stuyahok to work with youth in WIA grant

10-2-01 Traveled to Nondalton to work with youth in WIA grant.

10-10-01 Traveled to Anchorage to attend a STW work readiness conference

11-05-01 Traveled to King Salmon to facilitate our STW Consortium meeting with the four School districts .

Non-CDQ Benefits:

Both in-school youth and out-of-school youth in Nondalton and New Stuyahok have been enrolled in the work readiness/employability program that we are implementing through the DOL grant that we received. The grant will provide basic academic skills tutoring, work-readiness training, work experiences, counseling, job search/development/placement and many other activities. Youth from Nondalton and New Stuyahok continue to participate in our work readiness/employability program with funding from the DOL WIA. The program provides basic academic skills tutoring, work-readiness training, work experiences, counseling, job search/development/placement, employability training, etc.

7.2 Continue to refine and individualize curriculum

7.2.1 Make program suitable for individual community needs:

During the third quarter we have met with representatives from the Fisheries Research Institute, Department of Fish and Wildlife, and University of Alaska Fairbanks to discuss/ brainstorm ways to integrate fisheries related activities into classrooms throughout the region. We continue to look at ways to improve and refine the curriculum with input from the school districts. We continue to support the four school districts in their implementation of a work readiness curriculum. Some Districts have made much progress in this area while others seem to struggle. The grant from the Department of Labor WIA, which we were awarded, supports the school districts efforts in fully implementing a Work readiness curriculum. We continue to look at ways to improve and refine the curriculum with input from the school districts.

As part of the ongoing development of our “Salmon Camp” program, a supplemental curriculum that will help integrate fisheries related activities into classrooms throughout the region is being developed. Professional biologist, teachers and researchers will help in the development of this curriculum.

7.3 Monitor and support delivery of Work Readiness Program

7.3.1 Provide support for program delivery:

BBEDC has been awarded \$109,821.00 to implement a comprehensive work readiness/employability program for youth ages 14 –21 from the Department of Labor.

During the fourth quarter, application was made to the DOL to increase the funding of the In-School Out of School Youth grant to better deliver the program to our respective school districts. BBEDC should have confirmation early in FY 2002 on our request. We have recently received an additional \$35,880 from the Department of Labor to supplement our comprehensive work readiness/employability program for youth ages 14 –21. This brings our total award from the DOL to \$145,701.

7.4 Plan for development of stable local workforce

7.4.1 Conduct regional survey of available and future jobs:

As of yet none of our grant proposals to develop the “jobs” survey have been funded. We are re-evaluating the “jobs” survey and continuing to pursue funding sources to conduct the survey. Staff will be again reviewing this objective in the first quarter of 2002 as it is critical to our future program planning. Conduct regional survey of available and future jobs:

As of yet none of our grant proposals to develop the “jobs” survey have been funded. We are currently reevaluating this project and looking at other ways to accomplish this goal.

7.4.2 Develop plan for training residents and providing needed skills:

We have started to implement our “Bristol Bay Comprehensive Work Readiness project” through funds that we received from the DOLWIA. This project focuses on youth ages 14-21 and will assist them in developing: basic academic skills needed to succeed in the workforce, Occupational skills, and work readiness skills for a complete description of the project see the

grant proposal.

This goal will be further addressed once the “jobs” survey is completed and analyzed. Our “Bristol Bay Comprehensive Work Readiness project” is well underway with youth from the region participating. This project focuses on youth ages 14-21 and will assist them in developing: basic academic skills needed to succeed in the workforce, occupational skills, work readiness skills, and will provide them with real life work experiences.

- 7.4.3 Develop educational funding plan to encourage participants to return to region:
We are currently looking at developing a student loan forgiveness plan that would entice residents to return to the region once training and education programs are completed. We are researching the Department of Education's teacher loan forgiveness program to give us ideas on how we might start a similar program. More work and research needs to be done on this issue before presenting the plan to the Board for approval. This proposed project will be reviewed by the Board at the strategic planning session scheduled for February 2002 and considered for potential expansion and inclusion in the 2003-2005 CDP. We are currently developing a student loan forgiveness plan that will entice residents to return to the region once training and education programs are complete. This plan will be presented to the Board at our February Strategic Planning meeting for approval to proceed in the development of this program.

8 *Maintain in-region ownership of Bristol Bay salmon limited entry permits*

8.1 Provide for continued operation of the Bristol Bay Permit Brokerage

- 8.1.1 Fund the Bristol Bay Permit Brokerage:
BBEDC continues to fund the BBPB in its administrative budget as a project.

8.2 Retain permits in regional resident ownership

- 8.2.1 Retain 20 permits through tax counseling and brokerage services:
No permits were classified as “saved” during the fourth quarter.

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

- 8.3.1 Contact 150 permit holders in arrears with IRS:
During the fourth quarter, a total of 102 resident permit holders were contacted by telephone or in person regarding IRS debt issues or problems. Some of the fishermen are now facing multi-year deferred payments on debts and are in jeopardy of losing their permits. Staff is looking into alternate loan programs to address this problem and assist in consolidating their debts to meet the best strategy for the fishermen.

Staff continues to have a close relationship with the IRS and will persist in representing clients to the best of our ability. During the fourth quarter, no travel took place. However, travel planning for early in 2002 did take place.

Staff has seen an alarming number of permit holders trying to sell their permits and boats due to compounding debt problems. The Permit Broker and Chief Operating Officer continue to counsel and assist fishermen in filing extension applications and discouraging permanent sales.

- 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:

- 0 regarding BIA Credit and Finance information;
- 1 regarding CFEC services or assistance required in filling out forms;
- 1 regarding Child Support issues;
- 2 regarding E/T issues;
- 18 regarding IRS issues;
- 36 regarding loan issues;
- 36 inquiries were made regarding sales of limited entry permits or vessels; and
- 8 contacts were regarding other related issues.

8.4 Provide counseling and support to non-CDQ communities through grant funds

- 8.4.1 Provide assistance to non-CDQ community residents:
BBEDC continues to provide Brokerage contact services to non-CDQ communities through the Bristol Bay Native Associations BIA Credit and Finance grant funds. The following non-CDQ communities were serviced during the fourth quarter: Iliamna and Kokhanok.

9 Enhance and expand regional fisheries opportunities in Bristol Bay

9.1 Develop an annual regional fisheries work plan

- 9.1.1 Select several initiatives annually for regional development:
A review of the 2001 work-plan was conducted during the third quarter by the Regional Fisheries Committee. The RFD Committee recommended that consultant time in 2001 be focused less on underutilized species development and other peripheral projects, and more on developing and implementing a Bristol Bay salmon strategy designed to counteract the declining market share evident in existing domestic and international markets for Bristol Bay salmon; and to create awareness of the Bristol Bay salmon species in markets which may have positive experience with Copper River salmon but have not yet been exposed to Bristol Bay King, sockeye, and silvers.

The Committee also recommended that BBEDC undertake studies of how to reduce operating costs, increase efficiency and improve profitability in the industry including, but not limited to reduction in transportation costs and improvement in transportation infrastructure and options; cooperative buying of fuel and gear; and buybacks, permit reform and other means to optimize participation levels in the fishery.

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

9.2 Investigate and identify under-utilized species

- 9.2.1 Perform test fisheries in various areas of Bristol Bay:
A resident from Naknek was selected to complete the fishery in 2001. Both northwestern and southern areas of Bristol Bay were explored for Pacific cod using longline gear in late May and early June. A final report has not been written, but results were very poor, with virtually no cod encountered anywhere in the survey area. As a result, no further survey work along these lines is recommended. Total cost for this project is not expected to exceed \$20,000, (about 25% of budget) even allowing for completion of a final report.
- 9.2.2 Perform survey of surf clam zone:
Very little of the small 2001 budget has actually been expended – only 5.25 consulting hours. The Committee recommended putting it on “monitor” status in 2001, with review as soon as any change in the regulatory arena warrants.
- 9.2.3 Continue product and market research on identified and possible commercial species:
BBEDC continues to look at markets for such species as snails and other products. Although BBEDC will continue to research the possible production and marketing of salmon and other products, significant need to refocus on the salmon marketing efforts has taken priority. However, investigative work on developing bait products for longline and other groundfish will be ongoing throughout the year. . The Regional Fisheries Committee revisited their commitment to continue to identify new markets and new product forms for regional fisheries in the 4th quarter.
Substantial quantities of herring and salmon carcasses are disposed of each year by our processing partners. Technology to turn this into usable bait exists. Utilizing waste for bait production is an idea that has a good chance of gaining grant funding support.

