

CBSFA

Central Bering Sea Fishermen's Association

Community Development Plan (CDP) for
2003-2006 Multi-Species Community Development Quota (CDQ) Program
1st Quarter Report 2006

Prepared for:
State of Alaska

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Central Bering Sea Fishermen's Association

I. Quarterly Highlights – 1st Quarter

- President Phillip Lestenkof, Admin. Assistant Ray Melovidov and a local fisherman attended the IPHC Annual Meeting in Bellevue, WA, January 2006.
- A Fishermen's Advisory Committee meeting was held on January 10, 2006.
- A CBSFA Regular BOD meeting was held on January 12, 2006.
- President Lestenkof met with Senator Ted Stevens, January 2006.
- President Lestenkof and Vice President Robert Melovidov attended the Pribilof Islands Collaborative meetings in Homer, January 2006.
- Chairman Myron Melovidov, President Phillip Lestenkof, CFO Jonathan Thorpe and POS Steve Manley teleconferenced with Financial Advisor Gregg Hartmann on February 9, 2006 to review 2005 investment performance and review 2006 strategy and outlook.
- A CBSFA Special BOD meeting was held on February 25, 2006.
- A CBSFC Loan Committee meeting was held on February 28, 2006.
- CBSFA deposited 40% of its 2006 set-aside into reserved investment accounts.
- CBSFA's website, "www.cbsfa.com" was launched, March 2006.
- A Fishermen's Advisory Committee meeting was held on March 27, 2006.
- A Fishermen's Advisory Committee meeting was held on March 30, 2006.

II. COMMUNITY DEVELOPMENT

A. PROGRESS TOWARD MULTI-SPECIES GOALS, OBJECTIVES, PROJECTS, AND MILESTONES

Goal 1: Multi-Species Development Project

Objective: Develop a multi-species seafood company and at the same time create a competitive business environment that will attract and hold additional MSD businesses.

Milestone 1: Secure Options and Purchase Agreements

Status: Negotiations held during Q1, 2003.

During Q4 (2003) MSDH LLC, a wholly owned subsidiary of CBSFA, entered into a preliminary agreement to purchase equity stakes in the FV Starlite and FV Starward (pollock catcher vessels) to be included with the other four vessels in the MSD project fleet.

Q1 2004 MSDH completed the acquisition of the FV Starlite and FV Starward.

The transfer of CBSV to MSDH was completed in Q2 2004.

In Q3 2004, MSDH signed term sheet to acquire certain processing assets.

In Q4 2004, at the December 8, 2004 meeting, the CBSFA BOD approved MSDH to purchase a stake in Bering Sea Partners.

In Q1 2005, MSDH/CBSFA negotiated increased interest percentage in crab processor quota transaction.

In Q2 2005 MSDH successfully completed negotiations to invest in Royal Aleutian Seafoods.

In Q4 2005, MSDH management submitted several proposals for additional investments to the Board of Directors. Those projects will be reviewed in Q1 2006.

Milestone 2: Secure final berth, management and marketing agreements

Status: Lease payment for berth made in Q1, 2003.

During Q4 2003 MSDH LLC entered into a Memorandum of Understanding to establish a St. Paul based seafood venture with UniSea.

During Q1 2004 MSDH LLC began preliminary negotiations with Unisea and one other processor to develop the new shore-based processing venture on St. Paul Island. Those negotiations will set the stage for the final terms of the berth, management and marketing agreements.

Q2 2004, negotiations with processing partners is ongoing.

Q4 2004, the CBSFA/City of St. Paul MOU for the mooring berth expired December 31, 2004 and is being re-negotiated.

Q1 2005, CBSFA is reconsidering the necessity to renew the CBSFA/City MOU for the mooring berth because of other alternative plans that have been expressed by potential processors.

In Q2 2005 MSDH initiated engineering studies and negotiations to form a multi-processor joint venture to operate in the berth.

In Q3 2005, MSDH began negotiations for the joint-venture development of a St. Paul facility.

In Q4 2005, MSDH participated in the negotiation of a short-term lease to process crab in the berth during Q1 2006.

Milestone 3: *Develop Vertical Management and MSD framework*

Status: CBSFA Corporate Restructuring was completed in March 2004 with the transfer of CBSV from CBSFA to MSDH.

Milestone 4: *Establish crab venture entity/partnerships*

Status: In June 2003, CBSV LLC, a wholly owned subsidiary of CBSFA, purchased interest in four fishing vessels. CBSV LLC now owns 30% in each of the F/V Fierce Allegiance and F/V Early Dawn. CBSV LLC also owns 40% in each of the F/V Shishaldin and F/V Ballyhoo. These vessels have a diversified fishing history, which was one of the main reasons the CBSFA BOD and management approved investing in these vessels. In addition to having a good fishing history in opilio and Bristol Bay red king crab fisheries, the Early Dawn, Shishaldin and Ballyhoo also have fishing histories in the Aleutian Islands brown king crab fisheries. Besides having an excellent crab history, the Fierce Allegiance is also an American Fisheries Act (AFA) approved pollock catcher vessel with its own share of onshore pollock.

In Q1 2004 MSDH completed the acquisition of the FV Starlite and FV Starward, fulfilling the terms of the related Purchase and Sales Agreements.

In Q4 2004, the CBSFA BOD approved MSDH to purchase a stake in BSP.

Milestone 5: *Complete Acquisition of Shore-based Processing Assets*

Status: In Q1 2005, MSDH/CBSFA negotiated increased interest percentage in a crab processor quota transaction.

In Q2 2005, MSDH completed the Royal Aleutian acquisition.

In Q4 2005, MSDH and CBSFA completed the long-term financing of the Royal Aleutian Seafoods acquisition.

Milestone 6: *Continue Expansion of Existing Fisheries and Investigate New Fisheries to Develop St. Paul Island Economy*

Status: On-going

Milestone 7: *Develop/Implement Outreach Program*

Status: In Q1 2005, MSDH completed a newsletter (MSDH Community Report) to be distributed to the residents of St. Paul.

In Q2 2005, MSDH initiated a webmaster training program to develop expertise within the community to support the Outreach Program.

In Q4 2005, Admin. Assistant Ray Melovidov attended webmaster training in Edmonds, November 2005.

Goal 2: CDQ Halibut Fishery

Objective: Continue to support and manage the growth of the Local Fleet through innovative CDQ halibut programs. *See also “C-IFQ Project” and “Local Fleet Support Program.”*

Milestone 1: *Continue CDQ Halibut RFP Process*

Status: In March 2004 the CBSFA Board approved the CBSFA Halibut Cooperative Business Plan for 2004 with CBSFA as the buyer and Trident Seafoods as the custom processor.

For 2005, the CBSFA Halibut Cooperative is the only buyer of CDQ halibut.

Milestone 2: *Conduct CDQ Fishery Management Plan Meeting*

Status: A Fishermen’s Meeting was held on March 17, 2004. A fishermen’s meeting was held August 2, 2004, to determine if CBSFA should hire larger vessels to fish CBSFA CDQ Halibut for the 2004 season. The fishermen approved hiring larger vessels.

In Q1 2005, a Fishermen’s Meeting was held on March 22, 2005 to discuss the CBSFA 2005 Fishery Management Plan for the CDQ halibut fishery and the regulation amendments impacting the Area 4C fishery.

In Q2 2005, a Fishermen’s Meeting was held on May 6, 2005; Dr. Jack Tagart met with the local fishermen and gave a presentation summarizing the analysis he completed titled the “Evaluation of the Spatial/Temporal Distribution of Bering Sea/Aleutian Islands (BSAI) Commercial Groundfish Fishery Halibut Bycatch.”

