

BBEDC

4th Quarter Report 2002

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I. Quarterly and Annual Highlights

- Successfully planned and held the first ever Bristol Bay Salmon Camp & Science Academy with 15 students participating from the region. The planning process for the 2003 Camp was completed in 2002.
- The Harvey Samuelson Scholarship Trust (HSST) was granted 501C3 Non-Profit Status in 2002.
- In 2002 the administration of the HSST fund was brought in-house and BBEDC staff developed and distributed a new scholarship application packet.
- The HSST awarded 76 post-secondary scholarships for a total of \$140,946.
- A BBEDC resident was promoted from a regular deck position into a deck boss position on the Alaskan Leader.
- The Seafood Employment Specialist Internship was initiated with the State of Alaska Seafood Employment Program in Anchorage for Bristol Bay college students.
- BBEDC applied for and was successfully awarded a \$900,000 grant to create a Peer Worker Outreach program in Bristol Bay. The program created eight Peer Worker staff positions and a Regional Peer Worker Coordinator. The positions are located in Togiak, Dillingham, Koliganek, Newhalen, Egegik, Chignik Lake, Naknek, and Anchorage.
- Contacted 1200 fishermen in Bristol Bay, both CDQ and non-CDQ communities, to inform them of employment/training alternatives and the overall goals and objectives of the Peer program.
- The Child Support Enforcement Division Rural Outreach Coordinator spent three days traveling to several Bristol Bay communities with BBEDC Peer Workers to provide assistance to custodial and non-custodial parents.
- BBEDC's Employment and Training Director was named by Governor Knowles to the Workforce and Investment Board.
- BBEDC staff and consultants developed an overall plan for quality and marketing initiative under the direction of the Regional Fisheries Committee.
- In 2002 seventy eight halibut permit applicants were approved out of ninety four applicants for the 4E halibut fishery. Forty nine participants harvested 206,000

pounds of halibut for a value of approximately \$360,000. The 2002 harvest was the largest so far.

- Halibut workshops on fishing methods and quality control were held in Dillingham, Togiak and Naknek. The National Marine Fisheries Service also participated. BBEDC provided funding for fishermen from other Bristol Bay communities to attend the three workshops.
- BBEDC began a pilot program to equip 57 drift fishermen and 15 set net fishermen with slush bags and fish hold insulation materials. A tender was leased to deliver ice to the fishermen. Fishermen who participated received several cents more a pound for their catch.
- Ice machines were delivered to the BBEDC communities of Egegik, Ugashik, Port Heiden, Togiak and Dillingham. The machines are expected to be operational during the 2003 salmon season. The primary source of funding was from grants totaling more than \$600,000.
- Sixteen of the seventeen BBEDC communities in 2002 applied for the Infrastructure Matching Fund monies of \$100,000 per community.
- In October, four BBEDC residents traveled to Washington, D.C. to market Bristol Bay Salmon at the Natural Foods Show. The group also toured a processing facility in Maine and spoke with a writer for the Seafood Business magazine, which generated an article in the November issue.
- BBEDC's non-profit subsidiary company, Bristol Bay Science and Research Institute (BBRSI), formed a multi-disciplinary team to study options for restructuring the Bristol Bay salmon fishery. The research is fully funded and by BBEDC and is the first study of its nature in Alaska fisheries. It will be completed February 2003.
- BBRSI developed a proposal to submit to the North Pacific Research Board to address the Kvichak District fisheries collapse.
- The IRS "Fish Group" traveled to twelve Bristol Bay communities and helped prepare 1,274 income tax returns. However, due to budget constraints, the effort will be discontinued by the IRS in 2003. BBEDC is exploring with the IRS other methods of providing the services.
- BBEDC Permit Brokerage staff had phone contacts with 1,079 fishermen in Bristol Bay on a variety of issues relating to permit/vessel transfers, sales, tax issues and child support cases.

- Permit Brokerage staff facilitated fishing permit and boat licensing for 100 plus individuals and assisted in six emergency permit transfers.
- BBEDC Board member Hazel Nelson was named to a three-year term on North Pacific Fishery Management Council.
- BBEDC quota manager Eric Olson was named to a one-year term on the Advisory Panel to the North Pacific Fishery Management Council.
- BBEDC signed a one-year agreement with American Seafood's to harvest a portion of its CDQ pollock quota.
- BBEDC coordinated an effort with three other CDQ groups to sign a joint- 2003 harvesting agreement with United States Seafood's to harvest the groups' CDQ Atka Mackerel, Flathead Sole, Rock Sole and Yellow fin Sole quota.
- BBEDC increased its equity ownership in the Arctic Fjord from 20% to 30%.
- BBEDC recently negotiated an investment (50%) in Dona Martita, LLC, owner of two onshore pollock catcher vessels.
- BBEDC Board Chair Robin Samuelsen was appointed by the Legislature to serve on the Salmon Task Force.

II. COMMUNITY DEVELOPMENT

A. Progress Towards Goals, Objectives, Milestones

ADMINISTRATION

1 *Maintain effective and efficient Board of Directors.*

1.1 Review board activities annually

- 1.1.1 Review policies, procedures, articles and bylaws:
No changes were made to existing policies, procedures, articles and bylaws during 2002.
- 1.1.2 Review committee and officer positions:
Elections of officers and committee appointments took place during the November 2002 meeting.
- 1.1.3 Review and revise board calendar:
The 2003 board calendar was reviewed and adopted at the November 2002 Annual meeting.
- 1.1.4 Conduct board training:
A two day strategic planning took place in February 2002. Board Alternatives attended the February session to better educate and inform their CDQ communities regarding BBEDC activities.

1.2 Develop and maintain strategic and annual plans

- 1.2.1 Review long range strategic plan and modify as needed:
BBEDC held a Strategic Planning session the second week of February 2002.
- 1.2.2 Approve annual operating plan and budget:
The 2002 annual operating plan and budget were approved at the November 2003 Annual meeting. Adjustments were made to the 2002 budget by the Board at their February meeting in preparation 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 scheduled to be reviewed at the May 2002 Board meeting. This process will continue into 2003. The Organizational Chart was amended to reflect the new structure and position titles.
- 2.1.2 Review staff structure:
See 2.1.1 above.

2.2 Recruit and retain skilled staff

- 2.2.1 Perform staff evaluations:

Staff evaluations take place regularly as annual anniversary dates occur.

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

3.1 Allocate royalty income

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

3.2 Prepare annual budgets

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

3.3 Prepare monthly and quarterly financial statements

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

3.4 Review fund manager's performance annually

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

This policy was reviewed at the scheduled Finance and Audit Committee meeting in February 2002. No changes were made to existing investment policies.

3.5 Prepare annual audit and approve

- 3.5.1 Prepare and approve annual audit/agreed upon procedures:
The preparation for the 2001 audit began in the 1st quarter 2002. The audit took place in early second quarter. The Agreed Upon Procedures and financial statements were presented to the Board during the May meeting.
- 3.5.2 Review and approve auditors:
This action took place during the February 2002 Board meeting. KPMG was retained as the auditor.

4 Meet all regulatory requirements

4.1 Prepare quarterly reports

- 4.1.1 Prepare and file quarterly reports:
Staff is continually working on improving the accuracy and timely submission of the Quarterly report.

4.2 Prepare annual report and audit

- 4.2.1 Prepare and file annual report and audit:
Staff coordinated with the auditors during the 1st Quarter 2002 (they arrived in Dillingham early 2nd Quarter). After the Board approved the audit in May 2002, it was sent to the state.

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 whenever necessary. A house keeping amendment was forwarded to the State in February of 2002. Other 2003-2005 CDP revisions were submitted to the State.

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 to monitor compliance with CDQ quotas.

5.2 Support and maintain real-time management system

- 5.2.1 Maintain real-time management system:
In 1998, in conjunction with several other CDQ groups BBEDC contracted with Sea State to monitor CDQ harvest rates. This relationship was continued into calendar 2002.

5.3 Review and approve annual CDQ fishing plans

- 5.3.1 Review and approve Arctic Storm CDQ Fishing Plan:
The 2002 Fishing Plan was received and approved during 2nd quarter 2002.
- 5.3.2 Review and approve Bristol Leader CDQ Fishing Plan:
The 2002 Fishing Plan was received and approved during 2nd quarter 2002.
- 5.3.3 Review and approve North Pacific CDQ Fishing Plan:
The 2002 Fishing Plan was approved during 2nd quarter 2002.
- 5.3.4 Review and approve Kaldestad CDQ Fishing Plan:
The 2002 Fishing Plan was received and approved during the first quarter of 2002.
- 5.3.5 Review and approve Icicle CDQ Marketing Plan:
The 2002 CDQ Marketing Plan with Icicle was approved during first quarter 2002.

5.4 Hold annual review meeting with CDQ partners

- 5.4.1 Arctic Storm Annual Mtg/Review Royalty and Employment Agreements:
The Annual Meeting took place in December 2002 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 2002 in Seattle with the COO, fisheries consultant, Board representative and Quota Manager in attendance.
- 5.4.3 North Pacific Annual Mtg/Review Royalty and Employment Agreements:
The Annual Meeting with North Pacific took place during the first quarter of 2002 in Seattle with the COO, Fisheries Consultant and Quota Manager in attendance.
- 5.4.4 Kaldestad Annual Mtg/Review Royalty and Employment Agreements:
The Annual Meeting with Kaldestad took place during the first quarter of 2002 in Seattle with the COO, Lead Consultant and Quota Manager in attendance.
- 5.4.5 Icicle Annual Mtg/Review Royalty and Employment Agreements:
The Annual Meeting with Icicle took place during the first quarter in 2002 in Seattle with the COO, Lead Consultant and Quota Manager in attendance.