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

9.3.1 Investigate market opportunities:

Marketing opportunities were identified to profile Bristol Bay fish, and sockeye, king and halibut were demonstrated at Selfridges in London. Contacts were made for distributor relationships and for high quality smoked sockeye and King salmon production in England for our fish. Bristol Bay was the emphasis, with the fish coming from Togiak. These were good initial steps forward and can be built upon next year. Several marketing grants were identified in the 4th quarter to assist with followup efforts and further strengthen existing specialized market relationships in the United Kingdom and Western Europe. A followup marketing trip is in the planning stages for BBEDC's Regional Fisheries Chairman and two consultants for the 1st Quarter, 2002.

Our position as a supplier of smoked Bristol Bay sockeye salmon to the ORVIS Company was reaffirmed. BBEDC will be featured once again in the Christmas 2001 catalogue, due out in October. We are working with the owner to develop additional high profile accounts that can serve to educate the US consumer about wild Bristol Bay salmon, and help them to differentiate between wild and farmed salmon. Regional Fisheries consultants are currently in discussions with clients from the United Kingdom and Western Europe to further establish a potential buyer and seller relationship for the 2002 fishing season.

9.3.2 Promote emphasis on quality of Bristol Bay salmon:

This is essentially the same function that was included under Business Technical Assistance during 2000. The purpose is to be able to respond to requests from local community groups and individuals in Bristol Bay for advice and assistance with development concepts or marketing. Working with communities or individuals might lead to BBEDC investment projects, cooperative projects with BBEDC partners, or referrals to the Technical Assistance Program depending on the requirements and potentials of each effort.

During 2001 time associated with salmon development and marketing was attributed to this category because of the fairly clear implications of some of that work for particular communities. Regional Fisheries Committee members revisited their commitment to quality issues. The Regional Fisheries Committee members are extremely concerned about the quality issues that Bristol Bay fishers face during the fishing season. The commitment to ice projects such as the ice-machine projects in 6 communities, slush bag programs, and an in-depth review of the feasibility of an ice-barge in Bristol Bay are several alternatives that the RFD has approached.

9.3.3 Explore value-added and shoulder season opportunities in-region:

Two grants (State of Alaska and Alaska Conservation Foundation) totaling approximately \$60,000 were obtained to assist with costs of pioneering marketing projects. Two marketing grants were secured during the 4th Quarter totaling \$59,500 to develop speciality marketing grants. An additional marketing grant through the USDA, DCED, and UA will be pursued in the 1st Quarter, 2002.

Contacts were made with a major salmon marketer in Europe and exploratory discussions and sample evaluations were held on development of a wild salmon line using Bristol Bay sockeye. Discussions are currently under way with United Kingdom and Western Europe buyer, re-processor, and smoker contacts and a marketing trip planned for early 1st Quarter 2002.

Numerous other contacts were made (or continued) with a variety of companies regarding use of wild Bristol Bay sockeye. This "shaking the tree" effort has yet to yield a production contract, but there are several good possibilities. Of particular interest are the discussions we have had with several leading retailers / restaurant chains focused on BBEDC (and / or Member community groups such as Village Corporations) as Minority Vendors of seafood. These discussions were initiated recently and are in the exploratory stage. They may have positive implications for both Regional Fisheries (salmon, halibut, yellowfin sole) in addition to the CDQ

species.

BBEDC distributed the financial information and brought the model of the plant to a disaster relief meeting that occurred during the third quarter. Governor Knowles and many esteemed representatives from the Bristol Bay Region were in attendance and had the opportunity to evaluate the possibilities of such an undertaking. Regional Business and Infrastructure Development programs also compliment this project and will all be made available to the CDQ communities for consideration. The newly created Infrastructure Matching Fund may also play a role in the participating communities plans for the development of mini processing plants in their villages.

A part of the Regional Fisheries Sockeye Strategy project will also include exploration into portions and other value added products for in region salmon. Marketing grants were pursued in the 4th Quarter 2001 and awarded to two communities to develop a marketing sales plan to establish high quality, premium product from Bristol Bay. Additional Marketing grants will be investigated in early 1st and 2nd Quarter 2002.

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

10 *Develop program for Sustainable Flatfish*

10.1 Non Profit-Active / Community Development Project

10.1.1 Research and develop the markets for CDQ flatfish:

No activity occurred during the third quarter. However, the FQM and consultants continually work on this project.

10.1.2 Work to improve the overall harvest and royalty return for CDQ flatfish:

This in an ongoing activity that the Fisheries Quota Manager closely monitors and continually works on.

10.1.3 Research and develop harvest techniques that would reduce bycatch:

No activity this quarter although staff continues to explore and refine new technology that may be applicable.

10.1.4 Endeavor to establish working relationships with other CDQ groups:

This in ongoing, as the Quota Manager is in weekly, if not daily, contact with other CDQ groups and their FQM's to share information and refine harvesting abilities.

11 *Provide professional planning assistance for regional business and infrastructure projects*

11.1 Provide professional team to offer technical assistance

11.1.1 Advertise availability of business and infrastructure technical assistance:

In an effort to conduct outreach in CDQ communities, the technical assistance team attempted to travel to Ekwok and Manokotak during the first quarter to provide information and conduct financial planning workshops. However, soft runways and weather prevented them from actually meeting with the residents in person. Rescheduled travel plans to present are ongoing.

Plans are in the works to provide these workshops in three additional communities on business development and BBEDC's programs during the second quarter of 2001. The communities of Togiak, Naknek and South Naknek are being scheduled.

New brochures were developed during the first quarter to better advertise the program to residents and communities. The Technical Assistance Team also participated in the AVI Small Business Development Conference held for villages in Anchorage in early March in an effort to make contacts and advertise BBEDC programs.

Additionally, during the second quarter staff mailed out a letter with information to all CDQ city and Tribal offices, as well as all board representatives, introducing the new Infrastructure Matching Funds Program that compliments the Infrastructure Development Program. A good response with interest show has developed in the communities since.

- 11.1.2 Provide technical assistance for development of business and infrastructure proposals:
The following projects are ongoing and are being followed up during the first quarter of 2001:

Technical assistance continues to be 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 in late 2000. 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.

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

The communities of Togiak, Manokotak and Naknek are in the processing of receiving technical assistance for their various projects. The communities of Port Heiden, Twin Hills and Levelock have inquired about the parameters of the program but have not officially submitted an application for assistance.

Two separate Basic Business Financial Workshops were successfully conducted in the communities of Naknek/King Salomon and South Naknek during the second quarter. Unfortunately bad weather prevented a scheduled workshop in Togiak from being held. Approximately 15 residents attended the two training sessions sponsored by BBEDC through this program. The workshops covered the following topics: basic bookkeeping principles, profit or loss statements, figuring available cash, breakeven analysis and fishing income taxes.

The Egegik Power purchase project that you approve for Matching Funds late in 2000 is still in the works. John Purcel is back in the saddle helping Egegik complete this project. Staff has reacquainted themselves with the project to assist Egegik in getting their project off the ground.

Two requests for business technical assistance were received and review during the fourth quarter. The first one is from Dillingham and continues to receive assistance regarding their desire to expand an existing business. The other, which was denied, was to assist a set netter in Pilot Point reconstruct his set net cabin. The second request was determined not eligible because it does not fit into the spectrum of qualified projects. However, staff will have a conversation with the applicant regarding other possible sources of financing that may be available.

