

CBSFA

Central Bering Sea Fishermen's Association

Community Development Plan (CDP) for
1998-2000 Multi-Species Community Development Quota (CDQ) Program
Second Quarter 2000 Report

Prepared for:
State of Alaska

July 31, 2000

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Central Bering Sea Fishermen's Association

I. Quarterly Highlights – 2nd Quarter

- CBSFA acquired a 2.8% stake in American Seafoods Group L.L.C.
- CBSFA conducted its annual Halibut CDQ management plan meeting with the local fishermen on May 25, 2000. CDQ Halibut fishing opened on June 15, 2000.
- The opilio crisis has led to the suspension of all MIS Live Crab operations.
- The CBSFA Loan Committee approved six CDQ Halibut fishery related vessel and gear loans.
- The independent financial and performance audit was completed in the 2nd quarter by KPMG and submitted to the State of Alaska.
- CBSFA published its Spring 2000 newsletter during the 2nd quarter.
- CBSFA conducted a door-to-door community survey during the 2nd quarter.
- Two CBSFA employees taught Junior Achievement classes to elementary students. Junior Achievement brings business and economics into the classroom.
- All 19 students funded in the Spring 2000 semester successfully completed the semester.
- During April CBSFA management trainees attended a meeting in Anchorage with other CDQ and APA member companies HR representatives to discuss outreach initiatives.

II. COMMUNITY DEVELOPMENT

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

Goal 1: Develop the Small Boat Harbor

Objective: Continue leadership role in this regional infrastructure project.

Milestone 1: *Work with other entities to identify Local Share funding approximately June 2000*

Status: Earlier this year, CBSFA took an active role in support of the City of St. Paul’s request that a federal “Commercial Fisheries Failure” be declared by the Secretary of Commerce in accordance with Section 312 of the Magnuson-Stevens Act. On May 6th, the Secretary of Commerce did declare that a “Commercial Fisheries Failure” has been declared for the Bering Sea Opilio Crab fishery.

This opens the door for federal disaster relief, and one of the top projects that we will seek funding for is the local share of the Small Boat Harbor. This effort is underway and picking up speed. The initial \$10 million appropriation made by Congress in support of the disaster declaration may or may not come into play for this project, but either way, the declaration itself has given us a firm basis for seeking assistance for this project.

In the meantime, we are continuing to refine our plans for this project and looking for ways to accelerate the construction of some features – particularly the ramp. Earlier this year the TDX crane that is used to launch and retrieve both vessels and floating dock sections suffered a structural failure, leaving the local fleet at risk. Although that problem has been overcome, this latest event underscores the importance of moving forward with the Small Boat Harbor.

Milestone 2: *Issue construction RFP by approximately September 2000*

Status: No activity in Quarter 2.

Milestone 3: *Begin dredging by approximately June 2001*

Status: No activity in Quarter 2.

Milestone 4: *Small Boat Harbor open approximately June 2003*

Status: No activity in Quarter 2.

Goal 2: Acquire Pollock Industry Assets

Objective: Identify and make strategic investments

Milestone 1: *Conduct new feasibility study to determine strategic opportunities by Q1 2000*

Status: This milestone was met in Quarter 1 2000.

Milestone 2: *Short list opportunities, conduct due diligence*

Status: This milestone was met in Quarter 1 2000.

Milestone 3: *Make final determination, develop business plans, amend CDP and make acquisitions in late 2000.*

Status: During quarter 2 CBSFA completed its acquisition of a 2.8% stake in American Seafoods, LLP. Based on the success of this years pollock A and B seasons, we are cautiously optimistic that this company will perform to business plan and help stabilize CBSFA's revenues and increase equity growth.

Goal 3: Direct Investment in Strategic Fisheries & Vertical Industries

Objective: Economic growth and diversification by expanding our active participation in crab and groundfish fisheries in a diversified and prudent manner.

Project: Misty Islands Seafoods

Milestone 1: *Analyze additional processing and marketing opportunities*

Status: No activity in Quarter 2.

Milestone 2: *Develop a "Misty Islands" brand marketing strategy*

Status: This milestone is under review. The opilio crisis has led to the suspension of all MIS Live Crab operations, which until now was the core business of MIS. Future development of the halibut RFP process on St. Paul may result in a new MIS initiative and the development of a Brand Strategy, but until that process is complete this milestone is under review.