5.5 Manage 4E halibut fishery to maximize benefits to residents

- 5.5.1 Manage fishery to maximize benefits to residents:
During the 1st Quarter 2002, BBEDC staff widely advertised the availability of 4E CDQ halibut permits to CDQ residents. The deadline for applications was April 15, 2002. Each CDQ community and tribal office was notified. BBEDC Board members were also notified and advertisements were placed in local cable TV stations and newspapers. Additionally the local radio stations carried announcements and staff regularly contacted the public radio station KDLG to make announcements on the live air show "Open Line".
- 5.5.2 Facilitate the establishment of stable markets for 4E Halibut:
Marketing efforts continued through the 1st quarter. Consultants traveled to the U.K. to renew and make new contacts in England for Bristol Bay fish: primarily from Togiak and Naknek. These were good initial steps and that hopefully can be furthered in the near future. Staff and the Regional Fisheries committee are also focusing on establishing halibut markets for regional fishermen.
- 5.5.3 Workshops to promote good fishing practices, limit bycatch and hook loss:
BBEDC Employment and Training Director coordinated a series of

halibut training workshops utilizing local talent, an employee of a seasonal fish processing company, and the Executive Director from the newly opened Southwest Vocational Technical Center. Workshops were held in Togiak, Dillingham and King Salmon/Naknek, in early 2nd 2002.

5.6 Work continuously with other CDQ groups on harvesting issues

- 5.6.1 Work with other CDQ groups on CDQ harvesting issues:
In 2002, BBEDC's Fisheries Quota Manager maintained regular contact with other CDQ groups regarding fishery harvest management issues. A considerable amount of time was spent during the year working with other CDQ Quota Managers at the NPFMC to resolve the "other species" quota issue.

Efforts to ward off deterrents involved in effectively prosecute the "other ground fish" species are continually being pursued by all groups. Fishery quota managers from all six CDQ groups meeting regularly to discuss these and other fishery harvest management issues.

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 outsourced a design and layout artist for the first quarter "BBEDC Tide, for information that flows" Newsletter. Staff will have the newsletter mailed out early in the second quarter. BBEDC regularly incorporates suggestions received from the public in an attempt to continuously improve the format.

Bristol Bay residents read the quarterly newsletter on a regular basis. For example, job and training inquiries surface immediately after the mailing of the newsletter. Staff periodically uses hidden questions and prizes to entice residents to keep residents informed of activities of BBEDC. The regional fisheries committee has a regular column to keep residents informed on quality and marketing issues that BBEDC is involved with.

6.2 Maintain informational bulletin board in each community

- 6.2.1 Update information monthly:
BBEDC is the only CDQ group to have a Peer Worker Outreach program. Eight communities have a peer worker who, as a local resident, acts as a liaison between BBEDC and the local community. The peer workers also provide important contact information on BBEDC programs and other governmental and non-governmental resources that might be available to the community.

6.3 Prepare and distribute Annual Activities Report

6.3.1 Prepare and distribute Annual Activities Report:

The BBEDC annual activities report will be planned and developed during the 2nd quarter 2002 with distribution to residents that took place during the 2002 3rd quarter. In an effort to avoid mail outs to transient population; staff has opted to delay distribution until after the fishing season.

6.4 Maintain an Internet web page for BBEDC

6.4.1 Offer a website with current BBEDC information:

BBEDC continues to utilize a contractor to review, comment and update the web page. The new website if schedule for completion during 1st quarter 2003. Changes will be made on a regular weekly or monthly basis by BBEDC staff. Staff is working on adding job, training and scholarship applications on the web site to accommodate interested persons. Staff also plans on listing links with other websites, service providers, and various scholarship opportunities to provide maximum access to BBEDC residents via the website.

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 first quarter BBEDC participated in community or agency meetings with the following entities:

BBNA Full Board in King Salmon– Update from BBEDC Staff regarding Bristol Bay Rationalization plan
SWAMC Winter Conference attended by C.O.O. and Grants Manager
DOL Seafood Employment office representatives to finalize internship program with BBEDC E/T Director

During the 1st quarter 2002 staff traveled to the following communities to promote BBEDC:

Recruit and support scholarship recipients in Anchorage and Fairbanks;

Travel to Manokotak and King Salmon to talk to high school seniors about employment and training and scholarship programs. C.E.O. and C.A.O. traveled to Clarks Point to participate in a community meeting regarding the closure of Trident's shore based processing facility

Staff also traveled 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 first quarter several opportunities for employment, training, scholarships, and halibut applications were advertised in the region

through flyers, radio announcements, and faxes to community offices, Board member weekly mail-outs and cable advertisements. See attached appendix – CDQ Community Outreach List

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. Hazel Nelson was confirmed as a replacement for Robin Samuelsen as a voting member on the NPFMC. Eric Olson was confirmed as a member of the Advisory Panel.

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

7 Provide Work Readiness training through Education Initiative

7.1 Develop and implement Work Readiness curriculum for regional school districts

7.1.1 Implement Work Readiness program in classroom:

Each of our regional school districts are facing significant budget cuts/shortfalls, as a result some districts have cut their Voc. Ed programs significantly. The full implementation of a K-12 work readiness curriculum relies heavily on each districts Voc. Ed programs as this is our avenue of implementation. BBEDC continues to work with each district in finding solutions to these barriers so that a comprehensive work readiness curriculum is implemented into each classroom. BBEDC continues to work with each school district in the implementation of a work readiness curriculum. The grant from the Department of Labor WIA awarded to BBEDC will support the implementation of the Work readiness curriculum.

1/18-22/02 Traveled to Anchorage to attend BBEDC's strategic planning.

3/4-8/02 Traveled to Anchorage and Fairbanks for campus visits to scholarship recipients

3/19/02 Traveled to Naknek to give a presentation at the school on the H.S. Scholarship program, and to work with youth in WIA youth grant.

3/21/02 Traveled to Manokotak to give a presentation at the school on the H.S. Scholarship program.

3/31-4/6/02 Traveled to Seward with 14 youth from our WIA youth employability program to attend a Career Exploration course at AVTEC.

Non-CDQ Benefits:

Both in-school and out-of-school youth from Nondalton and New Stuyahok continue to participate in BBEDC's work readiness/employability program. The program provides basic academic skills tutoring, work-readiness training, paid work experiences, counseling, job search/development/placement, employability training, etc.

7.2 Continue to refine and individualize curriculum

- 7.2.1 Make program suitable for individual community needs:
BBEDC continues to improve and refine the curriculum with input from the school districts.
As part of the "Salmon Camp" program, a supplemental curriculum is being developed that will help integrate fisheries-related activities into classrooms throughout the region. Professional biologists, teachers, and researchers will help in the development of this curriculum.

7.3 Monitor and support delivery of Work Readiness Program

- 7.3.1 Provide support for program delivery:
BBEDC continues to monitor the delivery of the work readiness program through frequent contact, via email, phone and in-person meetings.
Support is offered to each district in the purchasing of materials and supplies, teacher in-service training, developing relationships with local employers and agencies, travel, and curriculum development/refinement. Our youth employability program, through grant funds from the DOL provides for basic academic skills tutoring, work-readiness training, paid work experiences, counseling, job search/development/placement, employability training, etc. The total award from the DOL was \$145,701.00

7.4 Plan for development of stable local workforce

- 7.4.1 Conduct regional survey of available and future jobs:
To date, none of our grant proposals to develop the "jobs" survey have been funded. We are currently reevaluating this project and exploring ways to further this goal, which will be addressed once the "jobs" survey is completed and analyzed.
- 7.4.2 Develop plan for training residents and providing needed skills:
Our "Bristol Bay Comprehensive Work Readiness project" is well underway with youth from the region participating. This project focuses on youth ages 14-21 and will assist them in developing: basic academic skills needed to succeed in the workforce, occupational skills, work readiness skills, and will provide them with real life work experiences.
- 7.4.3 Develop educational funding plan to encourage participants to return to region:

We are currently developing a student loan forgiveness plan that will entice residents to return to the region once training and education programs are complete. This plan will be included in our 2003-2005 CDP.

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

8.1 Provide for continued operation of the Bristol Bay Permit Brokerage

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

8.2 Retain permits in regional resident ownership

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

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

8.3.1 Contact 150 permit holders in arrears with IRS:
Staff continues to have a close relationship with the IRS and will persist in representing clients to the best of our ability. During the first quarter, IRS representatives traveled to Dillingham, New Stuyahok, Kokhanok, Togiak, Manokotak, Koliganek, Iliamna, Nondalton, King Salmon, Egegik, Levelock, Clarks Point, and Ekwok took place. More than 1200 tax returns were completed for the 2001 tax year. The final outreach trip took place in April to follow-up with residents who had been preparing their tax returns.

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:

- 1 regarding BIA Credit and Finance information;
- 13 regarding CFEC services or assistance required in filling out forms;
- 2 regarding Child Support issues;
- 5 regarding E/T issues;
- 110 regarding IRS issues;
- 44 regarding loan issues;
- 31 inquiries were made regarding sales of limited entry permits or vessels; and
- 16 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 2002: Chignik, Chignik Lagoon, Iliamna, Kokhanok, Koliganek, New Stuyahok, Newhalen, and Nondalton.

9 Enhance and expand regional fisheries opportunities in Bristol Bay

9.1 Develop an annual regional fisheries work plan

- 9.1.1 Select several initiatives annually for regional development:
A review of the Board approved 2002 work-plan was conducted during the first quarter by the Regional Fisheries Committee. The RFD Committee recommended that consultant time in 2002 be focused on developing and implementing a Bristol Bay salmon strategy designed to counteract the declining market share for Bristol Bay salmon. The strategy will also create awareness of the Bristol Bay salmon species in markets which may have positive experience with Copper River salmon but have not yet been exposed to Bristol Bay King, sockeye, and silvers.

The Committee also recommended that BBEDC undertake studies of how to reduce operating costs, increase efficiency and improve profitability in the industry. These studies will include but not limited to the following:

reduction in transportation costs and improvement in transportation infrastructure and options; cooperative buying of fuel and gear; and buybacks, permit reform and other means to optimize participation levels in the fishery.