We also began working with two individuals from Pilot Point regarding a feasibility study and business plan for a processing operation in that community. EDA funding has already been applied for to conduct the study. Once the study has been completed a business plan may be needed to get this project off the ground. This project is currently on hold until the required study is completed.

Two resolution were received from Levelock regarding their desire to get a processing plant started in their community and this information was forwarded to staff to hold until a technical assistance application is received.

Overall, during 2001 the interest in this program has increased. BBEDC is working to better inform tribes, cities and boroughs of the program through a new position to begin in 2002.

11.2 Provide for professional review of funding requests

- 11.2.1 Review funding requests and make recommendation to the BOD:
No activity this quarter.

12 "Jump start" in-region businesses

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

- 12.1.1 Maintain a \$500,000 fund balance from ASIF income each year for possible investment:
This item was budgeted for 2001.

12.2 Provide financial support for approved proposals

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

12.3 Monitor businesses receiving BBEDC financial support

- 12.3.1 Monitor activities of business where BBEDC has financial participation:
Not applicable at this time.

13 Jump start in-region infrastructure development

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

- 13.1.1 Maintain a \$500,000 fund balance in reserves each year for possible investment:
This was budgeted for in the 2001 budget.

13.2 Provide matching funds for approved proposals

- 13.2.1 Review, approve and provide matching funds for recommended proposals when feasible:
The first project was approved at the May 2001 Board of Directors Meeting. Matching funds have not been distributed by the end of this year, but are identified for funding in 2002.

Some administrative issues arose during the second quarter with regards to the approved matching funds for the community of Egegik. The community requested that funds not been distributed as of the writing of this report due to their reorganization. BBEDC will make note in future reports of when the funds are released. We anticipate this to take place in early 2002.

13.3 Provide \$100,000 per community in matching funds during allocation cycle

- 13.3.1 Advertise Program:
Since the late CDP approval process followed the new year, staff has promoted this program through advertisements, meetings and letters to qualified communities during the second, third and fourth quarters.
- 13.3.2 Review Applications:
See 13.2.1. No other applications have been submitted during the fourth quarter.
- 13.2.3 Award Funding to projects that meet criteria:
One award was pre-approved in the fourth quarter of 2000. This was the City of Egegik's proposal to purchase the local electric utility from a private owner. As of this writing, a request for the matching funds has not been received. See 13.2.1 for more information.

The criteria for this program and the Business and Infrastructure Programs are on the Strategic Planning agenda for review. The criteria may be too strict for some communities to access and with potential changes to CDQ policy, BBEDC will be addressing this early in 2002.

13.4 Monitor proposals receiving BBEDC financial support

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

14 "Learn, Practice, Do" Marketing and Sales

14.1 Marketing and sales goals

- 14.1.1 Revise existing Partner Royalty Agreements to provide for more frequent and detailed Information pertaining to sales planning and monitoring:
When BBEDC met with its harvesting and processing partners at the beginning of the first quarter, the request for more frequent and detailed marketing information was discussed and agreed.

Unfortunately the investment in Capilano consumed staff and consultant time this year that would normally be dedicated to this project. The project will receive detailed attention during the first part of 2002 when new marketing reports are received and analyzed.
- 14.1.2 Diversion of product from partner's sales channel to different markets, if applicable:
Work is just beginning on this objective and will continue to be developed as the year progresses.
- 14.1.3 Investigate the potential utility of providing financing that could permit partners the ability to approach new markets and/or develop new product:
Work is just beginning on this objective and will continue to be developed as the year progresses.
- 14.1.4 Research investment opportunities in marketing:
BBEDC invested in Capilano Pacific, Qsea and Swiftsure Seafoods. The latter are custom or reprocessing businesses with marketing components included, as is CP. BBEDC will continue to refine and investigate investment opportunities in the marketing arena.
- 14.1.5 Undertake projects to enhance the image & reputation of regional seafood products:
This project is ongoing. BBEDC has made significant progress in the area through the investment in Capilano and will continue to develop relationships with potential markets for regional products through our MSC work. See section 9.3 for additional information.
- 14.1.6 Consider formation of standing Marketing and Sales Committee of BBEDC's Board of Directors to guide and monitor the new initiative:
No activity this year. BBEDC anticipates discussing this objective during their strategic planning session scheduled for early in 2002.

15 *Manage the Capital Investment Fund to provide revenues to BBEDC in perpetuity*

15.1 *Manage CIF to provide max. return within established investment policy.*

- 15.1.1 Monitor fund to insure adequate performance:
This is done on a monthly basis by staff and Investment Managers.
- 15.1.2 Reserve funds to meet one year debt service payments:
This item is budgeted in the 2002 approved CIF budget.
- 15.1.3 Reserve funds to meet cash call requirements of investments:
This item is budgeted in the 2002 approved CIF budget.

15.2 *Invest in opportunities that meet ASIF investment criteria*

- 15.2.1 Identify potential investment options in Schedule of Investments:
This objective was satisfied late in 2000 with the submission of BBEDC CDP, including the schedule of investments. The board will again visit the objective in a detailed presentation at the February 2002 strategic planning session.
- 15.2.2 Update Schedule of Investments as needed:
BBEDC is diligent in submitting plan amendments and keeping the CDP up to date with current and anticipated investment information.
- 15.2.3 Search and investigate seafood industry investment opportunities:
This is an ongoing task for BBEDC staff and consultants. New investment opportunities are evaluated and presented to the Board for consideration on a regular basis.
- 15.2.4 Perform due diligence on potential investments:

- BBEDC conducts in-depth due diligence on all investments prior to investment.
- 15.2.5 Present investments meeting CIF criteria to Board for action:
This is an ongoing task for BBEDC staff and consultants. New investment opportunities are evaluated and presented to the Board for consideration on a regular basis.
- 15.3 Invest in opportunities that meet CIF investment criteria**
- 15.3.1 Obtain state and federal approval for board approved investments:
BBEDC is diligent and consistent in obtaining state and federal approval of investments before proceeding with the investment. This is standard practice for BBEDC.
- 15.3.2 Close on approved investments:
Following the approval process, BBEDC is consistent in following through with investments that meet the CIF investment criteria.

INVESTMENTS

16 Monitor seafood industry investments for performance and profitability

16.1 Monitor Arctic Fjord Inc. investment

- 16.1.1 Monitor financial performance on a quarterly/annual basis:
BBEDC staff monitors performance on a quarterly basis.
- 16.1.2 Attend yearly Board of Director's meeting:
The yearly meeting was held in early February 2001. Robin Samuelsen attended the day-long meeting as BBEDC's representative. Since an additional 10% of this vessel was purchased in the fourth quarter, an additional seat on the Arctic Fjord board seat was made available to BBEDC. This brings our board seats to two.
- 16.1.3 Maintain ongoing discussion between BBEDC and ASI:
Frequent discussions are held with ASI staff and BBEDC staff. The BBEDC Quota Manager is in daily contact with the partner during CDQ fishing times.
- 16.1.4 Monitor investment performance return of 8.5% annually over time to meet the Post CDQ Transition Plan goals in Part One, Section V of CDQ:
A dividend was declared at the Annual Meeting for FY ending 9-30-00. See Confidential section of the first quarter 2001 report.

16.2 Monitor Neahkahnne LLC investment

- 16.2.1 Monitor financial performance on a quarterly/annual basis:
This is done through a review of the financial information.
- 16.2.2 Attend Board of Director's meeting:
This meeting was held at the same time as 14.1.2.
- 16.2.3 Maintain ongoing discussion between BBEDC and ASI:
See 14.1.3.
- 16.2.4 Monitor investment performance return after payment to previous owner is complete/2006:
See Confidential section.
- 16.2.5 Acquire additional co-op shares as available and prudent:
The Arctic Fjord, through the efforts of the off shore Co-op, did acquire additional shares in late 1999.