Milestone 3: *Operate profitably during all 2000-crab fisheries*

Status: This milestone has been suspended. During the second quarter the MIS facility in Anchorage was closed. The decision to close the facility was a difficult one to make but was the only choice given the poor state of the crab fisheries in general and the late start

for the *opilio* fishery. The demand for live *opilio* is primarily in winter and by April there was not enough demand to justify operating the plant. MIS moved out of leased space to cut costs. The remaining frozen crab was sold to Sagaya (they ran a special with it), most of the equipment was loaded into the three vans and put into storage along with the pickup, some of the equipment was sold, and many of the boxes were kept in storage awaiting sale to other fish processors. The items will be finally removed, sold or placed in storage during the third quarter. We have begun searching for a buyer for the live crab business but continue to be interested in live crab sales from St. Paul and in other businesses where the Misty Islands label can be used to represent St. Paul fishermen's catch.

Project: F/V Zolotoi

Milestone 1: *Obtain consistent cash on cash return on investment*

Status: In a quarter 1 meeting with all of the partners, a Business Plan was presented for the Zolotoi to meet the challenges of the reduced *opilio* harvest levels and the limitations being placed upon the P Cod fishery. If the vessel can perform in accordance with the Business Plan, a small return on investment should be achieved.

CBSFA has been working closely with the Managing Partner, the NPFMC and NMFS to see if we can get a CDQ-specific cod endorsement for the F/V Zolotoi and F/V Ocean Cape.

Milestone 2: *Employ CBSFA members on board, two fisheries annually*

Status: One CBSFA member was employed aboard the F/V Zolotoi during quarter two. He participated in the CDQ *C. Opilio* fishery.

Project: F/V Ocean Cape

Milestone 1: *Complete sponsoring in time for late 1999 fisheries*

Status: The sponsoring of the F/V Ocean Cape was completed in December 1999. It was not completed in time to participate in the Bristol Bay King Crab Fishery.

Milestone 2: *Obtain consistent cash on cash return on investment*

Status: In a quarter 1 meeting with all of the partners, a Business Plan was presented for the Ocean Cape to meet the challenges of the reduced *opilio* harvest levels and the limitations being placed upon the P Cod fishery. If the vessel can perform in accordance with the Business Plan, a small return on investment should be achieved.

CBSFA has been working closely with the Managing Partner, the NPFMC and NMFS to see if we can get a CDQ-specific cod endorsement for the F/V Zolotoi and F/V Ocean Cape.

Milestone 3: *Employ CBSFA members on board, two fisheries annually*
Status: No activity in Quarter 2.

Project: Freezer / Longliner Investment

Milestone 1: *Continue negotiations with current potential partner*
Status: Although some investment discussions have taken place, the current Bering Sea opilio crisis and the resulting revenue loss to CBSFA makes this investment opportunity a low priority until after the 2001 allocation process.

Milestone 2: *Analyze additional investments during 2000*
Status: Preliminary discussions have taken place with various partners regarding future investment possibilities.

Milestone 3: *If feasibility is proven, make additional acquisitions in 2000*
Status: No activity in Quarter 2.

Goal 4: Development of Local Fisheries

Objective: Remove obstacles to growth, and create support programs for the development of local fisheries.

Project: Vessel & Gear Loans, IFQ Loans, Business Loans

Milestone 1: *Annually review loan performance and budgets*
Status: There were six vessel and gear loan approved by the CBSFC Loan Committee. Two new vessels were purchases and one vessel loan was assumed by a local fisherman. The gear loans included purchases such as a life raft, shutes, lines, hauler, to paying off a gear loan with another lender.

There were no IFQ or Business Loans during this quarter.

Project: Support Development of Local Fisheries

Milestone 1: *Manage halibut fishery to achieve annual harvest and participation goals*
Status: CBSFA conducted its annual Halibut CDQ management plan meeting with the local fleet on May 25, 2000. Twenty-seven local fishermen participated. Guidelines for the year 2000 halibut season were set.

CBSFA's CDQ halibut fisheries opened on June 15, 2000. During the month of June 2000, there were 12 openings with a total of 274, 688 pounds caught. A total of 25 vessels are participating, with a total of 116 persons participating in the fisheries.