A salmon restructuring committee was formed during the first quarter to address the revitalization of the Bristol Bay salmon fishery. Industry experts and the Executive Committee will be the appointed panel members. BBEDC has contracted the BBSRI Director to be the project lead. Projected completion date of this monumental study is early first quarter 2003. Periodic updates of the progress of the study were provided in 2002.

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

9.2 Investigate and identify under-utilized species

- 9.2.1 Perform test fisheries in various areas of Bristol Bay:
Test fisheries concluded in 2001. This milestone has been satisfied. No further reporting will be necessary.

- 9.2.2 Perform survey of surf clam zone:
The current legislative and political environment has not provided BBEDC with the opportunity to conduct this survey. The project was monitored in 2002 with little activity.
- 9.2.3 Continue product and market research on identified and possible commercial species:
BBEDC continues to look at markets for such species as snails and other products. Although BBEDC will continue to research the possible production and marketing of salmon and other products, significant need to refocus on the salmon marketing efforts has taken priority. However, investigative work on developing bait products for longline and other groundfish will be ongoing throughout the year. The Regional Fisheries Committee revisited their commitment to continue to identify new markets and new product forms for regional fisheries in the first quarter. Substantial quantities of herring and salmon carcasses are disposed of each year by our processing partners. Technology to turn this into usable bait exists. Utilizing waste for bait production has a good chance of gaining grant funding support.

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

- 9.3.1 Investigate market opportunities:
Marketing opportunities were identified to profile Bristol Bay sockeye, king and halibut were demonstrated at Selfridges in London in 2001. Contacts were reestablished 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 and Naknek. These were good initial steps forward and can be built upon next year. In December 2001, consultants and staff coordinated State Specialty Salmon Marketing Mini-Grant applications in support of projects in Togiak (TOGIAK KING SALMON HIGH VALUE MARKETING) and Naknek / Paug-Vik (BRISTOL BAY SOCKEYE FROZEN PORTIONS FOR EXPORT MARKETS). BBEDC was awarded on both these grants \$29,500 for the Togiak project, and \$30,000 for Paug-Vik. BBEDC staff and consultants have now managed to write four successful applications for this program in the last three years – a record we are proud of. These grants will further strengthen existing specialized market relationships in the United Kingdom and Western Europe. A follow-up marketing trip occurred in the first quarter with two consultants traveling to the United Kingdom.

Consultants and staff continue to work with companies in the U.K and Western Europe 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. It is

encouraging to know that these initial contacts in 2001 have indicated expansion of the Marketing projects for the 2002 season and beyond. 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. 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.

Regional Fisheries Committee members continue to revisit and reinforce their commitment to quality issues. The Regional Fisheries Committee members are extremely concerned about the quality issues that Bristol Bay fishers face during the fishing season. The commitment to ice projects such as the ice-machine projects in 6 communities, slush bag programs, and an in-depth review of the feasibility of an ice-barge in Bristol Bay are several alternatives that the RFD has approached. As a result of this concern, consultants received a State of Alaska Regional Salmon Marketing grant of \$130,000 to address Marketing/Branding and Quality issues.

- 9.3.3 Explore value-added and shoulder season opportunities in-region:
See 9.3.1 regarding Togiak King Salmon project.

Contacts were made with potential buyers and a reprocessor in Europe on a trip that BBEDC consultants made in late first quarter. Exploratory discussions 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.

Numerous other contacts were made 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) in addition to the CDQ species.

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. Marketing grants were awarded to BBEDC communities of Togiak and King Salmon to develop high value marketing grant in the amount of \$29,500 and a Bristol Bay frozen portions export grant for \$30,000. A Regional Marketing grant in the amount of \$130,000 was awarded for Marketing/Branding and Quality Standard projects.

9.4 Promote Arctic Surf Clam Alaska Inc.

- 9.4.1 Continue efforts to win regulatory approval for projects:
See 9.2.2
- 9.4.2 Maintain ongoing discussions between BBEDC and Clearwater Seafood's:
Periodic contact is made and updates received on the subject through BBEDC consultants.

10 *Develop program for Sustainable Flatfish*

10.1 Non Profit-Active / Community Development Project

- 10.1.1 Research and develop the markets for CDQ flatfish:
No activity occurred during the first 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 took place in 2002 although staff continued to explore and refine new technology methods.
- 10.1.4 Endeavor to establish working relationships with other CDQ groups:
This in ongoing, as the Quota Manager is in regular 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 2002 to provide information and conduct financial planning workshops. However, soft runways and weather prevented them from actually meeting with the residents in person. Rescheduled travel plans to present are ongoing.

Plans are in the works to provide workshops within several CDQ communities on business development and BBEDC's programs during the remainder of 2002.

The Technical Assistance team has made efforts to streamline the Technical Assistance application to make it more user friendly during the first quarter.

Advertisement and solicitation for an Outreach and Economic Development person took place in the first quarter. This position will assist the Technical Assistance team in disseminating information regarding the Infrastructure Development, Regional Business, and Infrastructure matching projects.

11.1.2 Provide technical assistance for development of business and infrastructure proposals:

The following projects are ongoing and were followed up during the first quarter of 2002:

At the request of the City of Egegik the approved matching funds of \$100,000 was declined. As a result, discussion has been ongoing between BBEDC staff and the City of Egegik regarding utilizing the matching funds for an Egegik dock project or dock improvements.

Discussion has continued with the community of Levelock regarding their application for technical assistance business development funds for a processing plant project.

The BBEDC Board approved changes to the Manokotak and Togiak dock projects. ABDC and BBEDC staff is working with Togiak and Manokotak to prepare bids for the dock projects.

In early March, Ugashik traditional council contacted BBEDC staff in regards to potential funding for dock improvements. Discussions will continue with Ugashik on identifying possible funding sources. Ugashik Traditional Council has hired a grant writer to work with ABDC staff and BBEDC staff to expedite the process. An application was received from the Ugashik traditional council in the second quarter 2002.

There has been some interest from several community members in regards to Regional Business Development funding.

The interest in Technical Assistance, Regional Business Development, and Regional Business Development increased in 2002. BBEDC is working to better inform tribes, cities and boroughs of the program through a new position introduced in 2000.

11.2 Provide for professional review of funding requests

- 11.2.1 Review funding requests and make recommendation to the BOD:
See 11.1.2 regarding Togiak and Manokotak dock projects.

12 "Jump start" in-region businesses

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

- 12.1.1 Maintain a \$500,000 fund balance from ASIF income each year for possible investment:
This item was budgeted for 2002.

12.2 Provide financial support for approved proposals

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

12.3 Monitor businesses receiving BBEDC financial support

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

13 Jump start in-region infrastructure development

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

- 13.1.1 Maintain a \$500,000 fund balance in reserves each year for possible investment:
This was budgeted for in the 2002 budget.

13.2 Provide matching funds for approved proposals

- 13.2.1 Review, approve and provide matching funds for recommended proposals when feasible:
Matching funds had not been distributed for the Manokotak and Togiak dock projects during second quarter 2002.

At the request of the City of Egegik the request for \$100,000 was pulled and the Electric project ended. Ongoing discussions between the City of Egegik and BBEDC staff regarding utilizing the matching funds for an Egegik dock project or dock improvements have occurred.

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

- 13.3.1 Advertise Program:
Staff has promoted this program through advertisements, meetings and letters to qualified communities during the first quarter. Extra copies of the program brochures and applications were distributed during the Strategic Planning session in February 2002.

In an effort to better advertise these programs, BBEDC created a new position to assist in the delivery of these projects to CDQ communities.

- 13.3.2 Review Applications:
BBEDC Board reviewed the Togiak and Manokotak dock projects

during the February 2002 Board meeting. These projects were pre-approved under 13.3.3.

13.3.3 Award Funding to projects that meet criteria:

The criteria for this program and the Business and Infrastructure Programs were reviewed during the Strategic Planning session in February 2002. The criteria may be too strict for some communities to access and BBEDC will continue to address this situation while developing the 2003-2005 CDP.

13.4 Monitor proposals receiving BBEDC financial support

13.4.1 Monitor approved proposals for completion and operations:

BBEDC continued to monitor the Dillingham Dock project during the first quarter.

14 “Learn, Practice, Do” Marketing and Sales

14.1 Marketing and sales goals

14.1.1 Revise existing Partner Royalty Agreements to provide for more frequent and detailed Information pertaining to sales planning and monitoring:

The project will receive detailed attention during the first part of 2002 when new marketing reports are received and analyzed.

14.1.2 Diversion of product from partner’s sales channel to different markets,if applicable:

Work is just beginning on this objective and will continue to be developed as the year progresses.

14.1.3 Investigate the potential utility of providing financing that could permit partners the ability to approach new markets and/or develop new product:

Work is just beginning on this objective and will continue to be developed as the year progress.

14.1.4 Research investment opportunities in marketing:

BBEDC will continue to refine and investigate investment opportunities in the marketing arena.

14.1.5 Undertake projects to enhance the image & reputation of regional seafood products:

This project is ongoing. BBEDC has made significant progress in the area through the investment in Capilano and will continue to develop relationships with potential markets for regional products through our MSC work. See section 9.3 for additional information.

14.1.6 Consider formation of standing Marketing and Sales Committee of BBEDC’s Board of Directors to guide and monitor the new initiative:

No activity in the first quarter. BBEDC anticipates discussing this objective during 2002.

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

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

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

15.2 Invest in opportunities that meet ASIF investment criteria

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

15.3 Invest in opportunities that meet CIF investment criteria

- 15.3.1 Obtain state and federal approval for board approved investments:
BBEDC is diligent and consistent in obtaining state and federal approval of investments before proceeding with the investment. This is standard practice for BBEDC.
- 15.3.2 Close on approved investments:
Following the approval process, BBEDC is consistent in following through with investments that meet the CIF investment criteria.