16.3 Monitor Bristol Leader Fisheries LLC investment

- 16.3.1 Monitor financial performance on a quarterly/annual basis:
Financial information is reviewed on a monthly and quarterly basis.
- 16.3.2 Attend Management Committee meetings:
Two representatives from BBEDC attend and participate in all meetings. An in-person meeting was held during the first quarter with four BBEDC representatives in attendance.

BBEDC's FQM was appointed representative for BBEDC with one board member and one meeting took place during the second quarter.
- 16.3.3 Maintain ongoing discussions between BBEDC and ALF:
Regular communications are ongoing between the CEO or COO and the ALF management. In addition, the Quota Manager communicates constantly during CDQ fishing with the Fleet Manager.
- 16.3.4 Monitor investment performance return of 8.5% annually over time to meet the Post CDQ Transition Plan goals in Part One, Section V of CDP:
See Confidential section.

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

- 16.4.1 Monitor financial performance on a quarterly/annual basis:
Quarterly financials are reviewed on a routine basis.
- 16.4.2 Attend Management Committee meetings:

One representative from BBEDC attends and participates in all meetings of the Management Committee.

- 16.4.3 Maintain ongoing discussions between BBEDC and KMLLC:
Staff is in frequent contact with Kevin Kaldestad on issues of importance.
- 16.4.4 Monitor investment performance return of 8.5% annually over time to meet the Post CDQ Transition Plan goals in Part One, Section V of CDP:
See Confidential section.

16.5 Monitor halibut IFQ's

- 16.5.1 Review and update lease agreements to maximize profits and enhance longline vessel investments:
The fishing plan for IFQ's for 2001 has been developed and implemented. Lease agreements are in place.
- 16.5.2 Monitor market performance for lease price:
This is done on a routine basis to insure maximum return on investment.
- 16.5.3 Monitor investment performance return of 7% annually over time to meet the Post CDQ Transition Plan goals in Part One, Section V of CDP:
See Confidential section.

16.6 Monitor sablefish IFQ's

- 16.6.1 Review and update lease agreements to maximize profits and enhance longline vessel investments:
The fishing plan for IFQ's for 2001 has been developed and implemented. Lease agreements are in place.
- 16.6.2 Monitor market performance for lease price:
This is done on a routine basis to insure maximum return on investments.
- 16.6.3 Monitor investment performance return of 7% annually over time to meet the Post CDQ Transition Plan goals in Part One, Section V of CDP:
See Confidential section.

16.7 Monitor Capilano Pacific LLC

- 16.7.1 Monitor performance on a quarterly/annual basis:
Financials are monitored on a monthly basis. Please refer to the Confidential section for more specific information.
- 16.7.2 Attend Management Committee meetings:
Two representatives from BBEDC attend and participate in all management committee meetings.
- 16.7.3 Maintain ongoing discussions between BBEDC and Capilano:
Discussions continue to be held almost on a weekly basis with management and staff of Capilano.
- 16.7.4 Monitor recruitment of Bristol Bay fishermen:
No activity occurred in the third quarter.
- 16.7.5 Monitor investment performance return of 8.5% annually over time to meet the Post CDQ Transition Plan goals in Part One, Section V of CDP:
See Confidential section.
- 16.7.6 Provide loan guarantees for Capilano inventory, receivables, & operating lines as needed and prudent:
The National Bank of Alaska agreements are in place with BBEDC as guarantor.
- 16.7.7 Closely monitor production costs, inventory, receivables, cash flow, sales & other relevant factors to minimize risk to BBEDC from guaranteeing loan:
During the 2000 season BBEDC retained the services of a long time fishery expert to provide daily monitoring of the activities and this relationship continues through FY 2001.

- 16.7.8 Provide internship opportunities in Capilano organization as available:
No internship positions will be made available in 2001. Two residents filled positions in 2000.

C. EMPLOYMENT

4th Quarter 2001 (please refer to section C.1 and C.2 below)

17 *Provide employment for Bristol Bay residents*

17.1 Provide employment opportunities with CDQ fishing partners

- 17.1.1 Place a total of 120 entry/advanced hires with Arctic Storm vessels:
- 17.1.2 Place a total of 12 entry level hires with North Pacific Fishing if available:
- 17.1.3 Place a total of 6 entry level hires with Bristol Leader Fisheries if available:
- 17.1.4 Place a total of 4 entry level hires with Kaldestad Fisheries if available:

17.2 Provide employment in advanced positions with CDQ fishing partners

- 17.2.1 Track advancement of BBEDC residents on North Pacific vessels:
- 17.2.2 Track advancement of BBEDC residents on Bristol Leader vessels:
- 17.2.3 Track advancement of BBEDC residents on Kaldestad vessels:
- 17.2.4 Track advancement of BBEDC residents in Iceberg employment:

C. Employment
4th Quarter
Oct 1 - Dec 31, 2001

	<u>Quarter</u>		<u>Year to Date</u>		<u>Year to Date</u> People
	Positions/Trips		Positions/Trips	Wages	
BBEDC Management/Admin	11	104,726.29	12	364,215.29	12
CDQ Pollock Related (AS/AF)					
A/B SEASON			120	481,319.69	57
C/D SEASON	20	62,545.57	59	150,506.69	18
Yellow Fin					
Hake Trips			9	23,003.46	9
Shipyard	2	5,303.70	10	12,441.30	8
Other Employment					
Arctic Storm Recruiter	1	10,920.00	1	47,576.96	1
Long Line Fishing					
Alaskan Leader	1	13,627.68	5	31,714.79	3
Bristol Leader	2	19,329.59	6	30,727.62	5
Crab Fishing					
Bristol Mariner	1	13,421.34	1	29,365.79	1
Nordic Mariner	1	13,430.07	1	13,430.07	1
Other Vessels	0		1	7,691.52	1
Bottom Fishing					
North Pacific Fishing	1	12,779.03	10	59,115.79	8
Other Fishing Employment					
4E Halibut Fishing	0	0	26	215,000.00	26
Icicle Seafood's	8	13,370.66	22	50,025.50	15
Internships					
Arctic Storm Vessel	0	0	0	0	0
Arctic Storm Office	1	3,865.50	6	17,969.58	3
Icicle Seafood's Office	2	7,267.90	4	15,525.42	3
Icicle Vessel/Plant/Shipyard	1	5,108.75	4	7,172.25	2
ADF&G	0	0	3	8,590.00	3
North Pacific Fishing	1	4,483.29	2	18,270.72	2
In-house Office	1	192.00	1	708.00	2
Alaskan Leader Vessel	0	0		18,750.00	2
Bristol Leader Vessel	0	0		23,495.64	3
Bristol Leader Office	1	1,920.00	1	3,500.00	1
Specialized Interns	0	0		3,760.00	1
Other Interns	0	0		34,644.81	9
Total	55	\$292,291.37	304	\$1,668,520.89	196

C. 2 Employment Summary

BBEDC Management /Admin

C/D Season	Fifteen (15) residents from Dillingham, Togiak, Levelock, Pilot Point, Iliamna, Naknek, New Stuyahok and Aleknagik were hired as processors during the C/D Pollack season. Annual: Arctic Storm maintained a full-time recruiter position in Bristol Bay. This recruiter continues to aggressively recruit for these at-sea jobs on Arctic Storm and Arctic Fjord. The employment numbers went from 189 positions filled in 2000 up to 203 positions filled 2001 earning residents more that \$40,000.00 in 2001.
Alaskan Leader	One (1) residents from Koliganek was hired as a processors during the 4 th quarter.
Bristol Leader	Two (2) residents from Togiak and Aleknagik were hired as a processors in the 4 th quarter. Annual: One oiler/wiper intern has become a full time regular employee of Bristol Leader.
Crab Fishing	Two (2) residents from Dillingham and Levelock worked aboard the Bristol Mariner and the Nordic Mariner during red king crab season. Annual: One resident continues to work as a regular deckhand for the 2nd year.
Bottom Fishing	One (1) resident from South Naknek was hired as processors during 4 th quarter. Annual: One resident remained a regular crewmember all of 2000 & 2001.
4E Halibut fishing	No activity. Annual:
Other Employment	Icicle employed eight (8) residents from South Naknek, New Stuyahok, Manokotak, Dillingham, Togiak and Koliganek as processors in the 4 th quarter. Annual: Icicle has hired fifty percent more residents in 2001.