In Q3 2005, a Fishermen’s Meeting was held on August 18, 2005 to approve hiring larger vessels to harvest CBSFA CDQ Halibut in 4D. A Fishermen’s Meeting was held on September 9, 2005 to lease additional CBSFA CDQ to be harvested in 4D; another Fishermen’s Meeting was held on September 28, 2005 to lease more CBSFA CDQ to be harvested in 4D.

In Q1 2006, a Fisherman’s Advisory Committee Meeting was held on January 10, 2006 to review the CBSFA Halibut Coop Financial Analysis, IPHC staff recommendations and discuss harvesting alternatives.

In Q1 2006, a Fishermen’s Advisory Committee Meeting was held on March 27, 2006 to discuss harvesting scenarios, opening dates, and recommendations for the CDQ fishery management plan; the meeting was recessed and resumed on March 30, 2006 for further discussion.

Goal 3: CBSFA Halibut Cooperative

Objective: To raise the ex-vessel prices to the local fleet and reduce the costs associated with CBSFA's Local Fleet Support Program, including the operations of the Small Boat Harbor.

Milestone 1: Develop CBSFA Halibut Cooperative Business Plan

Status: In March 2004 the CBSFA Board approved the CBSFA Halibut Cooperative Business Plan for 2004 with CBSFA as the buyer and Trident as the custom processor.

For 2005 the CBSFA Halibut Cooperative Business Plan is virtually unchanged, with CBSFA as the buyer and Trident custom processing.

Milestone 2: Implement CBSFA Halibut Cooperative Plan

Status: CBSFA began buying CDQ halibut in June 2004 and signed a custom processing agreement with Trident.

Q2 2005, President Phillip Lestenkof and CFO Jonathan Thorpe met with Dave Hambleton of Trident to discuss the 2005 custom processing agreement. CBSFA began buying CDQ halibut in June 2005.

Q3 2005, CBSFA continued buying halibut, including some local IFQ, throughout 3rd quarter.

Q4 2005, CBSFA continued buying halibut and some local IFQ.

Milestone 3: Retroactive Ex-Vessel Price Adjustment to Members (if any)

Status: Retroactive ex-vessel price adjustments will be paid after the CBSFA CDQ halibut is marketed and sold. At the end of the Q3 2004, CBSFA had halibut in cold storage that still has to be marketed and sold.

In Q4 2004, a retroactive ex-vessel price adjustment was made to the fishermen proportionate to the amount of fish that was sold as of December 2004, an additional adjustment will be made after the remainder is marketed and sold.

In Q1 2005, the remaining 2004 fish in inventory was sold and a final retroactive ex-vessel price adjustment was made to the fishermen, with local fishermen receiving the highest price ever paid for their CDQ halibut.

In Q4 2005, the CBSFA Halibut Cooperative paid a retroactive ex-vessel price adjustment to the local fishermen proportionate to the amount of fish that was sold as of November 2005, an additional distribution will be made after the remainder is marketed and sold.

In Q4 2005, the remaining fish in inventory was sold and a final retroactive ex-vessel price adjustment was made to the fishermen, with local fishermen receiving the highest price ever paid for their halibut, December 2005.

Milestone 4: Annual Review and Report to Board and Members

Status: At the March 25, 2004 CBSFA Board meeting President Lestenkof reported on the results of the 2003 CBSFA Halibut Cooperative and proposed the 2004 CBSFA Halibut Cooperative Business Plan which the board approved.

In Q4 2004, at the CBSFA Annual Membership Meeting, President Lestenkof gave a report on the CBSFA Halibut Cooperative.

In Q4 2005, President Lestenkof gave a report on the CBSFA Halibut Cooperative at the CBSFA Annual Membership Meeting.

Goal 4: Local Fleet Support Program

Objective: Develop and facilitate programs that support the growth of the Local Fleet and insure their ability to prosecute the local fisheries. *See also "Education and Training."*

Milestone 1: *Deploy and retrieve floating dock system*

Status: The floating docks were deployed on June 3, 2005 using the CBSFA Grove crane and 12 local people were employed for this project.
The floating docks were retrieved in October 2005 using the CBSFA Grove crane; 4 local people were employed for this project.

Milestone 2: *Provide Vessel Launch and Retrieval services*

Status: Vessels participating in the 2005 CDQ Halibut Fishery were launched in June 2005 using CBSFA's Grove crane and additional launch and retrieval services will be provided as necessary. All vessels participating in the 2005 CDQ Halibut Fishery were retrieved by October 2005.

Milestone 3: *Maintain Launch and Retrieval (crane and trailers) equipment*

Status: From March 17-19, 2004 an inspector from the American Bureau of Crane Inspection came to St. Paul Island and re-certified the Grove Crane RT760E. Replacement items were purchased for one of the CBSFA hydraulic trailers. Q2 2004, maintenance was done to one of the hydraulic trailers and replacement parts were installed on the Grove crane. Additional replacement parts were installed on the Grove crane in Q3 2004.
The crane is scheduled to be inspected and re-certified in April 2005. Negotiations have been made to have repair work done on one of the hydraulic boat trailers for Q2 2005.
Scheduled maintenance and repairs were done on the Grove Crane RT760E by Tim Nicola, Coast Crane technician, in April 2005.
In April 2005 Jim O'Brien, an inspector from the American Bureau of Crane Inspection, re-certified CBSFA's Grove crane.
Repair work and preventive maintenance were done on both of CBSFA hydraulic trailers in May/June 2005. Welding and repairs were also completed on the CBSFA gangway ramp for the floating docks.
Q3 2005, Coast Crane technician Micah Goocey replaced parts and made repairs to the Grove Crane RT760E.
Q1 2006, the crane is scheduled to be inspected and recertified in April 2006.

Milestone 4: *Provide General Fishermen's Training*

Status: Darren Folkers from the American Bureau of Crane Inspection held a mobile crane safety operation and operators training course from March 17-19, 2004.
Q2 2005, AMSEA instructors conducted marine safety training courses on St. Paul for local fishermen and residents, May 26-29, 2005.
Jim O'Brien from the American Bureau of Crane Inspection held a mobile crane safety operation and operators training course in April 2005.
Q1 2006, the American Bureau of Crane Inspection is scheduled to hold a mobile crane safety operation and operators training course in April 2006. AMSEA is scheduled to conduct marine safety training courses in May 2006.

Goal 5: Community IFQ Project

Objective: Develop C-IFQ program to support the growth of the Local Fleet and the MSD Project.

Milestone 1: *Advocate for adoption of Pribilof Islands C-IFQ program*

Status: CBSFA submitted its C-IFQ proposal to the NPFMC in late 2002; At the Council's February 2003 meeting, under staff tasking, the Council decided not to take up new proposals at that time. In October 2003, the NPFMC IFQ Implementation Committee reviewed the CBSFA C-IFQ proposal and did not approve the proposal to be analyzed by the NPFMC at this time.
At the December 2003 NPFMC meeting, CBSFA submitted a proposal under the IFQ Program changes being analyzed by the council. CBSFA's proposal: Amend IFQ and CDQ halibut regulations to allow Area 4C fishermen to harvest Area 4C IFQ and CDQ in Area 4D. The council approved this proposal for analysis.
At the June 2004 NPFMC meeting, the council gave this proposal the highest priority. In Q4 2004, at the December 2004 NPFMC meeting, the council approved the CBSFA proposal -- allowing Area 4C fishermen to harvest Area 4C IFQ and CDQ in Area 4D. In Q1 2005, the IPHC approved allowing Area 4C IFQ/CDQ to be harvested in Area 4D.