INVESTMENTS

16 Monitor seafood industry investments for performance and profitability

16.1 Monitor Arctic Fjord Inc. investment

- 16.1.1 Monitor financial performance on a quarterly/annual basis:
BBEDC staff monitors performance on a quarterly basis.
- 16.1.2 Attend yearly Board of Director's meeting:
The annual meeting was held in February 2002. Robin Samuelsen attended the day-long meeting as BBEDC's representative. An additional 10% of this vessel was purchased in the fourth quarter; a second seat on the Arctic Fjord board seat was made available to BBEDC. Hattie Albecker was appointed as the BBEDC representative.
- 16.1.3 Maintain ongoing discussion between BBEDC and ASI:
Frequent discussions were held with ASI staff and BBEDC staff in 2002. The BBEDC Quota Manager maintained daily contact with ASI staff 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 9-30-01. See Confidential section of the first quarter 2002 report.

16.2 Monitor Neahkahnie LLC investment

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

16.3 Monitor Bristol Leader Fisheries LLC investment

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

BBEDC's FQM was appointed as the second representative for BBEDC with one board member. One meeting took place during the

first quarter.

- 16.3.3 Maintain ongoing discussions between BBEDC and ALF:
Regular communications are ongoing between the CEO or COO and the ALF management. In addition, the Quota Manager communicates constantly during CDQ fishing with the Fleet Manager.
- 16.3.4 Monitor investment performance return of 8.5% annually over time to meet the Post CDQ Transition Plan goals in Part One, Section V of CDP:
See Confidential section.

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

- 16.4.1 Monitor financial performance on a quarterly/annual basis:
Quarterly financials are reviewed on a routine basis.
- 16.4.2 Attend Management Committee meetings:
One representative from BBEDC attends and participates in all meetings of the Management Committee.
- 16.4.3 Maintain ongoing discussions between BBEDC and KMLLC:
Staff is in frequent contact with Kevin Kaldestad on issues of importance.
- 16.4.4 Monitor investment performance return of 8.5% annually over time to meet the Post CDQ Transition Plan goals in Part One, Section V of CDP:
See Confidential section.

16.5 Monitor halibut IFQ's

- 16.5.1 Review and update lease agreements to maximize profits and enhance longline vessel investments:
The fishing plan for IFQ's for 2002 has been developed and implemented. Lease agreements are in place.
- 16.5.2 Monitor market performance for lease price:
This is done on a routine basis to insure maximum return on investment.
- 16.5.3 Monitor investment performance return of 7% annually over time to meet the Post CDQ Transition Plan goals in Part One, Section V of CDP:
See Confidential section.

16.6 Monitor sablefish IFQ's

- 16.6.1 Review and update lease agreements to maximize profits and enhance longline vessel investments:
The fishing plan for IFQ's for 2002 has been developed and implemented. Lease agreements are in place.
- 16.6.2 Monitor market performance for lease price:
This is done on a routine basis to insure maximum return on investments.
- 16.6.3 Monitor investment performance return of 7% annually over time to meet the Post CDQ Transition Plan goals in Part One, Section V of

CDP:

See Confidential section.

16.7 Monitor Capilano Pacific LLC

- 16.7.1 Monitor performance on a quarterly/annual basis:
Objective is no longer applicable. LLC has been dissolved in 2001.
This applies to all objectives under 16.7.1 through 16.7.8
- 16.7.2 Attend Management Committee meetings:
- 16.7.3 Maintain ongoing discussions between BBEDC and Capilano:
- 16.7.4 Monitor recruitment of Bristol Bay fishermen:
- 16.7.5 Monitor investment performance return of 8.5% annually over time to meet the Post CDQ Transition Plan goals in Part One, Section V of CDP:
- 16.7.6 Provide loan guarantees for Capilano inventory, receivables, & operating lines as needed and prudent:
- 16.7.7 Closely monitor production costs, inventory, receivables, cash flow, sales & other relevant factors to minimize risk to BBEDC from guaranteeing loan:
- 16.7.8 Provide internship opportunities in Capilano organization as available:

C. EMPLOYMENT

1st Quarter 2002 (please refer to section C.1 and C.2 below)

17 Provide employment for Bristol Bay residents

17.1 Provide employment opportunities with CDQ fishing partners

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

17.2 Provide employment in advanced positions with CDQ fishing partners

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

II. Community Development

A. Progress Toward Goals, Objectives, Milestones

Regional Fisheries Committee

The Regional Fisheries Development (RFD) committee is made up of five members from BBEDC Board of Directors. In 2002, the committee became more active; at times meeting on a monthly basis. The committee oversees all regional fishery activities including: CDQ 4E halibut fishery, quality programs, slush bags/ice Machines, community project funds and marketing issues.

4E Halibut Fisheries

In 2002, BBEDC granted 78 fishermen a halibut permit out of the 94 applicants for the 4E CDQ Halibut Fishery. The season opened May 18 and closed August 20 with 49 fishermen harvesting approximately 206,000 pounds of halibut with an estimated market value of \$360,000. The harvest was the largest to date for the fishery.

Twenty-One percent of this year's halibut catch was sold directly from fishermen's boats at \$3.00 per pound versus the ex-vessel processor price of approximately \$1.45. BBEDC assisted four local fishermen in obtaining their HAACP processing and training license.

Halibut quality was improved in 2002 with ninety percent of the harvest earning grade one quality. The grading program began three years ago, with about 10 percent of the harvest being assigned grade one quality. The improvement was largely attributed to area-wide pre-season halibut workshops on harvest methods and quality standards. Workshops were held in King Salmon (4 attendees), Dillingham (16 attendees) and Togiak (23 attendees). BBEDC paid expenses for regional fishermen to attend the workshops.

BBEDC halibut fishermen were required to log all undersize halibut retained for personal use. In 2002, forty eight of the forty nine fishermen turned in their log report enabling BBEDC to present to the International Pacific Halibut Commission an accurate report of undersized halibut that was harvested in area 4E.

In recognition that the 4E fishery is still in its early stages, BBEDC staff communicated regularly with NMFS officers to ensure that the regulatory guidelines were being followed. During the season it was discovered that some Bristol Bay fishermen selling their halibut from their vessels were not using certified scales to properly weigh their catch. After the 2002 season was completed, BBEDC staff began to put together a plan for making certified halibut scales available in 2003 in districts where the halibut is sold.

2003 Halibut workshops will again be sponsored by BBEDC with the agenda of:

- ✓ Local fisherman Carl Flensburg with BBED staff will present fishing methods and quality control measures.
- ✓ NMFS will give an overview of federal regulations.

BBEDC will pay for travel expenses for fishermen from the outlying Bristol Bay communities to attend the workshops.

Slush Bags 2002

In preparation for mandatory chilling requirements that are expected to be required for salmon, BBEDC initiated a pilot program in 2002 that resulted in 57 drift fishermen and 15 set net fishermen being equipped with slush bags and fish-hold insulation material. A fish tender was leased to deliver ice to fishermen. Salmon fishermen were compensated between 5 and 10 cents per pound extra for chilling their catch. The total program budget was \$100,000.

To expose fishermen to the requirements, workshops were held in Togiak (24 attendees) and Dillingham (30 attendees) to demonstrate to fishermen how to use the slush bags and on the overall value of chilling the harvest.

The Regional Fisheries Development (RFD) committee in November 2002 approved the plan to continue the slush bag program in 2003. The committee decided to institute a prototype system where the participating drift net and set net vessels would be provided slug bags and fish holds permanently insulated. The program will be closely monitored for future application. The 2003 program budget was increased to \$400,000.

After the 2002 season, the RFD committee felt that the tender delivery system involved in the quality effort was not effective and that other systems needed to be explored. A consultant was hired to provide recommendations to the RDF committee. The committee also wanted fishermen prepared for future quality requirements and hired a separate consultant to research the feasibility of Bristol Bay fishermen being able to satisfy statewide quality standards currently in place. The research will be used to help construct the prototype system being employed in 2003.

Ice Machines 2002

The ice machine project is a multi-year project that is nearing completion with machines being delivered onsite to the BBEDC communities of Egegik, Ugashik, Port Heiden and Togiak in 2002. Ice machines were delivered earlier in the year to Naknek and Dillingham (with the Dillingham machine being operational in 2002). However, both communities require a more effective delivery system so that fishermen can more fully take advantage of the ice making capabilities; an issue which, BBEDC is currently researching. The remaining four ice machines arrived later in 2002 and are scheduled for installation and hook-up in the spring of 2003.

As a side note, BBEDC will also be providing operation and maintenance training for ice making equipment for 14 residents in March 2003. The plan is for the students to assist the manufacturer's technicians who will be traveling to the communities in April 2003, with the final installation and hookup of the machines.

Project Funds

BBEDC is in the process of revising the guidelines for its regional fund programs in order to generate more applications from member communities. The City of Dillingham was the only applicant in 2002 for the Infrastructure Development Fund. The community was awarded the full amount of \$500,000 for construction of an all-tide dock facility.

At the November Board meeting, BBEDC formed an ad hoc committee called the Match committee, to review the program guidelines and provide recommendations to make the project funds more accessible to BBEDC communities. The Match committee held its first meeting in December of 2002.