Internships

Arctic Storm vessel	There were no vessel internships on this boat during 4 th quarter. Arctic Storm office One (1) resident from Dillingham fills this position. Annual: This particular intern received a very high evaluation and was extended into an advance position until March 2002. Arctic Storm had 2 successful internships in 2001.
Icicle Seafood's	One (1) resident from Dillingham finished her 6 th month internship on December 22, 2001. Annual: Icicle had 2 successful internships in 2001
Icicle Vessel/Ship	One (1) resident from Dillingham is working as maintenance intern at the Bellingham Plant. Annual: Initiated this maintenance internship at Icicle's surimi plant.
ADF&G	Annual: ADF&G had 3 successful internships in 2001.
N. Pacific Fishing	One (1) resident from Dillingham fills this position. Annual: One intern was hired as a full-time regular employee after her internship.
In-House Office	One (1) college student from Dillingham worked part-time during Christmas break to contact 2001 voc-tech students for follow-up. Annual: One successful CFEC internship.
Alaska Leader	No activity in the 4 th quarter.
Bristol Leader	No activity in the 4 th quarter. Annual: One resident moved from oiler/wiper intern to regular percentage employee.
Bristol Leader Office	One resident from Dillingham fills this position. Annual: This internship was initiated in 2001 after a lengthy planning and coordination period.
Specialized Interns	No activity in 4 th quarter.
Other Interns	No activity in the 4 th quarter. Annual: We administered 10 very successful internships throughout the Bristol Bay region. Through these internships several residents have on-going opportunity to develop fishery related careers. Our intern at the Dillingham harbor worked successfully all summer, learned new skills and managed the harbor alone. He is now seeking employment at the harbor for the summer 2002 as a regular city employee. Our intern at the US Fish & Wildlife Service changed her college interest from Business to Biology after completion of her internship.
Continued... Other Interns	Our intern at KDLG radio station that reported on our fisheries changed her focus in college to the fishery management. She also found out about an internship with CNN news and is working towards applying for that. Our intern at Peter Pan Seafood's has been offered a job with them as a regular employee for summer of 2002.

Our CFAB intern found full-time work at BBNA in Dillingham after completion of his internship. Our Bristol Bay Campus intern, who had very little skills at the beginning of her 9-month internship, entered the nursing program at Florida State University in July 2001 at the completion of her internship.

D. TRAINING

1. Data Form

TRAINING DATA
October 1st – December 31st
4th Quarter 2001

	<u>Quarter</u>		<u>Year to Date</u>	
	People	Expenditure	People	Expenditure
<u>Scholarships</u>				
Post-secondary			56	\$115,729.00
Administration				\$12,000.00
<u>Voc-Tech Classes</u>				
Advanced Vocational	20	19,600.00	40	32,985.00
Basic Vocational	118	21,716.00	306	49,264.00
Fisheries Related	1	2,100.00	39	14,496.74
<u>Other Training</u>				
CDQ Staff/Board	6	2,320.00	7	3,103.00
ABE/GED	84	23,820.58	197	30,000.00
GED Diplomas Earned	(7)	0	(31)	0
<u>Other Expenditures</u>				
Drug Testing	0		0	
<u>Internships</u>				
Arctic Storm Vessel	0	0	0	0
Arctic Storm Office	0	3,846.27	(3)	14,776.75
Icicle Seafood's Office	0	3,592.98	(2)	14,235.01
Icicle Vessel/Plant/Shipyard	0	1,495.66	(2)	2,894.13
North Pacific Fishing Office	0	3,904.66	(3)	17,397.79
ADF&G	0	0	(2)	260.00
In-house Office	0	0	(1)	0
Alaskan Leader Vessel	0	0	(2)	2,793.73
Bristol Leader Vessel	0	0	(2)	2,730.00
Bristol Leader Office	0	4,898.29	(1)	5,515.26
Specialized Interns	0	0	(1)	1,562.73
Other Interns	0	0	(2)	2,236.73
TOTAL	229	\$87,294.44	645	\$309,990.87

D. 2. Training Summary

Scholarships

Post-secondary	No activity during the fourth quarter. However 61 residents received scholarships totaling \$115,729 during 2000.
Administration	\$12,000 annual administrative fee was paid early in 2001. Staff recommended and the Trustee approved bringing the administration of this program in-house.

Vocational-Technical Classes

Advanced Voc.	<p>Twenty (15) residents from Dillingham, Levelock, Naknek, Port Hieden, Togiak, Twin Hills, Aleknagik and South Naknek received roustabout certification. One (1) resident from Manakotak and one (1) resident from Togiak continue their business degrees at the University of Anchorage and Career Academy. One (1) resident received his commercial pilot rating. One (1) resident continues her flight school training. One (1) resident received her CDL and Heavy Equipment license.</p> <p>Annual: There were 26 more residents in 2001 than 2000 that have received or will be receiving (within 2 years) certification of some nature through our advance vocational program.</p> <p>One resident who received his Seamen's License initiated his own small business using his commercial fishing boat.</p>
Basic	<p>One hundred eighteen (118) residents from all over Bristol Bay participated in classes ranging from a 1-credit Managing Change seminar, grant writing, starting a small business, accounting with QuickBooks, business applications, beginning and intermediate excel, office management, personal computers, beginning and intermediate access, and Microsoft word. All 118 received credits from the Bristol Bay Campus.</p> <p>Annual: There were 168 more residents in 2001 taking various credited courses.</p>
Fisheries Related	<p>One (1) resident from Dillingham is working on his certified welding certificates.</p> <p>Annual: This resident is taking his final courses and will be available to put his new skills to work in a few months. He is also seeking his diving certification.</p>
CDQ Staff Board	<p>One (1) staff person receive one credit in Beginning Access. Employment and Training staff participated in the Workforce Investment Conference in Anchorage. Four (4) staff participated in a 'Presenting yourself Effectively' seminar but funding for this class was reported in the 2nd quarter.</p>
ABE-GED	<p>Eighty-four (84) residents from Nondalton, Dillingham, Pedro Bay, South Naknek, Aleknagik, Chignik Bay, Chignik Lagoon, Clarks Point, Ekwok, Igiugik, Koliganek, New Stuyahok and Pilot Point received ABE/GED assistance and one (7) received their GED's.</p>

Annual: The year of 2001 was a very successful ABE/GED year compared to recent years. Last year there were 31 GED graduates compared to 2000's 10 GED graduates and 1999's 21 GED graduates.