Milestone 2: *Establish fund for C-IFQ purchases*

Status: Pending NPFMC action. (See Milestone 1)

Milestone 3: *Upon adoption, establish C-IFQ program guidelines*

Status: Pending NPFMC action. (See Milestone 1)

Milestone 4: *Implement C-IFQ program*

Status: Pending NPFMC action. (See Milestone 1)

Goal 6: Vessel Repair and Maintenance Program

Objective: Facilitate repair programs to insure the efficient and safest possible operation of the Local Fleet.

Milestone 1: *Assess Local Fleet Repair Needs*

Status: The local fishermen were surveyed in March 2004.
Q1 2005, CBSFA conducted a fishermen's survey in March 2005.
Q1 2006, CBSFA conducted a fishermen's survey in March 2006.

Milestone 2: *Facilitate a repair and maintenance program based on the assessment*

Status: CBSFC awarded a loan to a vessel owner to hire a local welder to replace the bottom of the vessel's hull. CBSFA provided the welding equipment for this project.
Q1 2005, CBSFA developed plans and made arrangements to facilitate vessel repairs and engine maintenance and repairs for the upcoming fishing season.
Q2 2005, CBSFA facilitated welding-related repairs and modifications done on some local vessels.
Q2 2005, CBSFA facilitated engine repair work done by Dan Valdez of Alaska Vessel & Vehicle Repair on three local vessels. CBSFA also facilitated a vessel re-power done by Terry Hensley of Pacific Power Products.
Q1 2006, a welder is scheduled to do repairs and modifications to local vessels in May/June 2006.

Goal 7: Vessel, Gear and IFQ Loans

Objective: Continue existing loan programs, and expand it to include C-IFQ program when adopted.

Milestone 1: *Annually review loan performance, program goals and budgets*

Status: CBSFC Loan Committee met on December 22, 2003 and reviewed the budgets for 2004, student loans and scholarships, IFQ loans and V/G Loans. On March 10, 2004 a notice was sent to the local fishermen on submitting applications for Vessel, Gear and IFQ Loans.
CBSFC Loan Committee held a meeting to review and approve new V/G Loans on April 16, 2004 and May 10, 2004.
The CBSFA Loan Committee awarded four loans to local fishermen for vessel repairs during fishing season in Q3 2004.
Q2 2005, a CBSFC Loan Committee meeting was held on April 2, 2005 to review vessel, gear and IFQ loan applications.
Q1 2006, a CBSFC Loan Committee meeting was held on February 28, 2006.

Milestone 2: *Review IFQ Loan program if C-IFQ initiative succeeds*

Status: Pending NPFMC action.

Milestone 3: *Implement Board-approved IFQ program changes if needed*
Status: Due to slow fishing in 4C, no interest in buying IFQ's.

Goal 8: Construct Vessel Repair, Maintenance and Storage Facility

Objective: To construct a multiple-use facility that can be utilized for Local Fleet repair work, vessel and crane storage, and other dry storage needs.

Milestone 1: *Finalize building plan including construction finance, land acquisition and operation*

Status: CBSFA will be amending this milestone to have more time to finalize land acquisition, financing and construction issues. CBSFA is committed to construct the vessel repair, maintenance and storage facility.
In Q4 2004, President Phillip Lestenkof met with TDX CEO Ron Philemonoff on November 17, 2004 to discuss land acquisition/potential building sites for the construction of the Vessel Repair, Maintenance and Storage Facility. A preliminary site was identified, will be investigated further and will require approval by TDX.
In Q1 2005, CBSFA President Phillip Lestenkof and Chairman Myron Melovidov met with TDX Corporation CEO, Ron Philemonoff on March 5, 2005 to discuss the leasing of land to construct the Vessel Repair, Maintenance and Storage Facility.

Milestone 2: *Contingent upon securing land, permits and financing, begin construction of facility*

Status: See Milestone 1.

Goal 9: American Seafood Investment

Objective: To continue to participate in this strategic investment, and utilize American Seafoods expertise when appropriate.

Milestone 1: *Monitor and participate in ASC Board activities*

Status: President Phillip Lestenkof attended an American Seafoods BOD Meeting on April 14, 2004 via teleconference. President Phillip Lestenkof attended an American Seafoods BOD Meeting on August 6, 2004 via teleconference.
In Q4 2004, CBSFA received a distribution from American Seafoods in October 2004.
Q2 2005, CFO Jonathan Thorpe participated in an American Seafoods board meeting May 22, 2005 via teleconference.
Q4 2005, President Phillip Lestenkof and CFO Jonathan Thorpe attended an American Seafoods board meeting in Seattle on November 3, 2005

Milestone 2: *Strengthen relationship to access seafood industry expertise*

Status: CBSFA has a good working relationship with ASC. Pacific Longline Company, a subsidiary of American Seafoods, fully harvested CBSFA's 2004 Pacific Cod allocation in 3rd quarter.

In Q4 2004, President Lestenkof and CFO Jonathan Thorpe met with American Seafoods management in Seattle on December 3, 2004 to discuss the CBSFA investment and harvesting agreements.

In Q1 2005, CBSFA President Phillip Lestenkof, Chairman Myron Melovidov and Vice President Robert Melovidov met with American Seafoods' management including Bernt Bodal, Mike Hyde and Inge Andreassen and discussed and signed the 2006-2008 pollock royalty agreement, March 2, 2005 in Seattle.

In Q4 2005, President Phillip Lestenkof, CFO Jonathan Thorpe and POS met with American Seafoods consultant Mike Hyde and Pacific Longline Company President Webjorn Eikrem to negotiate cod harvesting agreement terms and discuss operations, October 2005.

Q4 2005, President Phillip Lestenkof and CFO Jonathan Thorpe met with American Seafoods representatives and partners in Seattle on November 2, 2005.

Goal 10: F/V Ocean Cape and F/V Zolotoi

Objective: To gain better management/control or exit these vessel partnerships.

Milestone 1: *Implement Exit or Take-over strategies*

Status: The exit of the Ocean Cape LLC was completed in Q3 2004. The F/V Ocean Cape was sold during the 3rd quarter of 2004. The exit of the Zolotoi Partnership is pending. The F/V Zolotoi has applied to the Vessel Buyback Program.

The Zolotoi was included in the successful referendum for the Vessel Buyback Program, which will lead to CBSFA's exit from this investment.

In Q1 2005, CBSFA President and Chairman met with TDX Corporation CEO, Ron Philemonoff on March 5, 2005 to discuss the Zolotoi Partnership.

In Q1 2005, the FV Zolotoi has been purchased via the Vessel Buyback Program and the Zolotoi Partnership received payment and the company is being liquidated. Also the vessel hull has been sold.

Goal 11: Small Boat Harbor Project

Objective: To actively represent the Local Fleet's interest in this project.

Milestone 1: *Continue Local share set-aside program*

Status: CBSFA deposited its remaining 2003 SBH set-aside funds on February 29, 2004. CBSFA will set-aside full amount for 2004 in the 4th quarter.

In Q4 2004, CBSFA deposited the full 2004 set-aside funds in November 2004.

In Q1 2005, CBSFA deposited 60% of its 2005 set-aside funds in March.

In Q4 2005, CBSFA deposited the remaining 40% of its 2005 set-aside fund.

In Q1 2006 CBSFA deposited 40% of its 2006 set-aside into reserved investment accounts.

Milestone 2: *Develop SBH Business Plan that includes long-term O&M funding options*
Status: Ongoing. Project review with City and Army Corps of Engineers began December 2003. The Army Corp of Engineers will complete its GRR (report) on the Small Boat Harbor in November 2004.
In Q4 2004, President Lestenkof met with TDX CEO Ron Philemonoff to discuss the Small Boat Harbor on November 17, 2004, as it relates to local entities involvement.
In Q4 2004, President Lestenkof and CFO Jonathan Thorpe met with the Army Corp to discuss the Small Boat Harbor construction plans and schedules.
In Q1 2005, CBSFA President and Chairman met with TDX Corporation CEO, Ron Philemonoff on March 5, 2005 to discuss the Small Boat Harbor.