Under the Infrastructure Matching Fund (to be changed in 2003 to Community Infrastructure Seed) each community is entitled to \$100,000 per CDP cycle provided that a 25% in-kind match is provided, it meets the fisheries-related test and is infrastructure related. This program was more successful with 16 of 17 BBEDC communities applying in 2002. The following is a list of the potential projects:

- Aleknagik - Boat Storage facility
- Clarks Point - Laundry/Bath house
- Curyung Tribal Council - Support Dillingham effort for an All Tide Dock
- Egegik - Airport Lights/Clinic Construction Project
- Ekwok - Support Dillingham effort for an All Tide Dock
- Ekuk - Support Dillingham effort for an All Tide Dock
- King Salmon - Remodel Fisheries Resource Center/Boat Storage facility
- Levelock - Feasibility study for an All Tide Dock/Boat Ramp
- Manokotak - Feasibility study for a Dock and Design/Permitting for Dock
- Naknek -Cold Storage Facility
- Pilot Point - Relocate Ice Machine, New Foundation, Drill Well and Wind Generator

Port Heiden - Fish Processing Feasibility Study, Installation Ice Machine & Wind Generator
Portage Creek - No Application was submitted
South Naknek -Boat Storage Facility
Togiak - Feasibility study for a Dock and Design/Permitting for Dock
Twin Hills - Boat Storage
Ugashik -Fish Processing Feasibility Study and Design Study

BBEDC had two applications for the Business Development Fund: both were denied due to failure to meet program guidelines.

To make the evaluation process for BBEDC program funds as neutral as possible, BBEDC has employed the services of the Anchorage-based consulting firm, Alaska Business Development Center to assist in the application evaluation process.

Salmon Marketing 2002

BBEDC has leveraged funding through grant sources to help secure markets for local salmon products. Among other efforts, four BBEDC residents in October 2002 presented Bristol Bay Salmon at the Natural Foods Show East in Washington, D.C. The trip demonstrated firsthand to the participants that with the proper quality standards in place, Bristol Bay salmon is an attractive commodity to the Lower 48 consumer.

It is clear that traditional salmon processors in Bristol Bay are not willing to expend the capital needed to penetrate worldwide or national markets for salmon. In response, Bristol Bay fishermen have resorted to using direct marketing techniques to market and sell their own product. In conjunction with the Marine Advisory program, in 2002 BBEDC sponsored Direct Marketing Workshops in King Salmon (16 attendees) and Dillingham (22 attendees). BBEDC also paid for resident from outlying communities to attend. Additional workshops are also being planned for 2003.

Plans are underway for four or more BBEDC residents to showcase Bristol Bay salmon at the Natural Foods Show West in March 2003. In addition, other trips to trade shows and marketing events in Europe are being scheduled for 2003.

BBEDC has also been exploring forming a relationship with a major salmon processor in either 2003 or beyond. The due diligence has been underway for several months.

Bristol Bay Salmon Restructuring Study

In 2002, BBEDC commissioned its subsidiary company, Bristol Bay Research Science Institute, to prepare a multidisciplinary study to examine the options for restructuring the Bristol Bay salmon fishery. This was the first research of its kind in the State and represents a significant advancement in the dialogue and understanding of the most critical economic issue to industry and residents of Bristol Bay. The final report for the work done in 2002 is due to be released in January 2003 and it will provide a series of

recommendations on further research needed, and whether and how to proceed with the various restructuring options before the industry.

At the moment the analyses and conclusions are not complete and therefore it is somewhat difficult to predict exactly what will be needed in terms of future research, but it is clear that the current research will not be able to completely address all outstanding issues. The research could be related to determining the specific "engineering" aspects of restructuring efforts in other fisheries in Alaska and around the world. The 2002 research will culminate with identifying the "big picture" issues and providing in detailed economic analyses, the implications of the status quo option (i.e., not restructuring the fishery).

Some of the more radical restructuring options (which appear the most promising in terms of improving the fishery) require more research before they can be implemented. In general, this project proposes to keep that research going so that the entire effort does not lose the valuable and essential momentum that it needs to catalyze change.

Several meetings were held in Bristol Bay to receive feedback. The meetings were well attended. In Naknek there were 112 people in attendance and in Dillingham there were in 82. In Egegik, the concept of the study was presented to the Egegik Village Council and City Council members. BBEDC also paid for four fishermen from outlying Bristol Bay communities to attend the meetings nearest to their community.

One BBEDC board member served as a member of the Legislative Salmon Task Force member and another board member served on one of the subcommittees. BBEDC hired a Bristol Bay resident to follow the meetings and keep local residents informed on the committee's activities. She was also assigned with the task of contacting local residents and encouraging them to offer written testimony. Her efforts were largely successful as many residents presented written comments to the Task Force.

B. Outreach

Website Improvement

BBEDC completed the planning process in December 2002 to construct a new website. The layout was developed and a contractor identified. The website will be operational no later than February of 2003.

In 2002 BBEDC retooled its internal computer network by contracting with Starband to provide internet service. The service also considerably improved internet access and delivery of online services to BBEDC villages.

Peer Outreach Project

BBEDC applied and was awarded funds through the Department of Labor and Workforce Development in May 2002 to establish a regional Peer Worker Program (Peers). The grant amount was \$850,000 and extended through June 2003 with more funds to be made available through July 2004.

A Regional Coordinator was hired in May 2002 and is stationed in Naknek. Community Peer Workers were hired later in June. By year's end, a total of eight Peer Workers were hired in Bristol Bay and two in Anchorage.

The Peers are lifelong community residents with commercial fishery backgrounds and are individuals who possess an intimate knowledge of the local customs and people. This background allows them to be a valuable connection between the community and outside service providers in the government and non-government sectors.

Since the Peer Worker program began in mid-2002, BBEDC has seen in a short period of time how services have become more accessible to Bristol Bay residents -- particularly fishermen -- many who are coping with job loss, obsolete skills and stress, brought upon by the downturn in the salmon industry.

The difference between BBEDC's prior Sub-Regional Tech program and the Peer Workers is that the Peers provide a wider range of services and are available for all Bristol Bay communities regardless of affiliation with BBEDC.

As an example, for the past five years CSED has instituted a program similar to the IRS; where individuals with no realistic chance of making payments can devise a workable payment plan with the agency. However, very few people in Bristol knew about the opportunity.

Through the Peer Workers it was learned that many child support cases in Bristol Bay were going unresolved and that arrearages were hopelessly accruing for many non-custodial parents. The Peers identified the need for the Child Enforcement Support Division to send staff to the region. The Peers made contact with the Child Enforcement Rural Manager in December 2002; arranged her travel schedule; advertised it throughout the region and made village appointments for her. As a result, one individual had his arrearages reduced significantly after years of attempting to work with CSEDC, via long distance, and many others in Bristol Bay were able to get much needed direct assistance. The agency has promised to work with the Peer Worker Program in the future and to send additional staff to the region.

Other examples of the Peer Worker Program success:

- Set up seven satellite offices in CDQ and non-CDQ communities to represent BBEDC programs with complete internet access through the Starband system.
- Four peer workers will be certified as A-plus operators in 2003 to maintain and upkeep satellite dishes for BBEDC and other Bristol Bay organizations; a service which is extremely important for remote communities.
- National Association Free Trade Act provided funds for Peer workers to travel to nine villages to collect surveys so fishermen could receive training funds from NAFTA programs.

BBEDC plans in 2003 to further develop the Peer Worker program by training the Peers to provide job services such as creating village resumes, creating a local skills bank and assembling village profiles that will be tailored to assist building contractors and others seeking information on local workforce availability and equipment. Once the village profiles are completed they will be posted on BBEDC's website.

Bristol Bay Permit Brokerage Service

In recent years the IRS assigned a group Collection Officers to prepare tax returns and assist Bristol Bay fishermen with tax problems.

The "Fish Group" traveled to several Bristol Bay villages in 2002. They prepared a total of 1,412 tax returns (see the numbers in the parentheses) for residents of Clarks Point (18), Dillingham (583), Egegik (21), Ekwok (28), Iliamna (56), Kokhanok (42), Koliganek (44), Levelock (31), Manokotak (129), New Stuyahok (133), Nondalton (31), and Togiak (135).

BBEDC staff corresponded regularly with the IRS Fish Group Manager who indicated that the non-compliance rate in Bristol Bay before the program began was about 40%. And how afterwards, the non-compliance rate was reduced significantly to roughly 10%. Unfortunately, due to budget constraints, the IRS has decided not to continue the program in 2003. However, BBEDC is in the process of working with the IRS to explore alternative funding sources.

The Alaska Business Development Center (ABDC) has partnered with UAA's accounting program to have junior and senior accounting majors to also travel to villages (with a professor to check their work) to prepare tax returns. BBEDC has funded a portion of the travel costs and will also pay expenses in 2003.

Other Permit Brokerage Services

- Facilitated Commercial Fisheries Entry Commission fishing permit and boat licensing for 100 plus individuals. BBEDC collects fees from fishermen for services and reimburses CFEC for the cost of administering permit and vessel license renewals.
- Transacted 6 fishing permit emergency transfers for the 2002 salmon season. Permit owner was matched with someone who was interested in fishing the permit the season.
- Prepared the following contracts for business relationships for the 2002 salmon season. The following is a breakdown:

Drift Permits:	10
Set Net Permits:	1
Permit Holders:	2
Boat Leases:	4

- Facilitated Alaska Division of Investments travel in 2002 to King Salmon, Naknek, Egegik and Togiak for fishermen to make payments and/or extension applications. All individuals who needed applications for loan extensions were accommodated. The staff also traveled to Manokotak and New Stuyahok for same purpose as above.
- The overall number of contacts has decreased from previous years due to a number of factors. The prevailing factor likely could be the series of poor fishing seasons in Bristol Bay with fewer individuals fishing and subsequently not requiring the Brokerage's services.

Please see the breakdown on the spreadsheet provided on the next page. The definitions for the acronyms are as follows:

BIA: BBEDC has a contract with Bristol Bay Native Association (BBNA) to administer the Bureau of Indian Affairs Credit & Finance program. BBNA's region covers 32 villages.

CSED: Child Support Enforcement Division

CFEC: Calls about Commercial Fisheries Entry Commission forms, etc.

E/T: Emergency Transfer of Bristol Bay limited entry permits, both set and drift gillnet.

IRS: Any matters pertaining to Internal Revenue Service.

Loan: Phone calls pertaining to all loans - commercial bank, Division of Investments, CFAB, SBA or SBA loans administered and sold to another separate financial institution.

Sale: All calls pertaining to sales, whether they were inquiries or involved specific sale agreements.