Internships

Arctic Storm vessel	No vessel internships during this quarter.
Arctic Storm office	One (1) residents worked at the Arctic Storm Seattle office. Annual: This particular intern received a very high evaluation and was extended into an advance position until March 2002. Arctic Storm had 2 successful internships in 2001.
Icicle Seafood's	One (1) resident worked at the Icicle Seattle office. Annual: Icicle had 2 successful internships in 2001
N. Pacific Fishing	One (1) resident worked at Fishermen's Finest Seattle office. Annual: One intern was hired as a full-time regular employee after completion of her internship.
ADF&G	No activity in 4 th quarter. Annual: ADF&G had 3 successful internships in addition to hiring 2 past interns and 2 residents (who were referred to ADF&G through the intern application process and interview) as regular full-time summer employees.
Icicle Plant/Vessel	One (1) resident worked at Icicles Bellingham Plant as Maintenance Intern. Annual: Initiated this maintenance internship at Icicle's surimi plant and the OJT experience has been great for both intern and Icicle.
Alaska Leader	No activity in 4 th quarter.
Bristol Leader	No activity in 4 th quarter.
In-House Office	One (1) Dillingham resident was hired part-time to do end of the year follow-up. She worked for two days and went back to college at UAF in Fairbanks. Annual: One successful summer internship and one great part-time internship during break from college at Christmas time.
Specialized Interns	No activity in 4 th quarter.
Other Interns	No Activity in 4 th quarter. Annual: Our CFAB intern found full-time work at BBNA in Dillingham after completion of his internship. Our Bristol Bay Campus intern, who had very little skills at the beginning of her 9-month internship, entered the nursing program at Florida State University in July 2001 at the completion of her internship. We administered 10 very successful internships throughout the Bristol Bay region. Through these internships several residents have on-going opportunity to develop fishery related careers. One intern at the Dillingham harbor worked successfully all summer, learned new skills and managed the harbor alone. He is now seeking employment at the harbor for the summer 2002 as a regular city employee. One intern at the US Fish & Wildlife Service changed her college interest from Business to Biology after completion of her internship. One intern who was a fishery reporter for a local radio station found that she loved the

fishery and also changed her focus in college. She found out about an internship with CNN news and is working towards applying for that. One intern at Peter Pan Seafood's has been offered a job with them as a regular employee for summer of 2002.

Other Outreach

- March - Assisted with the coordination of a Job/Career Fair in Dillingham.
 - March - A former Naknek Dock Intern was recruited into the Pile Drivers Apprentice Program. He continues to work in the program.
 - April - Referred one person to the BB Campus who received his 6-Pak Certification paid for through grant funds
 - June - One internship applicant was hired full-time at the Naknek dock after not receiving the internship.
 - July - Two residents from Dillingham were hired as full-time summer employees with Peter Pan and one Dillingham resident was hired at National Bank of Alaska through BBEDC recommendation.
 - July - Facilitated drug test for Icicle Seafoods and American Seafoods.
 - August - Initiated Alaska Leader Internship and Icicle Plant Internship in Bellingham Washington
 - September - Provided seven residents crucial information and assistance to obtain their class 'A' CDL.
 - October - Staff participated in CDQ meeting in Juneau
- November – Set-up a 'canned' job fair to travel throughout the Bristol Bay in conjunction with Bristol Bay Campus, BBNA, SWRSD, State of Alaska DOL, ABE/GED and other service providers.

SUBSIDIARIES

19 *Provide academic scholarship program for CDQ community residents*

19.1 **Manage Harvey Samuels Scholarship Trust to provide growth in perpetuity**

19.1.1 Inflation proof Trust:

The earnings from the trust, after scholarship distributions, are used to inflation proof the trust. In addition, five percent of the royalty income is deposited in the trust account.

19.1.2 Review Trust investment policy:

The investment policy was again reviewed at the May board meeting. The Trustee's will consider revisions to this policy at a presentation scheduled for February 2002.

19.2 **Award scholarships annually**

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

At their February 20, 2001 meeting, the Trustee's approved the 2001 scholarship award amount. \$115,740 will be made available to qualified higher education students for the 2001-2002 academic year. Staff has been assisting the BBNA in providing applications to regional residents. The deadline to apply was set for July 13, 2001. Selection of successful, qualified recipients took place during the third quarter. 56 qualified residents received scholarships during the third quarter.

19.3 Provide management of scholarship program

19.3.1 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. Since the creation of the Education Initiative Coordinator position at BBEDC, a more active hands-on role has been taken regarding the scholarship program.

The 2001 Agreement is in place and the program is tracking as planned. Tracking and counseling of students took place during the fourth and will continue into the first quarter of 2002. The Trustees have moved the administration of this program in-house for FY 2002 and beyond. BBEDC staff will be administering and counseling students to better serve our students and have a hands-on approach to higher education.

20 Promote in-region scientific research and education programs

20.1 Establish and fund Bristol Bay Science and Research Institute

20.1.1 Fund program and maintain funding:

The Bristol Bay Science and Research Institute is up and running. The BBSRI Board chose not to renew Paul Rusanowski as the Executive Director and he will complete his contract work during the second quarter. The Board entered into a contract with LGL, a biological consulting firm at the end of this quarter in an effort to cut costs and streamline the administration. This will allow more attention to be given to actual project work. Michael Link was chosen as the Director of the BBSRI during the third quarter.

The Director spent August and September preparing a draft strategic plan that was presented to the BBSRI Board in September 2001.

BBEDC again provided a capital contribution to fund the BBSRI activities for 2002. In addition State Landing Tax Credits have been contributed to enhance the research projects the board identified in December of 2001. Minutes are included in the confidential section.

20.2 Implement research

20.2.1 Develop a research plan for Bristol Bay:

The newly contracted firm of LGL has been retained to first develop a short and long term project and research strategy for 2001 and beyond. The draft plan was completed in the third quarter and presented to the Board for review and approval. LGL has been approved to manage the BBSRI for FY 2002 to begin implementation of several initiatives and projects the board identified.

20.3 Enhance work force development (Education Initiative)

20.3.1 Investigate grant programs to provide funding:

BBEDC continues to search and apply for grants to enhance the educational initiative program. Two educational grant applications were submitted in mid-to late 2000. 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 during 2001. Other related grants funds are also currently being explored and will continue into the next year. Two regional school districts have applied for the Century 21 grant during the first quarter, with support from BBEDC. These grant proposals focuses on developing and

enhancing the work readiness skills of not only our students, but for community members as well.

During the second quarter, staff worked extensively on preparing a proposal to the DOL for an In-School, Out-of-School Youth program in cooperation with the regional school districts and the local workforce in the region. Notice of the award will take place during the next quarter.

In the third quarter, BBEDC was awarded \$109,821.00 to implement a comprehensive work readiness/employability program for youth ages 14 –21 from the Department of Labor. This project has since commenced. This program and grant benefits youth in ALL communities of Bristol Bay, CDQ and Non-CDQ.

- 20.3.2 Implement enrichment projects for Education Initiative:
BBEDC hired an Education Coordinator during the 2nd Quarter of 2000 to work with the 4 regional school districts in implementing the program's goals. See Section 7.3.1 for more information.

21 *Provide ice machines in CDQ communities*

21.1 Implement Grant Requirement

- 21.1.1 Completion of engineering/ordering machinery:

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 during 2001.

RFP's were distributed to 5 engineering and machinery contractors during the first quarter. All responded with a proposal and selection of the awards for the project will occur during the second quarter. Ordering of the machinery and community commitment of ownership will also take place during the second quarter.

Two contractors were selected and approved by BBEDC and EDA during the second quarter. One contractor, Seattle Refrigeration, was selected to refurbish the two large machines located in Dillingham and at the Bristol Bay Borough. The second contractor, Westcold, will actually be providing the machines to the 6 remaining communities with their individual specs included. Scheduling the 6 machines to remote locations in the Bay for delivery in the fall months has proven to be a challenge. A challenge that BBEDC will take on and are confident that we can have the machines in the region, if not the specified community, before freeze up.

In early October, representatives from Seattle Refrigeration visited Dillingham and Naknek in regards to architect and engineering concerns related to the ice machines in these two communities. There were no major hurdles in regards to the project at Bristol Bay Borough. Because of structural problems on the Dillingham dock and the old cold storage facility, it was decided the Dillingham ice machine would be placed at the boat harbor. The representatives from Seattle Refrigeration met with City of Dillingham staff and BBEDC staff to review other concerns and details about the project.

Greg Fisk, BBEDC consultant, drew up contracts with the City of Dillingham and Bristol Bay Borough, BBEDC, EDA and Seattle Refrigeration. Contracts were also drawn up between the communities of Egegik, Port Heiden, Togiak, Ugashik and BBEDC, EDA, and W. E. Stone and Company These contracts dealt with the various requirements dealing with the construction, maintenance and operations of the ice machines. As of the end of December 01, these contracts had been signed by BBEDC, Seattle Refrigeration or W. E. Stone and the respective community. Currently the contracts are in the office of Jim Barnett, BBEDC

Attorney. We are waiting for a couple of minor pieces of paperwork to be submitted to BBEDC by several of the communities. When this is received, the contracts will be delivered to EDA in Anchorage and Jim Barnett will meet with Wes Campbell to verify all EDA requirements have been met for the various phases of the project, and for signing by EDA. The two contractors, Seattle Refrigeration and W. E. Stone, have each been paid 50% of the cost of ice machine construction as per the contracts. This will enable construction to begin on a timely basis so the ice machines can be completed in time for the first barge to Bristol Bay this spring.