Goal 12: Essential Fish Habitat Advocacy & Research Project(s)

Objective: To advocate for Pribilof Islands harvesting and processing interests within the EFH process and to attract research projects to the Pribilof Islands.

Milestone 1: *Secure position in the EFH process, develop EFH strategy*

Status: CBSFA now has a seat on the EFH Committee and the Pribilof Islands Collaborative steering committee. At the February 29, 2004 meeting the CBSFA board appointed Phillip Lestenkof to represent CBSFA on the Pribilof Islands Collaborative. The Pribilof Islands Collaborative held meetings on St. Paul Island August 17-20, 2004 with all outside stake holders coming to St. Paul Island.

Milestone 2: *Develop EFH Research project(s), secure co-funding*

Status: CBSFA successfully secured funding for 2003, 2004 & 2005 from the North Pacific Research Board (NPRB) for two research projects: Area 4C halibut and Pribilof Blue King Crab. CBSFA and the State of Alaska began developing a crab enhancement research project in Q2 2003. St. Paul fishermen deployed water data recorders in 2002, 2003 and 2004 in collaboration with IPHC.
CBSFA hired Dr. Jack Tagart in June 2004 to research halibut bycatch in the BSAI.
The results of the halibut bycatch research are scheduled to be completed in January 2005.
As of Q4 2004, both of the above mentioned research projects are ongoing.
Q1 2005, Dr. Jack Tagart completed his research and was completing final review with CBSFA management.
Q2 2005 Dr. Jack Tagart completed the analysis he conducted on the Evaluation of the Spatial/Temporal Distribution of Bering Sea/Aleutian Islands (BSAI) Commercial Groundfish Fishery Halibut Bycatch.
Dr. Jack Tagart met with the local fishermen in St. Paul on May 6, 2005 and gave a presentation summarizing the results of his completed analysis.
Dr. Jack Tagart also met with the CBSFA BOD on May 7, 2005 and gave a presentation summarizing the results of his completed analysis.

Milestone 3: *Continue advocacy and research projects*
Status: CBSFA is participating in EFH committee, Fur Seal EIS committee, Pribilof Islands Collaborative meetings and proposed PNCIAC research committee meetings.
Q1 2005, President Lestenkof and Vice President Robert Melovidov attended the Pribilof Islands Collaborative meetings, January 28-30, 2005.
Q1 2005, the CBSFA President and Chairman attended the Pribilof Islands Collaborative meetings in Seattle, March 2005.
Q1 2006 President Lestenkof and Vice President Robert Melovidov attended the Pribilof Islands Collaborative meetings in Homer, January 2006.

Goal 13: Education and Training Programs

Objective: Provide education and training opportunities to members of the community, and to encourage our youth to return to the island with their new skills.

Milestone 1: *CBSFA will fund a scholarship, student loan and training program*
Status: The CBSFC Loan Committee met December 29, 2004 to review applications and award scholarships, student loans, and training grants. 15 scholarships, 1 student loan and 1 training grant were approved; they will be distributed in Q1 2005.
Q4 2005, the CBSFA Loan Committee met on December 31, 2005 to review applications and award scholarships, student loans and training grants;
Q1 2006, all approved scholarships, student loans and training grants were distributed.

Milestone 2: *Review loan performance*
Status: The CBSFC Loan Committee met on December 29, 2004 and reviewed all loans and budgets.
Q1 2006, the CBSFC Loan Committee is scheduled to review loan performance in April 2006.

Milestone 3: *Review loan and scholarship policies and budgets*
Status: The CBSFC Loan Committee reviewed the 2005 budget on December 29, 2004.
Q1 2006, the CBSFC Loan Committee is scheduled to review policies and budgets in April 2006.

Goal 14: Community Outreach

Objective: Continue a two-way dialogue with the community through a combination of surveys and newsletters.

Milestone 1: *Continue quarterly newsletter*
Status: The CBSFA 2003 Annual Report was distributed to the members in December 2004.
Q3 2005 CBSFA distributed a quarterly newsletter to members.

Q4 2005, Admin. Assistant Ray Melovidov attended webmaster training in Edmonds, November 2005; the cbsfa.com website is expected to launch in Q1 2006.

Q4 2005 the 2004 CBSFA Annual Report was distributed to the members at the annual membership meeting in November.

Q1 2006, the cbsfa.com website launched in March 2006.

Milestone 2: *Continue Member Survey*

Status: The local fishermen were surveyed in March 2004.
The community survey was completed in September 2004.
The local fishermen were surveyed in March 2005.
The local fishermen were surveyed in March 2006.

Milestone 3: *Continue Board Survey*

Status: The board was surveyed in September 2004.

Goal 15: General Management

Objective: Continue to provide effective and efficient management as CBSFA grows and diversifies its business interests.

Milestone 1: *Secure independent financial and performance audits*

Status: KPMG is engaged to perform the 2003 audit of CBSFA, to begin in April 2004.
CBSFA completed its 2003 audit in May 2004
Q2 2005, KPMG started the 2004 audit for CBSFA and subsidiaries.

Milestone 2: *Provide updated Board training and education*

Status: Mike Jansen, KPMG, was scheduled to come to St. Paul Island for board training in December 2003 but due to unforeseen circumstances he was not able to make the trip. The training was for reading and understanding financial statements, budgets and documents. This training is rescheduled for December 2004.
In Q4 2004, the CBSFA BOD attended a training workshop conducted by KPMG, on December 14 & 15, 2004. Gregg French from KPMG conducted the workshop, training the board to properly read and understand financial statements, budgets and independent audit report documents.

Milestone 3: *Review Management performance, organization and projects*

Status: During Q4 2003 the CBSFA Board adopted a plan to restructure CBSFA, and to create two new subsidiaries: Central Bering Sea Holdings, LLC and Multi-Species Development Holdings, LLC. CBSH, LLC was specifically established to manage CBSFA's American Seafoods investment and MSDH, LLC was specifically established to manage CBSFA's MSD assets and project.
Q2 2004, the transfer of CBSV, LLC from CBSFA to MSDH, LLC was completed.
In Q4 2004, during board training, the board reviewed the CBSFA Q3 2004 financial reports and CBSFA 2003 independent auditor's report.