Other: Miscellaneous phones calls not related to the above categories.

LOCATION: "Alaska" means non-Bristol Bay region and "Other" refers to non-Alaska contacts.

Bristol Bay Permit Brokerage Contacts in 2002

	BIA	CFEC	Child Support	E/T	IRS	Loan	Sale	Other	Total
Aleknagik		11		11	26	1	12	3	64
Chignik	1				3				4
Chignik Lagoon						1			1
Chignik Lake									0
Clarks Point		1		6	5		1		13
Dillingham		61		51	103	84	44	20	363
Egegik			1	20	4	3	5		33
Ekuk									0
Ekwok					2		1		3
Igiugig		1							1
Iliamna					1		3	1	5
Ivanof Bay									0
King Salmon						2	1		3
Kokhanok					2	4			6
Koliganek		1		1	2	3	7		14
Levelock					3				3
Manokotak		14		9	10	20	5	12	70
Naknek		2		9	17	6	20	1	55
New Stuyahok		9		2	7	12	25	6	61
Newhalen					1				1
Nondalton					2				2
Pedro Bay									0
Perryville									0
Pilot Point		1		1			2	2	6
Port Heiden			2	1	1		1	1	6
Portage Creek					4		1		5
South Naknek				1			5		6
Togiak		15		13	8	21	3	1	61
Twin Hills		5		2	5	7			19
Ugashik				1	1				2
Alaska	1	17		24	11	9	95	12	169
Other		4		24	3		57	15	103
Totals	2	142	3	176	221	173	288	74	1079

Employment Outreach

Employment & Training staff traveled to Naknek and Togiak to assist with the presentation of BBEDC-sponsored halibut seminars. One of the objectives was to provide the Southwest Vocational Education Center; who has plans to provide future seminars, with exposure to BBEDC's halibut training programs.

In response to the addition of American Seafood's as a BBEDC pollock harvest partner, the employment & Training staff traveled to Togiak, Levelock and Naknek with Sally Walker of American Seafood's in December 2002 to recruit seafood processors for Pollock A season. Although the effort was done on short notice; several workers were recruited.

BBEDC employment & Training staff traveled to Naknek and Togiak with a recruiter from Westward Seafood's to recruit seafood processing workers for the 2003 A season. A secondary purpose of the trip was to introduce the recruiter to BBEDC's internship and employment programs.

BBEDC staff traveled to Naknek, Manokotak and Dillingham High Schools to present graduating seniors' with information regarding the Harvey Samuelsen Scholarship and BBEDC Voc/Tech scholarships. The trip was considered highly successful as the staff made personal contact with the majority of the graduating students.

BBEDC staff traveled to UAA campuses in Anchorage and in Fairbanks in March 2002 to disperse scholarship applications and recruit for regional summer internships among the Bristol Bay students. The recruitment effort also promoted summer internship positions created by the Bristol Bay Science and Research Institute's work with the ADF&G scale sampling project.

Three issues of the "FishHead Soup" Newsletter were completed in 2002 and 9000 copies were hand delivered by Peer Workers throughout the Bristol Bay region. The purpose behind the newsletter is to build a sense of community throughout the region and to inform residents of employment and training opportunities. The newsletter began in July of 2002 and is coordinated and compiled by BBEDC staff.

C. Employment

Employment & Training staff assisted BBSRI with the advertisement and recruitment of six residents for scale-sampling positions in Naknek, Togiak and Dillingham. The recruitment process was intensive and lasted for three months.

A resident from Naknek was upgraded from a processor position to a deckhand position with Icicle Seafood's pollock processing vessel, the Northern Victor. The individual had been a BBEDC intern working as a stevedore for the Port of Naknek.

BBEDC Employment & Training Staff took action when they learned that a non-Bristol Bay employer was hiring Anchorage residents for a Bristol Bay hazardous clean-up project. The staff informed the employer that BBEDC could provide qualified local

workers and as a result of the intervention: six residents from Naknek, South Naknek, Aleknagik, Manokotak and Dillingham were hired.

A BBEDC resident from Dillingham was promoted from a deckhand position to deck boss onboard the M/V Alaskan Leader. This was the first time a BBEDC resident was promoted on the vessel.

An intern from Dillingham was hired as a full-time permanent employee with Fishermen's Finest as a Human Resource Specialist in their Seattle office.

An intern from Dillingham was hired as a full-time employee in Seattle with Arctic Storm working in a "floating capacity" in four different departments.

BBEDC provided funding enabling a Dillingham to be certified as a Starband assembly technician. The individual is currently working in the Bristol Bay region assembling Starband dishes.

Alaska Commercial Company called BBEDC and asked for assistance in getting employees who could complete two days of worth of inventory work. Within a matter of hours, BBEDC staff had arranged employment for six local residents.

BBEDC paid expenses for four residents from Dillingham and Manokotak to attend Indian Valley's Wild Meat and Fish Processing course. Each of the attendees received certification enabling them to market and process their own salmon and halibut.

BBEDC's Employment & Training Director was appointed to the Balance of State Workforce Investment Board by Governor Knowles. The appointment will enable BBEDC to be more directly involved in Workforce Delivery Services provided by the Alaska Department of Labor.

Internships

BBEDC has been more successful than other CDQ groups in creating regional and non-regional internship opportunities for local residents; in part, due to BBEDC having its core staff located in the region. However, it is also a product of BBEDC placing emphasis on the need for prospective employers to create a favorable work environment that allows interns to graduate into long-term employment positions.

In 2002, the staff began the planning process for the Employment and Training Committee to review the BBEDC internship program and to consider several suggestions to improve the program.

In 2002, BBEDC initiated the Seafood Employment Specialist Internship program with the State of Alaska Seafood Employment Office to promote opportunities for Bristol Bay students involved in Anchorage higher education programs.

BBEDC employment & training staff developed and filled 13 summer internships from the period May 2002 through August 2002.

Two residents from Pilot Point and Dillingham received excellent evaluations during their office internships in Icicle Seafood's Petersburg plant.

Five previous ADF&G/BBEDC interns were rehired as seasonal employees for the department and were stationed in Nushagak River camps.

Two residents from Dillingham successfully completed internships with Icicle Seafood's surimi plant in Bellingham. Both residents were later hired by the Bristol Bay Area Health Corporation in Dillingham.

A Togiak resident was employed with BBNA as a reality specialist after completing his Business Office Specialist course at the Career Academy. The individual also completed a BBEDC internship with CFAB.

Education

BBEDC successfully completed the first year of the Workforce Investment Act (WIA) program, which was funded through a grant of \$145,700 awarded to BBEDC in 2001. A total of 35 youth from the Bristol Bay region in 2002 participated in the program. The program was structured to provide academic skills tutoring, work-readiness training, paid-work experience, counseling and job search & development & placement benefits. Eight "at risk" out-of-school youth also participated: two were offered full-time employment at the completion of the program; one received his GED, and all eight showed an increase in their basic reading and math skills. Twenty two in-school youth participated in the program with all, but three, meeting their academic goals of improving their math and reading levels.

Twenty four new youth have been signed up for the second year of the program, which extends from 2002 to 2003. BBEDC also continues to have on staff a WIA specialist (funded by the grant) who has been full-time employee since her hiring date of 2001.

BBEDC's Education Project Director traveled to Seward with 14 high school students from throughout Bristol Bay to attend a career exploration course at AVTEC. The program was part of the BBEDC WIA youth employability program.

Salmon Camp

BBEDC successfully coordinated the first annual Bristol Bay Salmon Camp/Science Academy in 2002. The Camp was established to provide Bristol Bay youth with an opportunity to experience the salmon life cycle in a field setting with fishery biologists.

Students at the Salmon Camp will learn about:

- Life history of 5 species of salmon
- Fisheries research projects in Bristol Bay
- Boating/bear safety practices
- How escapement towers operate
- Sampling techniques for adult & juveniles salmon

- History of the salmon fishery in Bristol Bay
- Careers in Fisheries management
- Salmon's importance to the ecosystem

Two separate camps were held with one for middle school students and one for high school students, who received college credit for their participation in the program. A total of fifteen students from Bristol Bay participated.

BBEDC's Education Project Director also spent time in the camp coordinating the various agencies involved and providing instructional assistance to the students. Three teachers were hired from Bristol Bay school districts to chaperone the students, provide instruction and to provide planning & logistical services.

BBEDC was awarded a \$25,000 grant for the federal Coastal Impact Assistance Program in 2002. The funds will be used to supplement the Salmon Camp programs in 2003 and 2004. The 2003 plan is to increase the number of participants from 15 to 20, with ten students drawn each from regional middle schools and high schools. BBEDC also negotiated an \$8,000 grant award with the U.S. Fish & Wildlife Service to assist in the 2003 Salmon Camp. BBEDC contributed a total of \$23,000 to the 2002 Camp.

BBEDC coordinated a summer youth apprenticeship program with the Choggiung Village Corporation. Four area youth, ages 14-18, participated in the program. At the end of the program all the students were offered summer employment with the agency they apprenticed with, which included: Choggiung, ADF&G and local sport fish guide camps. Students received instruction in first aid, boat and water safety, land use permits, work ethic, etc. The participants also received college credit for completing the program.

At the WIA Workforce Investment Conference in Anchorage, the BBEDC youth program was singled out as one of the more successful programs in the state.

In December 2002, as part of the WIA youth employability program, BBEDC planned and implemented a week long "job shadow/work experience" for nine students from the Southwest School District. The effort was a success and more events are being planned for the future.

BBEDC hired one High school intern to work in BBEDC's office as an office assistant.

Harvey Samuelsen Scholarship

The Harvey Samuelsen Scholarship Trust (HSST) applied for and received a separate 501C3 status with the Federal government and became a separate subsidiary company in BBEDC. Since the beginning of the scholarship program, BBEDC had contracted with BBNA to provide administrative services for the HSST. However, in 2002, the administration services were brought in-house. BBEDC staff also developed and distributed a new scholarship application packet.