As of the end of December 01, the community of Manokotak has not held a community meeting to designate an official to sign the contract for ice machine construction. Until this is taken care of, we are unable to proceed with the Manokotak phase of the project.

The community of Twin Hills decided at a Council meeting on November 15, to table the resolution associated with designating an official to sign the ice machine contract. In talking with William Ilutsik, the Council Administrator it sounds as if the community does not want to proceed with the project.

21.1.2 Installation of equipment:

Staff and the selected bidders are making the arrangements to refurbish the two larger ice machines located in Dillingham and Naknek sometime this fall. The Dillingham cold storage facility is scheduled for dismantling and staff is working with the city to get the machine up and running before next season. Both sites should be operational by the middle of the second quarter. The remaining 6 smaller units are still on schedule for delivery and installation in the fall. Although actual installation and training may not occur this quarter (the feasibility of this will be determined next quarter) it will take place.

Both Contractors that are building the ice machines for the various communities are on schedule for completion of construction so as to be able to put the ice machines on the first barge from Seattle to Bristol Bay this spring. Actual installation is scheduled during 2nd quarter of 2002.

Grant funds from EDA and DCED along with loan funds from the Division of Investments have been used to fund engineering and construction expenses during 4th quarter of 2001.

21.1.3 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.

Regular discussions have been held with the various individuals, communities and agencies involved in this project. This will continue in order to address the activities that need to take place in the 1st quarter of 2002. Major effort will be centered around planning for the shipping, and the actual installation of the ice machines in the communities. This will involve coordinating a number of different tasks and responsibilities. There will also be a need for training of personnel in the communities to do the maintenance and operation work on the ice machines once they are installed. Training will take place at the same time as the ice machines are installed at the various communities. These individuals would do the day-to-day maintenance, repair and upkeep of the ice machines. BBEDC is investigating the need for training a refrigeration expert in order to do major maintenance and repair on the ice machines.

E. OTHER ISSUES

None

III. ADMINISTRATION

A. Board Activities:

1. Changes in the Board:

The following changes in the Board occurred during 2001. The Tribal Council of Aleknagik chose to replace Miriam Olson with former representative Gusty Chythlook. Gusty was present and participated in the May 2001 Board of Director's meeting.

BBEDC is working with the Pilot Point community to identify a new board member to replace Andrew Abyo, who was killed in the October 10 plane crash in Dillingham.

2. Substantial Decisions:

-Completed purchase and paperwork of 10% additional ownership in the C/P Arctic Fjord and Neahkahnie LLC.

-Began due diligence on potential crab vessels and longliner

-Approved 2002 Budget and Workplan.

-Contributed \$281,000 to BBSRI as capital to conduct fisheries research projects

-Substantially increased Regional Fisheries Project budget

-Explore the possibility of new salmon and herring partner

B. Amendment Status:

The following Amendments were filed and approved, with the exception of 01-13 which was denied:

01-10

Sub: Transfer Mackerel and bycatch from BBEDC to NSEDC

11/13/00

11/14/00

11/15/00

01-11

Tech: Add F/V Lisa Marie as a CDQ halibut vessel

12/8/00

12/8/00

12/8/00

01-12

Tech: Transfer BB Red King Crab from BBEDC to YDFDA

01-13

01-14

Tech: Transfer 30 mt of Pollock from YDFDA to BBEDC.

Tech: Transfer FBS from BBEDC to NSEDC

01-15

Sub: Final payment on Arctic Fjord/Neahkahnie additional 10% purchase.

C. Other Issues

None.

IV. HARVESTING REPORT and Processing Report

A. Target Fishery Harvest Activity 4th Quarter 2001

Pollock Harvesting Activity:



	CDQ Allocation	Metric Tons Harvested				Target Fishery Information	
		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	YTD Harvest	% of Target Harvest
A/B Season	11,760.000	5,179.160	6,447.610			11,626.770	39.32%
C/D Season	17,640.000			14,513.200	3,287.630	17,800.830	60.19%
Total	29,400.000	5,179.160	6,447.610	14,513.200	3,287.630	29,427.600	99.51%
Bycatch							
Turbot BS	92.840	0.100	1.140	0.390	0.370	2.000	0.01%
Pacific Cod	2,805.000	12.840	22.560	23.750	0.290	59.440	0.20%
Atka Mackerel 541	87.750		0.010			0.010	0.00%
Yellowfin sole	2,034.000		0.010	0.010		0.020	0.00%
Other flats	483.000	0.160	0.020	0.740	0.700	1.620	0.01%
Rock sole	1,293.750	12.390	5.830	0.440	0.050	18.710	0.06%
Flathead sole	600.000	14.370	21.100	2.680	2.760	40.910	0.14%
Arrowtooth	183.610	1.010	0.340	1.320	1.110	3.780	0.01%
Other species	552.083	5.480	6.760	4.560	0.450	17.250	0.06%
Other rockfish - BS	5.670		0.300	0.010		0.310	0.00%
Pacific Ocean Perch (BS)	27.300			0.230	0.070	0.300	0.00%
Sablefish Trawl (BS)	11.800			0.030	0.060	0.090	0.00%
Other POP (SRSN, BS)	1.800		0.080			0.080	0.00%
TOTAL		5,225.510	6,505.760	14,547.360	3,293.490	29,572.120	100.00%
PSQ Bycatch							
Halibut mortality	75.460	0.980	0.530	0.460	0.270	2.240	0.01%
PSQ Chinook	646.000	185.570	97.290	29.650	91.350	403.860	0.014
PSQ Other salmon	662.000	5.170		772.380	167.650	945.200	0.032
PSQ Bairdi Zone 1	13,140.000	2.730				2.730	0.000
PSQ Bairdi Zone 2	34,155.000	1.900		3.990		5.890	0.000

1) Summary of harvesting activities by target fishery:

During the fourth quarter of 2001, only the Arctic Fjord harvested CDQ. A total of 3,287.6 MT was harvested.

2) Summary of bycatch:

Bycatch in this quarter was fairly clean. However, Arctic Fjord did encounter 167 Other salmon, which brought the yearly total to 945. This appears to be an overage, but in fact it was not. Apparently salmon caught in the CVOA, but outside of the CSSA accrues against the Chum cap.

Pacific Cod Harvesting Activity:



	CDQ Allocation	Metric Tons Harvested				Target Fishery Information	
		1st Qtr.*	2nd Qtr.	3rd Qtr.	4th Qtr.	YTD Harvest	% of Target Harvest
Cod	2,805.000	9.950	2,221.690	52.540	381.810	2,665.990	84.41%
Bycatch							
Sablefish Fixed Gear (BS)	34.320		0.010			0.010	0.00%
Turbot (BS)	92.840		4.180	1.400		5.580	0.18%
Non- Pollock Quota - BS	N/A	0.150	97.250	1.530	8.850	107.780	3.41%
Non- Pollock Quota - AI	N/A		0.010			0.010	0.00%
Atka Mackerel 543	13.950		0.010			0.010	0.00%
Yellowfin Sole	2,034.000		0.880	0.010	0.060	0.950	0.03%
Other Flatfish	483.000	0.060	1.000	0.020	0.070	1.150	0.04%
Rock Sole	1,293.750		0.080			0.080	0.00%
Flathead Sole	600.000		1.140	0.050	0.510	1.700	0.05%
Arrowtooth	183.610		2.700	0.590	0.890	4.180	0.13%
Other species	552.083	0.360	331.920	10.320	28.240	370.840	11.74%
Other Rockfish (BS)	5.670		0.010			0.010	0.00%
Other Rockfish (AI)	8.670		0.020			0.020	0.00%
Sharp/Northern (AI)	60.900		0.020			0.020	0.00%
TOTAL		10.520	2,660.920	66.460		3,158.330	100.00%

PSQ Bycatch

Halibut mortality*	75.460	0.050	9.280	0.730	1.010	11.070	0.35%
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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

*The catch estimates in the 1st quarter for cod changed from 9.94 to 9.95, OS changed from 0.37 to 0.36.