- Milestone 4: *Review Partner(s) performance*
 Status: Received K-1 forms from partners for 2003.
 Q2 2004, MSDH accounting system integrated with CBSFA accounting system.
- Milestone 5: *Provide Staff Training*
 Status: Jonathan Thorpe flew to St. Paul in January 2004 to work with Rena Kudrin on the 4th Quarter Report. 1st quarter of 2004 was completed in Anchorage by CBSFA staff to correspond with the 2003 CBSFA Audit by KPMG-Anchorage. CBSFA CFO met with Trident Seafoods in Seattle in May 2004 to discuss the CSBFA Halibut Cooperative. Jonathan Thorpe participated in a seminar provided by Key Bank on derivatives. This is a continuing education towards the maintenance hours needed to retain his CPA license. Rena Kudrin went to Anchorage to work with Jonathan Thorpe on the 3rd Quarter Report. In Q4 2004, Rena Kudrin, Jonathan Thorpe and Ray Melovidov attended the board training workshop held on December 14 & 15, 2004. Gregg French from KPMG conducted the workshop, training the staff how to properly read and understand financial statements, budgets and independent audit report documents. In Q4 2005, CFO Jonathan Thorpe, Office Manger Rena Kudrin and POS Steve Manley met to work on third quarter accounting and report. In Q4 2005, CFO Jonathan Thorpe and POS Steve Manley attended a 48 hour accounting and financial Continuing Professional Education course, October 2005. In Q4 2005, CFO Jonathan Thorpe and POS Steve Manley attended a 6 hour Tax Exempt Status/Unrelated Business Taxable Income Continuing Professional Education seminar. In Q4 2005, Admin. Assistant Ray Melovidov attended webmaster training in November 2005.
- Milestone 6: *Periodically review Strategic Plan and Five-year Forecast*
 Status: Being revised as part of Substantial Amendment 04-01 CB.
 Q3 & Q4 2004, CBSFA developed the 2006-2008 Community Development Plan.
- Milestone 7: *Participate in NPFMC, IPHC and other appropriate policy forums*
 Status: President Phillip Lestenkof attended the Pribilof Islands Collaborative meetings in Anchorage the week of January 15, 2004. The 2004 IPHC Annual Meeting was held in Juneau, Jan 19-23, 2004; President Lestenkof, Chairman Myron Melovidov, Vice President Robert Melovidov and Boardmember Jason Bourdukofsky attended. President Lestenkof attended the NPFMC meetings the week of February 2, 2004. President Lestenkof attended the NPFMC meetings the week of March 29, 2004. CBSFA management attended Pribilof Islands Collaborative meeting, April 2004. CBSFA representative attended NPFMC meeting in June for 4C halibut boundary proposal. CBSFA representative attended NPFMC meeting in June, Crab EIS adopted. CBSFA representative attended Board of Fish meeting; Crab Rationalization Implementation Task Force.

President Phillip Lestenkof attended Pribilof Islands Collaborative stakeholders' meetings held in St. Paul Island during August 17-20, 2004.

In Q4 2004, President Phillip Lestenkof, Chairman Myron Melovidov and Admin. Assistant Ray Melovidov attended the NPFMC meetings held in Sitka, October 2004 to support CBSFA's request to allow 4C CDQ/IFQ halibut to be fished in 4D.

In Q4 2004, President Phillip Lestenkof, Chairman Myron Melovidov, Vice President Robert Melovidov and Admin. Assistant Ray Melovidov attended the NPFMC meetings held in Anchorage, December 2004 to support CBSFA's request to allow 4C CDQ/IFQ halibut to be fished in 4D.

In Q1 2005 President Phillip Lestenkof, Chairman Myron Melovidov, and Admin. Assistant Ray Melovidov attended the IPHC Annual Meeting in Victoria, B.C., January 2005.

Q1 2005, President Lestenkof and Vice President Robert Melovidov attended the Pribilof Islands Collaborative meetings, January 28-30, 2005.

Q1 2005, President Lestenkof and Boardmember Jeff Kauffman attended the NPFMC meetings in Seattle, February 2005.

Q1 2005, the CBSFA President and Chairman attended the Pribilof Islands Collaborative meetings in March 2005 in Seattle.

Q2 2005, President Lestenkof attended the NPFMC meetings in Anchorage, April 4-11, 2005.

Q2 2005, President Lestenkof (via teleconference) and Jonathan Thorpe participated in the Blue Ribbon Panel meeting on June 16, 2005.

Q2 2005, CFO Jonathan Thorpe attended the NPFMC meetings in Girdwood, June 2005.

Q4 2005, President Lestenkof attended the IPHC Interim Meeting in Seattle, November 2005.

Q4 2005, President Phillip Lestenkof, CFO Jonathan Thorpe and POS Steve Manley attended the NPFMC meetings in Anchorage, October and December 2005.

Q1 2006, President Lestenkof, Admin. Assistant Ray Melovidov and a local fisherman attended the IPHC Annual Meeting in Bellevue, WA, January 2006.

Q1 2006, President Lestenkof and Vice President Robert Melovidov attended the Pribilof Islands Collaborative meetings in Homer, January 2006.

Goal 16: Investment Fund Policies and Procedures

Objective: Maintain a conservative stance and sufficient liquidity to implement MSD and C-IFQ programs

Milestone 1: Develop Cash Flow model

Status: Maintained cash flow model and projection for Starpartner investment and potential American Seafoods IPO.
 In 3rd quarter, CBSFA utilized fixed-income funds from its Morgan Stanley investments to manage the CBSFA Halibut Cooperative cash flow needs instead of utilizing a line of credit.

Q1 2005, the CBSFA Investment Committee reviewed and adjusted the funds allocation in the Morgan Stanley investment portfolio.

Milestone 2: Maintain sufficient liquidity to meet investment strategy

Status: In Q1 2003 CBSFA implemented a funds portfolio allocation at Morgan Stanley, which included liquidity to meet investment needs.

Milestone 3: Monitor portfolio performance and adjust as necessary

Status: In Q2 2004 CBSFA started meeting with Morgan Stanley to discuss options on stocks and market volatility.

In Q3 2004 CBSFA held meetings with Morgan Stanley to continue monitoring portfolio performance.

In Q4 2004 the CBSFA Investment Committee held a quarterly meeting with Morgan Stanley in November 2004.

In Q1 2005 the CBSFA Investment Committee held a quarterly meeting with Morgan Stanley on March 10, 2005.

In Q4 2005 President Phillip Lestenkof, CFO Jonathan Thorpe and POS Steve Manley met with Morgan Stanley Financial Advisor Gregg Hartmann to review investment performance and discuss outlooks and holdings strategies, October 2005.

In Q4 2005 CFO Jonathan Thorpe and POS Steve Manley met with Morgan Stanley Financial Advisor Gregg Hartmann to review and finalize updated investment policy, December 2005.

In Q1 2006 Chairman Myron Melovidov, President Phillip Lestenkof, CFO Jonathan Thorpe and POS Steve Manley teleconferenced with Financial Advisor Gregg Hartmann on 2/9/06 to review 2005 investment performance and review 2006 strategy and outlook.

B. OUTREACH

- CBSFA donated a case of crab to the St. George School for fundraising.
- The local fishermen were survey in March 2006.
- CBSFA's website was launched in March 2006.

C. EMPLOYMENT

1. CBSFA 2006 1st Quarter Employment Data Form

	1st Quarter		Year-to-Date		Year-to Date
	Position/People	Wages	Position/People	Wages	People
Management/Administrative	6	103,622	6	103,622	6
CDQ Pollock Related					
A/B Season	None		None		
C/D Season	None		None		
Other Fishing	0	unknown	1	unknown	1
CDQ Halibut Fisheries	0	0	0	0	0
Other Employment	0	0	0	0	0
Internships					
Total	0	103,622	0	0	0

2. Summary

Management/Administrative: Four local CBSFA members are employed at the St. Paul Island Office. Positions consist of President, Quota Manager, Office Manager and Administrative Assistant. The Quota Manager position has been temporarily moved to Anchorage. CBSFA staff also includes Jonathan Thorpe-CPA, as Chief Financial Officer and Steve Manley, Project and Operation Support.

CDQ Pollock Related (A/B Season): No Activity.

Other fishing: No Activity.

CDQ Halibut Fishery: No activity for first quarter.

Other employment: No activity for first quarter.

Internships: No Activity

D. Training

1. CBSFA 2005 1st Quarter Training Data Form

	1 st Quarter		Year-to-Date	
	People	Expenditure	People	Expenditure
Scholarships				
Postsecondary	0	0	28	74,608
Vocational	0	0		
Voch-tech Classes				
Basic	0	0	1	3000
Advanced	0	0	0	
Other Training				
Fisheries related	0	0		
Student Loans	0	0	3	8,700
CDQ Staff/Board	0	0		
Other	0	0		
Other Expenditures				
To Educational Institutes	0	0		
Educational Endowment Funds				
Other	0	0		
Total	0	0	32	86,308

2. Summary

Scholarships: The deadline for applying was December 15, 2005 for the Spring 2006 semester. A total of 14 students submitted applications, with 13 applying for scholarships and 2 for training grants. The loan committee met on December 31, 2005.