BBEDC conducted a logo contest to design a new logo for the HSST. The winning applicant was a high school student who received a \$1,000 award.

In 2002, HSST awarded 76 post-secondary scholarships totaling \$140,946. Nine scholarship recipients earned Bachelor degrees in education, nursing, psychology, kinesiology, social work, and business administration programs. BBEDC staff regularly monitors the academic progress of recipients for future loan eligibility purposes.

BBEDC staff worked with a consortium of four Bristol Bay regional School Districts to provide assistance to fully implement the School to Work Curriculum for teachers doing in-service training.

D. Training

BBEDC changed its employment and training policy in 2002 to encourage more participation in non-fishery related vocational training programs. The policy change is expected to generate an increased number of overall applicants in 2003. The funding limit per BBEDC resident is \$5,000.

BBEDC continues to provide services that encourage full-time workers to pursue their higher education goals. In November 2002, a Career Development Fund was approved to enable residents with families to continue their higher education needs on a part-time basis. The program will be monitored and reevaluated in 2003. BBEDC offers students up to \$2,000 each year. The total budget line item is \$50,000.

BBEDC is the largest contributor in the Bristol Bay region to the Adult Basic Education program offered by the UAF Bristol Bay Rural Campus. Approximately \$30,000 was contributed in 2002 for services rendered to bay-wide CDQ and non-CDQ residents. In addition, BBEDC contributed over \$40,000 in 2002 to support other Bristol Bay Campus programs in computer software: marine survival, grant management, business certification skills, GPS skills and various rural development courses.

BBEDC continues to encourage UAF and the Bristol Bay Campus to have their instructor's present courses in the village as opposed to teleconferencing from Dillingham or elsewhere. This effort has produced excellent results and has generated an increase in the number of village participants.

BBEDC collaborated with the Alaska Vocational Technical Center in Seward, BBNA, the Bristol Bay Campus, and the Bristol Bay Housing Authority to develop a Distance Delivery Information technology course. In 2002, six residents were nearly finished with their A plus certification, which upon completion will enable them to provide maintenance services to satellite dishes (that continue to increase in number) in the Bristol Bay region.

BBEDC is providing funding to the four regional school districts in Bristol Bay to help teacher aides obtain an associates degree being required in the No Child Left Behind Act. All teacher aides must be fully certified by 2006.

Four local residents received their Coast Guard approved marine drill instructor cards

through a BBEDC sponsored Marine Survival Class in Dillingham. The certificates will enable them to conduct safety drills on any commercial fishing vessel in the region.

1. Data Form

	<u>Quarter</u>		<u>Year to Date</u>	
	People	Wages	People	Wages
Management/Administrative	15	160,273	18	397,074
Community Liaisons (Peer Outreach Project)	10	69,978	11	132,678
CDQ Pollock Related				
A SEASON	0	0	18	252,449
B SEASON	2	55,816	10	108,440
Other Fishing	12	88,631	10	605,540
Other Employment (WIA)*	1	14,691	10	38,547
Internships	8	47,143	76	241,833
Total	48	436,532	153	1,776,561

2. Summary

*Positions funded through Work Investment Act grant funds.

CDQ Pollock Related (B Season)

Two residents from Naknek and Dillingham worked in the shipyard. Wages earned in 3rd quarter were paid in the 4th quarter.

Seven residents from Egegik, Naknek, Dillingham New Stuyahok and Togiak worked as seafood processors for Arctic Storm in 2002 (start to finish).

One resident from Dillingham was advanced to a deck internship position after working several years as a seafood processor.

Other Fishing

One resident from Manokotak worked as a seafood processor and one resident from Dillingham was promoted to deck boss.

One resident each from Naknek, Dillingham and Koliganek were employed as seafood processors. A resident from Dillingham was promoted from a galley intern to the chief galley position after the regular cook resigned.

Two residents from Levelock and Dillingham fished the non-CDQ Bristol Bay Red Crab fishery. One was a new recruit while the successfully completed his second season.

One resident from South Naknek completed the long-lining season with the F/V US Liberator in November. The individual is now employed on deck and serves as a rotating deck boss.

One resident from Kokhanok signed on to work the F/V American No.1, but due to the closure of the trawling season, was not able to work. He plans to start the 2003 long-lining season on a 60-day contract as a seafood processor and rotate as a deck hand.

One resident from Naknek fished both the Red King Crab and Pcod fisheries, where he was promoted from processor to deckhand. He will also be fishing the January 2003 season. Another resident from South Naknek is entering his fourth year with Icicle as a seafood processor.

Other Employment

Internships Summary

Arctic Storm vessel

One resident from Dillingham was selected to work as a deck intern. He received a good evaluation and will continue his internship during the 2003 season.

Arctic Storm office

One intern from King Salmon, who was also attending college full-time, received an exceptional recommendation from Arctic Storm Human Resources and was granted a three month extension.

Arctic Storm continues to employ a previous intern as a full-time administrative assistant.

Icicle Seafood's Office

One resident from Aleknagik worked at the Seattle office until October 25th. On November 4th, a resident from South Naknek started a new internship in the Seattle office. The intern brought her family with her, which helped during the transition. This is the first time a family has accompanied an intern.

Icicle Vessel/Ship

One resident from Aleknagik continues to work at the Bellingham surimi plant as a maintenance intern. The internship will end in March of 2003.

Two residents from Dillingham successfully completed internships with Icicle Seafood's Surimi plant in Bellingham. One worked in the office and the other in maintenance. Both residents were later hired full-time at the Bristol Bay Area Health Corporation in the maintenance/security and clerical fields.

ADF&G

Five previous ADF&G (BBEDC) interns were hired in 2002 as seasonal employees by the department.

North Pacific Fishing

One resident from Twin Hill will finish an office internship on January 15th. She is currently looking for work to fill the time gap between now and fall 2003 school semester. Fishermen Finest continues to employ a two previous intern as a full-time human resource specialist. One of them was just given a big promotion.

In-House Office

One at-risk high school student has been working as administration assistant with BBEDC.

Bristol Leader

Three vessel internships were provided during the 4th quarter with an individual from Koliganek as a factory intern and two individuals from Dillingham in the engine room and galley.

Specialized Interns

One resident from Dillingham worked as an office intern for the U.S. Fish & Wildlife office from September through December. She also maintained 9 credits at the local Bristol Bay Campus. The internship led to seasonal employment with U.S. Fish & Wildlife for the summer of 2003.

Other Interns

Eight residents from Naknek, Dillingham, Levelock, King Salmon, and South Naknek filled summer internships with Naknek Dock/Office, Dillingham Boat Harbor, US Fish & Wildlife Service, Peter Pan maintenance and office and Fishing Research Institute (FRI). These residents are learning new skills in many different areas including; computers, geographical area, maintenance, customer service, biological technician work, working independently, timeliness, dependability, problem solving, good manners, working well with others and safety consciousness.

**Training Data
4th Quarter 2002
October 1 – December 31**

	<u>Quarter</u>		<u>Year to Date</u>	
	People	Expenditure	People	Expenditure
Scholarships				
Post-secondary	0	0	76	140,946
Vocational				
Voc-Tech Classes				
Advanced Vocational	14	7,116	38	43,041
Basic Vocational	37	7,054	225	46,245
Non-Fisheries Vocational	0	0	20	15,537
Other Training				
CDQ Staff/Board	19	20,700	21	24,611
ABE/GED	30	19,689	138	30,000
DED Diplomas Earned	17	0	(18)	0
Other Expenditures				
Drug Testing	0	0	0	
Internships	7	18,940	26	73,145
Totals	124	73,499	544	373,525

BBEDC Post-Secondary Scholarship Summary for 2002

BBEDC awards its post-secondary scholarships (the Harvey Samuelson Scholarship Trust) on an academic year rather than a calendar year. Each scholarship award is distributed in either two or three disbursements, depending on the university. Students attending a school on the semester system receive two scholarship checks, one in August and one in January as long as their grades are above the minimum GPA required.

During the first and second quarter off 2002 BBEDC awarded \$55,840.00 to 52 scholarship recipients. (note: these #'s are from the 2001-2002 HSST award cycle)

For the 2002-2003 HSST award cycle BBEDC originally awarded 76 recipients. At the time of award BBEDC anticipated awarding \$140,946 in scholarships, however the actual figures awarded is generally less, due to students dropping out or not completing the entire school year.

During the third quarter 2002 BBEDC awarded \$59,023.30 to 69 recipients (note: these #'s are from the 2002-2003 HSST award cycle)

Total actually awarded in 2002 is \$114,863.30

First quarter 2003 BBEDC awarded \$57,971.30 to 62 recipients and will distribute an additional \$5,473.30 in March-April 2003. (note: these #'s are from the 2002-2003 HSSST award cycle)

Vocational-Technical Classes

Advanced Voc/Tech

- A resident from Dillingham completed their Starband assembly certification and gained employment with Bristol Bay Tech installing Starband satellites in the region;
- A resident from Naknek is continuing his welding certification;
- A resident from Naknek is continuing her certification for Computerized Architectural Drawing;
- Two residents from South Naknek and one resident from Naknek are completing their heating/refrigeration certification at Matsu College and AVTEC;
- ? Four residents from Dillingham, Naknek, and Newhalen completed Internet basics and CIOS 210 and will be A+ Certified in 2003. This certification is in high demand in Bristol Bay. Bristol Bay Housing, Bristol Bay Area Health Corporation, Bristol Bay Economic Development Corporation, Bristol Bay Campus and Bristol Bay Native Association are in desperate need to have a trained workforce to maintain and upkeep the ever growing amount of computer equipment they are establishing in our communities.