This may have been due to a post voyage correction.

1) Summary of harvesting activities by target fishery:

During the third quarter of 2001 the Bristol Leader and Alaskan Leader harvested 381 MTs of cod.

2) Summary of bycatch:

Bycatch was in line with historical performance.

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	110,919	110,597	99.70%	100.00%

1) Summary of harvesting activities by target fishery.

BBEDC had three vessels initially harvesting BB Red King Crab: Bristol Mariner, Northern Mariner, and the Nordic Mariner. These three vessels harvested all but 3,173 lbs, which was subsequently transferred to YDFDA. YDFDA’s vessel the Lisa Marie caught 2,851 pounds, which left 322 pounds unharvested.

2) Summary of bycatch:

There was no bycatch reported for this fishery.

CDQ Transfers

Species	Metric Tons Allocated	Metric Tons Harvested YTD	% of Allocation	Transfer In	Harvested YTD	Metric Tons % of Transfer Harvested
Other Species	337.960	337.960	100.00%	214.123	60.613	28%
Species	Metric Tons Allocated	Metric Tons Harvested YTD	% of Allocation	(Transfer Out)	Metric Tons Harvested YTD	% of Transfer Harvested
Non-Specific Reserve	241.250	0	0%	214.123	0	0%
Atka Mackerel 543	313.950	0.010	0.00%	300.000		
Atka Mackerel 542	378.000	156.750	41.47%	210.000		
Atka Mackerel 541	87.750	50.000	56.98%	50.000		
Arrowtooth	187.610	11.778	6.28%	4.000		
Turbot (AI)	41.600	0.000	0.00%	1.000		
Pacific Cod	2,820.000	2,750.825	97.55%	15.000		
POP 543	53.400	0.000	0.00%	48.000		
Sharp/Northern (AI)	75.900	4.820	6.35%	35.000		
Short/Rougheye (AI)	12.240	0.002	0.02%	2.000		
Other Rockfish (AI)	8.670	0.690	7.96%	2.000		
O. Red Rockfish	1.800	0.080	4.44%	0.160		
BB Red King Crab (lbs)	110,919	107,746	97.14%	3,173	2,851	89.85%

Catch data from some of the groundfish transfers were not available at time of submission

B. Processing Report

Pollock Processing Activities

During the second quarter, the Arctic Fjord’s CDQ production was 161.34 Mt of surimi, 268.21 Mt of fillet/block and 14.86 Mt of roe, for an overall recovery rate of 29.50%.

Pacific Cod Processing Activities

The Pacific Cod processed on the Bristol Leader and Alaskan Leader was made into both collarbone-on and collarbone-off product forms.

Bristol Bay Red King Crab Fishery

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

C. Compliance/Enforcement Issues

Pollock Fishery

The Arctic Fjord exceeded BBEDC’s pollock allocation by 27.581 MT. This occurred on October 30, during the last tow of CDQ fishing (Tow #642). The vessel had taken extra precautions to avoid exceeding the allocation by placing additional catch indicators on the cod end and cutting a blow out panel in the intermediate. However after the catch indicator went off, the vessel started retrieving the net and

there was a wall of Pollock in front of the net. Retrieving the net through the solid school of Pollock resulted in the overage.

This incident was voluntarily report to NMFS Sustainable fisheries division and NMFS Enforcement.

Pacific Cod Fishery

There was no compliance or enforcement issues reported this quarter.

Bristol Bay Red King Crab Fishery

There was no compliance or enforcement issues reported this quarter.

D. Other Fishing Issues/Activities

N/A

BBEDC 2001 CDQ Harvests By Quarter & Yearly Total

Species	2001 CDQ	Trans	Trans	Metric Tons Harvested				YTD	Percent of
	Allocation	In	Out	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Harvest	Allocation
Atka Mackerel									
Eastern 541	87.750		50.000		0.010	24.780		24.790	65.7%
Central 542	378.000		210.000			156.750		156.750	93.3%
Western 543	313.950		300.000		0.010			0.010	0.1%
Arrowtooth	187.610		4.000	1.010	5.778	2.990	2.000	11.778	6.4%
Other Flatfish	483.000			0.220	21.204	0.760	0.770	22.954	4.8%
Flathead Sole	600.000			14.370	57.702	2.770	3.270	78.112	13.0%
Turbot (BS)	92.840			0.100	7.696	1.790	0.370	9.956	10.7%
Turbot (AI)	41.600		1.000					0.000	0.0%
Pacific Cod	2,820.000		15.000	22.790	2,261.225	84.710	382.100	2,750.825	98.1%
Pollock	29,400.000			5,179.160	6,447.610	14,513.200	3,287.630	29,427.600	100.1%
A/B Season	11,760.000			5,179.160	6,447.610			11,626.770	98.9%
C/D Season	17,640.000					14,513.200	3,287.630	17,800.830	100.9%
Non- Pollock Quota - BS	N/A			0.150	125.802	1.530	8.850	136.332	N/A
Non- Pollock Quota - AI	N/A				0.010	0.220		0.230	N/A
Pacific Ocean Perch (BS)	27.300					0.230	0.070	0.300	1.1%
Pacific Ocean Perch (AI)									
Eastern 541	32.700					15.470		15.470	47.3%
Central 542	28.800							0.000	0.0%
Western 543	53.400		48.000					0.000	0.0%
Other POP (SRSN, BS)	1.800		0.160		0.080			0.080	4.9%
Sharp/Northern (AI)	75.900		35.000		0.020	4.800		4.820	11.8%
Short/Rougheye (AI)	12.240		2.000			0.002		0.002	0.0%
Other Rockfish (BS)	5.670				0.326	0.010		0.336	5.9%
Other Rockfish (AI)	8.670		2.000		0.020	0.670		0.690	10.3%
Rocksole	1,293.750			12.390	80.080	2.460	0.050	94.980	7.3%
Sablefish Trawl (BS)	11.800					0.030	0.060	0.090	0.8%
Sablefish Trawl (AI)	10.810							0.000	0.0%
Sablefish Fixed Gear (BS)	34.320				11.653			11.653	34.0%
Sablefish Fixed Gear (AI)	75.000							0.000	0.0%
Yellowfin Sole	2,034.000				151.096	0.020	0.060	151.176	7.4%
Other Species	337.960	214.123		5.840	347.163	16.880	28.690	398.573	72.2%
Non Specific Reserve	241.250		214.123					0.000	0.0%
4D Halibut (in lbs)	117,000				142,811	540		143,351	122.5%
4E Halibut (in lbs)	158,340					104,264		104,264	65.8%
BS Opilio (in lbs)	356,833			352,270				352,270	98.7%
BB Red King Crab (in lbs)	110,919		3,173				107,746	107,746	100.0%
Prohibited Species									
Halibut (MT)	75.460			1.030	14.013	3.620	1.280	19.943	26.4%
Bairdi Zone 1 (#s)	13,140.000			2.730	682.512			685.242	5.2%
Bairdi Zone 2 (#s)	34,155.000			1.900	404.904	3.990		410.794	1.2%
Opilio Tanner Crab (#s)	71,775.000							0.000	0.0%
Red King Crab (#s)	1,673.000							0.000	0.0%
Chinook Salmon (#s)	646.000			185.570	97.290	29.650	91.350	403.860	62.5%
Other Salmon (#s)	662.000			5.170		772.380	167.650	945.200	142.8%