Vocational/Technical Grants: 2 students submitted qualifying training grant applications for the Spring 2006 semester.

Other Training: None.

Student Loans: 2 students submitted student loan applications for the Spring 2006 semester.

Other Expenditures: None

III. ADMINISTRATION

A. Board Activities:

A CBSFA Regular BOD meeting was held on January 12, 2006.

A CBSFA Special BOD meeting was held on February 25, 2006.

B. State of Alaska Reporting Compliance

CBSFA is in compliance with the State of Alaska reporting regulations.

C. Amendment Status

D. Other Issues

IV. HARVESTING REPORT

A. Pollock and Multi-species CDQ Harvest by Quarter and Year to Date

1. Consolidated Summary of CDQ Harvesting Activities

Pollock

American Seafoods Company continues to be CBSFA's harvesting partner. CBSFA, BBEDC, CVRF, and YDFDA pooled Pollock and by-catch quotas for harvest by American Seafood vessels in order to increased utilization and minimize by-catch. See Pollock spreadsheet for actual numbers.

Flatfish and Atka Mackerel

U.S. Seafoods is CBSFA's flatfish and Atka mackerel harvesting partner. CBSFA, BBEDC, YDFDA, and CVRF pooled the Atka Mackerel and Flatfish quotas for harvest by US Seafoods vessels in order to increased utilization of the fishery resource and minimize by-catch. No activity in the 1st quarter. See Flatfish and Atka Mackerel spreadsheet for actual numbers.

Pacific Cod

Pacific Longline Company continues to be CBSFA's Pacific Cod harvesting partner. CBSFA and CVRF pooled Pacific Cod and by-catch quotas for harvest by Pacific Longline Company vessels in order to increase utilization of the fishery resource and minimize by-catch. See Pacific Cod spreadsheet for actual numbers.

Sablefish

No Sablefish activity occurred in Quarter 1 of 2006.

MS CDQ/PSQ Account Status Report 2006, Quarter 1													
CDQ Group: CBSFA CDQ Reserve Category	Units	Initial Allocation Amount	Transferred In	Transferred Out	Allocation after transfers	CDQ / PSQ Catch Reported				YTD Harvest	Percent Harvested	CDQ / PSQ Remaining	Percent Remaining
						1st Qtr	2nd Qtr	3rd Qtr	4th Qtr				
BS Pollock	mt	7,520.000		7,520.000	0.000					-	-	-	-
Pacific Cod	mt	1,309.500		1,307.000	2.500					0.000	0.0%	2.500	100.00%
BS FG Sablefish	mt	45.120		0.000	45.120					0.000	0.0%	45.120	100.00%
AI FG Sablefish	mt	13.500		0.000	13.500					0.000	0.0%	13.500	100.00%
BS Sablefish	mt	9.540		3.600	5.940					0.000	0.0%	5.940	100.00%
AI Sablefish	mt	4.480		1.500	2.980					0.000	0.0%	2.980	100.00%
WAI Atka Mackerel 543	mt	93.040		92.940	0.100					0.000	0.0%	0.100	100.00%
CAI Atka Mackerel 542	mt	240.000		239.900	0.100					0.000	0.0%	0.100	100.00%
EAI/BS Atka Mackerel 541	mt	45.040		44.440	0.600					0.000	0.0%	0.600	100.00%
Yellowfin Sole	mt	574.240		569.000	5.240					0.000	0.0%	5.240	100.00%
Rock Sole	mt	249.040		247.500	1.540					0.000	0.0%	1.540	100.00%
BS Greenland Turbot	mt	11.360		3.360	8.000					0.000	0.0%	8.000	100.00%
AI Greenland Turbot	mt	4.480		2.000	2.480					0.000	0.0%	2.480	100.00%
Arrowtooth Flounder	mt	87.750		65.750	22.000					0.000	0.0%	22.000	100.00%
Flathead Sole	mt	131.670		130.670	1.000					0.000	0.0%	1.000	100.00%
Other Flatfish	mt	21.040		18.000	3.040					0.000	0.0%	3.040	100.00%
Alaska Plaice	mt	30.000		12.600	17.400					0.000	0.0%	17.400	100.00%
BS Pacific Ocean Perch	mt	6.300		3.650	2.650					0.000	0.0%	2.650	100.00%
WAI Pacific Ocean Perch 543	mt	30.480		30.000	0.480					0.000	0.0%	0.480	100.00%
CAI Pacific Ocean Perch 542	mt	18.240		18.000	0.240					0.000	0.0%	0.240	100.00%
EAI Pacific Ocean Perch 541	mt	18.480		18.000	0.480					0.000	0.0%	0.480	100.00%
Northern Rockfish	mt	0.000		N/A	N/A					N/A	N/A	N/A	N/A
Shortraker Rockfish	mt	0.000		N/A	N/A					N/A	N/A	N/A	N/A
Rougheye Rockfish	mt	0.000		N/A	N/A					N/A	N/A	N/A	N/A
BS Other Rockfish	mt	2.450		0.950	1.500					0.000	0.0%	1.500	100.00%
AI Other Rockfish	mt	3.520		2.000	1.520					0.000	0.0%	1.520	100.00%
Other Species	mt	0.000		N/A	N/A					N/A	N/A	N/A	N/A
PSQ Reserve Category													
Zone 1 Red King Crab	ea	1,182.000		792.000	390.000					0.000	0.00%	390.000	100.00%
Zone 1 Bairdi Tanner Crab	ea	5,880.000		3,310.000	2,570.000					0.000	0.00%	2,570.000	100.00%
Zone 2 Bairdi Tanner Crab	ea	17,820.000		13,400.000	4,420.000					0.000	0.00%	4,420.000	100.00%
Opilio Tanner Crab	ea	34,570.000		15,940.000	18,630.000					0.000	0.00%	18,630.000	100.00%
Pacific Halibut (mortality)	mt	30.780		21.000	9.780					0.000	0.00%	9.780	100.00%
Chinook Salmon	ea	109.000		109.000	0.000					-	-	-	-
Non-Chinook Salmon	ea	158.000		158.000	0.000					0.000	-	0.000	-