Annual summary:

- Two residents from Dillingham continue their final phases in welding programs.
- One resident from Dillingham upgraded her EMT Certification to gain additional employment.
- Two residents from Dillingham are working full-time while continuing a degree program through distant delivery education provided by the Rural Campus and two residents from Togiak are upgrading their skills in business math and reading through distant delivered education.
- One resident from Manakotak is in his final phase of a Safety Management Program.
- Two residents from Naknek will be finishing Diesel Automotives and Firefighting school.
- Three residents from Dillingham and one resident from Manakotak completed HAACP Training and were certified which will allow them to process their halibut and salmon and allow them market their fish to larger market.
- One resident from Naknek continues to make headway in her degree through distant education.

- Two residents from Dillingham and Naknek started Computer Technology classes that will earn them their A+ Certificates. I
- Two residents from Dillingham and King Salmon maintained excellent grades in their welding and auto technology studies. The King Salmon resident graduated from his welding program and is currently looking for a job.
- Two residents from South Naknek are continuing their 9-month Heating/Refridgeration course at Mat-Su College. They will be graduating early 2003.
- One resident received his Starband Assembly certification and is now working around Bristol Bay installing Starband systems.
- Six residents from Naknek, King Salmon, Chignik Lake, Newhalen, Dillingham and Koliganek started basic Internet and computer training through the King Salmon Voc/Tec Center.

A total of 38 residents received \$43,041 in advanced vocational funding in 2002.

Basic Voc/Tech

- Thirty-three residents in the villages of Dillingham and Naknek received basic computer training and grant writing training;
- Three high school students from Dillingham received credit for completing a Natural Resource internship. These students have all been guaranteed a summer job with a sport fishing camp on the Nushagak River. This was a pilot project for youth that turned out to be very successful and we will be continuing it at a larger scale for next summer.

Annual Summary:

- 255 residents from Dillingham, South Naknek, Manakotak, Naknek, Levelock, Egegik, Port Hieden and King Salmon have taken classes offered by the Bristol Bay Campus in Supervision for New Employees, Global Positioning Systems, and Intermediate Excel. Accounting with Quick Books, Intro to Computers, Intro to Office Management Skills, Grant Writing and Grant Management, Quick Books, AMSEA Marine Survival and Halibut Basics.

A total of 255 residents received \$46,245 in basic vocational funding in 2002.

ABE-GED

138 residents from Dillingham, New Stuyahok, Nondalton and Togiak participated in several ABE programs, and 18 people earned their GED certification.

BBEDC paid a total of \$30,000 to support the Adult Basic Education Program in 2002.

Other Training

- **BBEDC** employment & training staff completed their certification for Career Development Facilitators.
- **BBEDC** facilitated Strategic Planning February 19, 20 and 21st in Anchorage Alaska. The training was provided by Aurora Consulting and centered on setting long and short term goals for the corporation's growth and development.
- **BBEDC** organized Board of Director training for September 25, 2002 in King Salmon, Alaska. The objectives were:
 - 1) Meeting the needs of your communities;
 - 2) Policies that guide your corporation;
 - 3) Duties and responsibilities of a Board of Director;
 - 4) Code of Ethics
- **ABE-GED** thirty residents from Dillingham, New Stuyahok, Nondalton and Togiak participated in several ABE programs. Eighteen residents received their General Education Diplomas in 2002.
- **Internships** support expenses that include transportation, housing, utilizes and other miscellaneous expenses.

E. Other Issues

No other issues pending.

III. Administration

In September 2002, Chief Operating Officer Roger Helmer resigned. In November, former Dillingham resident, Bryce Edgmon was hired as Chief Operating Officer. Robert Leingang was hired in October 2002 as Financial Officer. Both employees are stationed in Dillingham.

A. Board Activities

In November 2002, Robert Christensen replaced James Christensen as the board member representing the City of Port Heiden.

B. State of Alaska Reporting Compliance

There are no issues pending.

C. Amendment Status

- 9/11/02, 02-07BB -- Added Fishing Vessel Pacific Lady (status approved).
- 10/8/02, 02-08BB -- Transferred 45 MT of pollock CDQ to CVRF (status approved).
- 10/10/02, 02-09BB (approved)
- 02-10BB, blank (confusion with the numbering)
- 11/7/02, 02-11BB -- Added USSF vessels and contract (status approved)
- 12/17/02, 02-12BB -- Transferred 100 MT of Pacific Cod to YDFDA (status approved)
- 12/20/02, 02-13BB -- Transferred 100 MT of Pacific Cod to YDFDA (status approved)

D. Other Issues

There are no other pending issues.

IV. Harvesting and Processing Report

A. Target Fishery Harvest Activity

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 A Season	1,800.000	523.784	879.260	0.000	0.000	1,403.044	44.48%
Cod B Season	1,200.000	0.000	0.000	921.901	321.020	1,242.921	39.41%
Total Year	3,000.000	523.784	879.260	921.901		2,645.965	83.89%
Bycatch							
Sablefish Fixed Gear (BS)	42.460	0.000	0.007	0.000	0.011	0.018	0.00%
Sablefish Fixed Gear (AI)	76.600	0.000	2.391	0.000		2.391	0.08%
Turbot (BS)	88.440	0.043	0.019	7.018		7.080	0.22%
Turbot (AI)	39.600	0.068	1.294	0.000		1.362	0.04%
Non- Pollock Quota - BS	N/A	4.864	9.328	22.805	5.801	42.798	1.36%
Non- Pollock Quota - AI	N/A	0.189	0.019	0.000		0.208	0.01%
Atka Mackerel 541	61.950	0.000	0.015	0.000		0.015	0.00%
Atka Mackerel 543	221.700	0.263	0.000	0.000		0.263	0.01%
Yellowfin Sole	1,548.000	0.007	0.109	0.129	0.311	0.556	0.02%
Alaska plaice	207.000				0.003	0.003	0.00%
Other Flatfish	51.750	0.023	0.024	0.000	0.011	0.058	0.00%
Rock Sole	931.500	0.107	0.051	0.162	0.002	0.322	0.01%
Flathead Sole	375.000	0.757	0.856	3.854	0.193	5.660	0.18%
Arrowtooth	132.000	0.777	3.208	12.328	0.326	16.639	0.53%
Other species	393.040	70.947	153.119	137.308	68.832	430.206	13.64%
Other Rockfish (BS)	5.670	0.000	0.056	0.000		0.056	0.00%
Other Rockfish (AI)	8.670	0.012	0.143	0.000		0.155	0.00%
BS Other Red Rockfish	1.800	0.002	0.074	0.000	0.014	0.090	0.00%
Pacific Ocean Perch (BS)	41.370	0.000	0.002	0.000		0.002	0.00%
AI Northern	75.900	0.018	0.007	0.000		0.025	0.00%
AI Shortraker/Rougheye	12.240	0.064	0.190	0.000		0.254	0.01%
Total		601.925	1,050.172	1,105.505		3,154.126	100.00%

PSQ Bycatch

Halibut mortality* 75.460 1.379 2.349 13.253 1.516 18.497 0.59%

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

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

1) Summary of Harvesting Activities by Target Fishery

The Bristol Leader was the only vessel targeting cod for BBEDC this quarter. Roughly 321 MT of cod was caught.

2) Summary of bycatch

The primary bycatch species encountered was from the “Other Species” group.

Bristol Bay Red King Crab Harvesting Activities



	CDQ Allocation	Target Fishery Information				
		Metric Tons Harvested			YTD Harvest	% of Target Harvest
		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	
BS Red King Crab (lbs)	128,766				128,342	100.00%

1. Summary of Harvesting Activities by Target Fishery

BBEDC had three vessels harvesting BB Red King Crab: Bristol Mariner, Cascade Mariner, and the Northern Mariner. These three vessels harvested all but 424 lbs, which is about 99.7% of the total quota available.

2. Summary of bycatch

There was no bycatch reported for this fishery.

CDQ Transfers

BBEDC transferred Atka mackerel and associated bycatch to APICDA as well as 45 MT of pollock to CVRF.

Species	Metric Tons Allocated	Metric Tons Harvested YTD	% of Allocation	Transfer In	Metric Tons Harvested YTD	% of Transfer Harvested
Other Species	393.040	393.04	100.00%	190.000	85.121	44.80%
Species	Metric Tons Allocated	Metric Tons Harvested YTD	% of Allocation	(Transfer Out)	Metric Tons Harvested YTD	% of Transfer Harvested
Non-Specific Reserve	201.360	0.000	0.00%	190.000	85.121	44.80%
Atka Mackerel 542	267.750	153.181	57.21%	109.000	0.000	0.00%
Atka Mackerel 543	221.700	0.262	0.12%	216.000	158.794	73.52%
Arrowtooth	132.000	4.396	3.33%	4.000	1.468	36.70%
Turbot (AI)	39.600	4.089	10.33%	1.000	0.601	60.10%
Pollock	31,185.000	31,134.224	99.84%	45.000	45.000	100.00%
Pacific Cod	3,000.000	2,723.656	90.79%	111.000	2.188	1.97%
Pacific Ocean Perch 542	34.500	0.014	0.04%	29.000	0.000	0.00%
Pacific Ocean Perch 543	63.750	0.173	0.27%	58.000	45.038	77.65%
AI Northern	75.900	3.534	4.66%	31.000	8.963	28.91%
AI Shortraker/Rougheye	12.240	0.254	2.08%	1.000	0.504	50.40%
BS FG Sablefish	42.460	0.024	0.06%	35.000	32.000	91.43%

B. Processing Report

Pacific Cod Processing Activities

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

Bristol Bay Red King Crab Processing Activities

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

C. Compliance/Enforcement Issues

There were no compliance or enforcement issues reported in the 4th quarter for the cod or BB Red King Crab fisheries.

D. Other Fishing Issues/Activities

No Other Fishing Issues/Activities to report.

V. Confidential Issues

A. Financial Statements – BBEDC

B. Tax issues

There are no issues pending this quarter.

C. Imminent Major Investments

There are no investments pending this quarter.

D. Other

There are no other issues to report this quarter.