B. Pollock and Multi-species CDQ Harvest Activities by Target Fishery
1. Pollock Harvesting Activities 2006, Quarter 1

Pollock Pool with American Seafoods
 Quarter Ended March 31, 2006

CDQ Reserve Category	Units	Transferred In			Transferred Out		Total After Transfers	CDQ Catch by Group				
		CVRF	CBSFA	BBEDC	YDFDA	Out		CVRF	CBSFA	BBEDC	YDFDA	Total
BS Pollock	mt	36,096.000	7,520.000	31,584.000	5,000.000	0.000	80,200.000	14,434.889	3,007.269	12,630.528	1,999.514	32,072.199
Pacific Cod	mt	100.000	20.000	85.000	23.000	0.000	228.000	55.398	11.080	47.088	12.741	126.307
BS FG Sablefish	mt	-	-	-	-	0.000	0.000	-	-	-	-	-
AI FG Sablefish	mt	-	-	-	-	0.000	0.000	-	-	-	-	-
BS Sablefish	mt	0.900	0.100	1.000	0.130	0.000	2.130	0.015	0.002	0.016	0.002	0.035
AI Sablefish	mt	-	-	-	-	0.000	0.000	-	-	-	-	-
WAI Atka Mackerel 543	mt	-	-	-	-	0.000	0.000	-	-	-	-	-
CAI Atka Mackerel 542	mt	-	-	-	-	0.000	0.000	-	-	-	-	-
EAI/BS Atka Mackerel 541	mt	1.400	0.100	1.200	0.200	0.000	2.900	0.012	0.001	0.010	0.002	0.025
Yellowfin Sole	mt	29.000	0.500	25.000	4.000	0.000	58.500	1.050	0.018	0.906	0.145	2.119
Rock Sole	mt	40.000	6.000	30.000	13.000	0.000	89.000	16.655	2.498	12.491	5.413	37.058
BS Greenland Turbot	mt	1.000	0.360	1.000	0.270	0.000	2.630	0.192	0.069	0.192	0.052	0.506
AI Greenland Turbot	mt	-	-	-	-	0.000	0.000	-	-	-	-	-
Arrowtooth Flounder	mt	20.000	3.000	20.000	3.000	0.000	46.000	3.649	0.547	3.649	0.547	8.392
Flathead Sole	mt	50.000	10.000	30.000	9.000	0.000	99.000	23.794	4.759	14.276	4.283	47.112
Other Flatfish	mt	7.000	0.500	5.000	1.600	0.000	14.100	2.134	0.152	1.524	0.488	4.298
Alaska Plaice	mt	1.400	0.100	1.200	0.200	0.000	2.900	0.138	0.010	0.118	0.020	0.285
BS Pacific Ocean Perch	mt	0.900	0.150	0.800	0.130	0.000	1.980	0.206	0.034	0.183	0.030	0.454
WAI Pacific Ocean Perch 543	mt	-	-	-	-	0.000	0.000	-	-	-	-	-
CAI Pacific Ocean Perch 542	mt	-	-	-	-	0.000	0.000	-	-	-	-	-
EAI Pacific Ocean Perch 541	mt	-	-	-	-	0.000	0.000	-	-	-	-	-
BS Other Rockfish	mt	1.000	0.150	1.600	0.130	0.000	2.880	0.167	0.025	0.267	0.022	0.481
AI Other Rockfish	mt	-	-	-	-	0.000	0.000	-	-	-	-	-
Other Species	mt	-	-	-	-	0.000	N/A	-	-	-	-	-
PSQ Reserve Category												
Zone 1 Red King Crab	ea	225.000	42.000	197.000	32.000	0.000	496.000	-	-	-	-	-
Zone 1 Bairdi Tanner Crab	ea	1,490.000	310.000	1,300.000	210.000	0.000	3,310.000	2.773	0.577	2.419	0.391	6.160
Zone 2 Bairdi Tanner Crab	ea	1,940.000	400.000	1,700.000	270.000	0.000	4,310.000	-	-	-	-	-
Opilio Tanner Crab	ea	4,500.000	940.000	3,930.000	630.000	0.000	10,000.000	1.179	0.246	1.029	0.165	2.619
Pacific Halibut (mortality)	mt	5.400	1.000	4.800	0.800	0.000	12.000	1.591	0.295	1.414	0.236	3.535
Chinook Salmon	ea	522.000	109.000	457.000	0.000	0.000	1,088.000	298.396	62.309	261.239	0.000	621.944
Non-Chinook Salmon	ea	756.000	158.000	662.000	106.000	0.000	1,682.000	31.582	6.600	27.655	4.428	70.266

2. Pacific Cod Harvesting Activities 2006, Quarter 1

CBSFA Pacific Cod Target Fishery Harvest Activity														
Quarter ended March 31, 2006														
CDQ Reserve Category	Units	Pool Contribution		Transfer Out	Total Allocation	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total YTD Harvest	CDQ Catch by Group		% Catch by Group	
		CBSFA	CVRF								CBSFA	CVRF	CBSFA	CVRF
A Season (60%)	mt	724.800	1,332.858		2,057.658	1,837.250		-	-	1,837.250	647.162	1,190.088	89.29%	89.29%
B Season (40%)	mt	483.200	888.572		1,371.772	-	-	-	-	-	-	-	0.00%	0.00%
Pacific Cod Total	mt	1,208.000	2,221.430		3,429.430	1,837.250	-	-	-	1,837.250	647.162	1,190.088	53.57%	53.57%
Bycatch														
Non Pollock Quota	mt	-	-		-	-	-	-	-	-	-	-	-	-
BS FG Sablefish	mt	-	-		-	-	-	-	-	-	-	-	-	-
AI FG Sablefish	mt	-	-		-	-	-	-	-	-	-	-	-	-
BS Sablefish	mt	-	1.300		1.300	-	-	-	-	-	-	-	-	-
AI Sablefish	mt	-	-		-	-	-	-	-	-	-	-	-	-
WAI Atka Mackerel 543	mt	-	0.250		0.250	-	-	-	-	-	-	-	-	-
CAI Atka Mackerel 542	mt	-	-		-	-	-	-	-	-	-	-	-	-
EAI/BS Atka Mackerel 541	mt	0.150	0.300		0.450	-	-	-	-	-	-	-	-	-
Yellowfin Sole	mt	5.000	10.000		15.000	1.171	-	-	-	1.171	0.390	0.781	-	-
Rock Sole	mt	2.000	5.000		7.000	0.537	-	-	-	0.537	0.153	0.384	-	-
BS Greenland Turbot	mt	1.000	2.500		3.500	0.054	-	-	-	0.054	0.015	0.039	-	-
AI Greenland Turbot	mt	-	-		-	-	-	-	-	-	-	-	-	-
Arrowtooth Flounder	mt	25.000	40.000		65.000	1.364	-	-	-	1.364	0.525	0.839	-	-
Flathead Sole	mt	15.000	30.000		45.000	11.109	-	-	-	11.109	3.703	7.406	-	-
Other Flatfish	mt	3.500	7.000		10.500	0.118	-	-	-	0.118	0.039	0.079	-	-
Alaska Plaice	mt	2.500	5.000		7.500	0.003	-	-	-	0.003	0.001	0.002	-	-
BS Pacific Ocean Perch	mt	-	-		-	-	-	-	-	-	-	-	-	-
WAI Pacific Ocean Perch 543	mt	-	-		-	-	-	-	-	-	-	-	-	-
CAI Pacific Ocean Perch 542	mt	-	-		-	-	-	-	-	-	-	-	-	-
EAI Pacific Ocean Perch 541	mt	-	-		-	-	-	-	-	-	-	-	-	-
AI Northern Rockfish	mt	-	-		-	-	-	-	-	-	-	-	-	-
AI Shortraker/Rougheye Rockfish	mt	-	-		-	-	-	-	-	-	-	-	-	-
BS Other Rockfish	mt	0.300	0.750		1.050	0.144	-	-	-	0.144	0.041	0.103	-	-
AI Other Rockfish	mt	-	-		-	-	-	-	-	-	-	-	-	-
Other Species	mt	-	-		-	-	-	-	-	-	-	-	-	-
PSQ Reserve Category														
Zone 1 Red King Crab	ea	-	-		-	-	-	-	-	-	-	-	-	-
Zone 1 Bairdi Tanner Crab	ea	-	-		-	-	-	-	-	-	-	-	-	-
Zone 2 Bairdi Tanner Crab	ea	-	-		-	-	-	-	-	-	-	-	-	-
Opilio Tanner Crab	ea	-	-		-	-	-	-	-	-	-	-	-	-
Pacific Halibut (mortality)	mt	10.000	22.000		32.000	1.227	-	-	-	1.227	0.383	0.844	-	-
Chinook Salmon	ea	-	-		-	-	-	-	-	-	-	-	-	-
Non-Chinook Salmon	ea	-	-		-	-	-	-	-	-	-	-	-	-

3. Sablefish (Black Cod) Harvesting Activities 2006, Quarter 1

Sablefish Target Fishery Harvest Activity First Quarter as of March 31, 2006								
CDQ Reserve Category	Units	Allocation				YTD Harvest	% of Target Harvest	
		after transfers	1st Qtr	2nd Qtr	3rd Qtr			4th Qtr
BS FG Sablefish	mt	45.120	-	-	-	-	0.000	0.0%
AI FG Sablefish	mt	10.000	-	-	-	-	-	-
BS Sablefish (trawl)	mt	4.000	-	-	-	-	0.000	0.0%
AI Sablefish (Trawl)	mt	2.000	-	-	-	-	-	-
Bycatch								
Pacific Cod	mt	-	-	-	-	-	0.000	-
WAI Atka Mackerel 543	mt	-	-	-	-	-	-	-
CAI Atka Mackerel 542	mt	-	-	-	-	-	-	-
EAI/BS Atka Mackerel 541	mt	-	-	-	-	-	-	-
Rock Sole	mt	-	-	-	-	-	-	-
BS Greenland Turbot	mt	-	-	-	-	-	0.000	-
AI Greenland Turbot	mt	-	-	-	-	-	-	-
Arrowtooth Flounder	mt	-	-	-	-	-	0.000	-
Other Flatfish	mt	-	-	-	-	-	-	-
BS Other Rockfish	mt	-	-	-	-	-	0.000	-
AI Other Rockfish	mt	-	-	-	-	-	-	-

a. Summary of harvesting activities by target fishery (sablefish)

No Activity in Quarter 1, 2006.

b. Summary of by-catch in the Sablefish fishery

By-catch is minimized through the use of pot gear. No unusual by-catch to report.

4. Atka Mackerel / Flatfish Harvesting Activities 2006, Quarter 1

2006 CBSFA, BBEDC, CVRF, & YDFDA Flatfish Pool												
Quarter ended March 31, 2006												
CDQ Reserve Category	Units	CVRF Initial Alloc	Transferred In			Transfers Out	Total After Transfers	CDQ Catch by Group				
			CBSFA	BBEDC	YDFDA			CVRF	CBSFA	BBEDC	YDFDA	Total
Pacific Cod	mt	84.000	40.000	100.000	108.000	0.000	332.000	-	-	-	-	0.000
BS Sablefish	mt	0.000	0.000	0.000	0.000	0.000	0.000	-	-	-	-	0.000
AI Sablefish	mt	0.000	0.000	0.000	0.000	0.000	0.000	-	-	-	-	0.000
WAI Atka Mackerel 543	mt	169.200	92.940	170.000	200.000	0.000	632.140	-	-	-	-	0.000
CAI Atka Mackerel 542	mt	444.000	239.900	445.000	530.000	0.000	1,658.900	-	-	-	-	0.000
EAI/BS Atka Mackerel 541	mt	77.000	44.190	80.000	93.000	0.000	294.190	-	-	-	-	0.000
Yellowfin Sole	mt	384.680	563.500	1,650.000	1,800.000	0.000	4,398.180	-	-	-	-	0.000
Rock Sole	mt	279.430	239.500	645.000	615.000	0.000	1,778.930	-	-	-	-	0.000
BS Greenland Turbot	mt	20.000	2.000	16.400	15.000	0.000	53.400	-	-	-	-	0.000
AI Greenland Turbot	mt	8.000	2.000	8.000	6.000	0.000	24.000	-	-	-	-	0.000
Arrowtooth Flounder	mt	44.750	37.750	160.000	121.000	0.000	363.500	-	-	-	-	0.000
Flathead Sole	mt	124.450	105.670	245.000	195.000	0.000	670.120	-	-	-	-	0.000
Other Flatfish	mt	1.750	14.000	46.000	35.000	0.000	96.750	-	-	-	-	0.000
Alaska Plaice	mt	132.600	10.000	114.800	60.000	0.000	317.400	-	-	-	-	0.000
BS Pacific Ocean Perch	mt	14.800	3.500	18.000	10.500	0.000	46.800	-	-	-	-	0.000
WAI POP 543	mt	55.000	30.000	56.650	62.000	0.000	203.650	-	-	-	-	0.000
CAI POP 542	mt	30.000	18.000	33.700	35.000	0.000	116.700	-	-	-	-	0.000
EAI POP 541	mt	32.000	18.000	33.650	32.000	0.000	115.650	-	-	-	-	0.000
BS Other Rockfish	mt	2.200	0.500	1.000	1.250	0.000	4.950	-	-	-	-	0.000
AI Other Rockfish	mt	0.800	2.000	6.000	3.500	0.000	12.300	-	-	-	-	0.000
PSQ Reserve Category												
Zone 1 Red King Crab	ea	1,248.000	750.000	2,600.000	1,600.000	0.000	6,198.000	-	-	-	-	0.000
Zone 1 Bairdi Tanner Crab	ea	3,390.000	3,000.000	13,000.000	12,000.000	0.000	31,390.000	-	-	-	-	0.000
Zone 2 Bairdi Tanner Crab	ea	16,563.000	13,000.000	40,000.000	40,000.000	0.000	109,563.000	-	-	-	-	0.000
Opilio Tanner Crab	ea	32,713.000	15,000.000	50,000.000	45,000.000	0.000	142,713.000	-	-	-	-	0.000
Pacific Halibut (mortality)	mt	11.000	10.000	40.660	40.000	0.000	101.660	-	-	-	-	0.000

5. Crab Harvesting Activities 2006, Quarter 1

Crab Harvest Activity									
First Quarter as of March 31, 2006									
CDQ Reserve Category	Units	Annual Allocation	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Harvest	Percent Harvested	Remaining Allocation
Bering Sea <i>C. Opilio</i> Tanner c	lbs	743,680	743,179				743,179	99.93%	501
Bering Sea <i>C. Bairdi</i> Tanner c	lbs	30,780	30,352				30,352	98.61%	428
Bristol Bay Red King crab	lbs	TBD	0						
Norton Sound Red King crab	lbs	N/A							
Pribilof Red & Blue King crab	lbs	Closed							
St Matthew Blue King crab	lbs	Closed							
05/06 EAI Golden King Crab	lbs	87,000	86,913				86,913	99.90%	87

a. Summary of harvesting activities by target fishery

***C. Opilio* (Snow Crab):** In Quarter 1 of 2006, the F/V Ballyhoo and the F/V Early Dawn harvested 99.93% of CBSFA's *C. Opilio* allocation.

BBRKC: No Activity in Quarter 1 of 2006.

EAI Golden King Crab: CBSFA's initial allocation of EAI Golden King Crab was 63,000 pounds. APICA transferred their allocation of 24,000 pounds to CBSFA for harvest. The F/V Ballyhoo harvested 56,613 pounds in Quarter 4 of 2005 and an additional 30,300 pounds in Quarter 1 2006 for a total harvest of 99.90%.

6. Halibut Harvesting Activities, 2006 Quarter 1

Halibut Harvest Activity									
First Quarter as of March 31, 2006									
CDQ Reserve Category	Units	Annual Allocation	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Harvest	Percent Harvested	Remaining Allocation
4B Halibut	lbs	0						-	-
4C Halibut	lbs	684,250					0	0.0%	684,250
4D Halibut	lbs	0						-	-
4E Halibut	lbs	0						-	-

a. Summary of harvesting activities by target fishery (Halibut)

No harvesting activity occurred in Quarter 1, 2006.

b. Summary of by-catch in the Halibut fishery

No by-catch to report. All vessels are less than 60 feet in length. No activity in Quarter 1.

C. Compliance / Enforcement Issues

NONE

D. Other Fishing Issues/Activities

NONE

V. CONFIDENTIAL ISSUES

A. Financial Statements

B. Tax Issues

No tax issues for Q1 2006.

C. Imminent Major Investments

D. Other

1. Board Minutes

CBSFA Regular BOD meeting was held on January 12, 2006.

CBSFA Special BOD meeting was held on February 25, 2006.