Milestone 2: *Implement program to conduct Experimental Fisheries in 2000*

Status: Given the relatively small size of local vessels, for the last two years, the local fleet has needed every available "good weather" day to fish its CDQ and IFQ halibut quotas. Therefore, we are working to remove three obstacles that will allow for expanded fishing opportunities in accordance with this Goal: (1) Development of a Small Boat Harbor, which will allow local fishermen to invest in larger vessels; (2) Protect allocations of other species. Cod rationalization is now in play. We are actively engaged in the NPFMC process to ensure the resource is available when the local fleet develops to the point they can harvest cod efficiently; (3) Local processing capacity. We are engaged in conversations with several processors, concerning both the economic s and permitting issues surrounding the development of a local cod industry.

Milestone 3: *Implement plan to use local fleet to harvest Pacific Cod in 2000*

Status: During the May 25th Halibut Management meeting with the local fishermen information was provided regarding groundfish bycatch regulations while CDQ halibut fishing in vessels less than or equal to 60 feet. The applicable maximum retainable bycatch (MBR) amounts for cod and rockfish is 20% of the amount of halibut on board the vessel. The large price difference between halibut and cod leads us to believe that not many fishermen will retain cod this year. However, local buyers have posted a price for the purchase of cod from the local fleet.

Milestone 4: Contingent on ADF&G, implement plan to use local fleet to harvest hair *crab*.

Status: No activity in Quarter 2.

Project: Vessel Support Program

Milestone 1: *Annually deploy and retrieve floating dock system*

Status: The deployment of the floating dock was facilitated by CBSFA during the second quarter and successfully completed by a local work crew.

Milestone 2: *Establish interim operating agreement for vessel launch and retrieval operations with crane owner / operator*

Status: Earlier this year, the TDX crane suffered a structural failure. Until the Small Boat Harbor is built, the local fleet is almost completely dependent on this crane for deployment and retrieval of both floating docks and vessels.

We negotiated for the lease of a Kelly Ryan construction crane that was bound for St. Paul to support work on the Main Harbor Improvement projects. Unfortunately, no sooner had we secured an agreement than the Kelly Ryan crane was damaged while off-loading from a barge at St. George Island. Kelly Ryan had another crane available in St. Paul harbor just prior to the season, so we used that to deploy the docks and larger vessels. We are now also working with Trident to use their smaller crane for some lifts.

All of this underscores the need for the Small Boat Harbor and related equipment.

Project: Acquire Vessel Launch & Retrieval System

Milestone 1: *Conduct Needs Assessment*

Status: Discussions with the other local entities about improving the current boat ramp to accommodate larger vessels are occurring.

Milestone 2: *Conduct due diligence for acquisition and operations, late 2000*

Status: No activity in Quarter 2.

Milestone 3: *Take action consistent with due diligence and progress of Small Boat Harbor Project in 2001*

Status: No activity in Quarter 2.

Project: Vessel Repair & Maintenance Program

Milestone 1: *Annually identify local vessel repair & maintenance needs, issue RFP, conduct program.*

Status: During several informal meetings with fishermen and CBSFA Management, a decision was made not to proceed with the project at this time because the demands for vessel repair were relatively low this year, and facilitating a project was too expensive per capita(vessel).

Project: Acquire Vessel Repair & Maintenance Facility

Milestone 1: *Conduct Needs Assessment by mid-2000*

Status: During a meeting with halibut fishermen to discuss the reorganization of that fishery, we took an informal poll concerning vessel repair needs. Demand for vessel repair assistance was not significant enough to justify a program this spring.

While we worked to respond to the TDX crane structural damage (see above) we also began a complete review of all our vessel launch and retrieval options, and our vessel repair facility options. We will address these issues in detail in our new CDP.

Milestone 2: *Develop building plan including construction finance, land acquisition and operations by late 2000*

Status: No activity in Quarter 2.

Milestone 3: *Construct and begin operations by late 2001*

Status: No activity in Quarter 2.

Project: Fishermen's Safety & Education Program

Milestone 1: *Annually conduct vessel, on the job, and other education and training programs*

Status: CBSFA hired security personnel to patrol the West Landing Dock and the floating dock. CBSFA has implemented, along with Public Safety, an "authorized persons" list consisting of boat owners, crewmembers, and authorized individuals who are allowed on the floating docks. This was done to prevent accidents and for the security of the local vessels moored at the docks.

Milestone 2: *Continue vessel repair and maintenance training as an additional aspect of Vessel Repair & Maintenance program.*

Status: During a meeting with halibut fishermen to discuss the reorganization of that fishery, we took an informal poll concerning vessel repair needs. Demand for vessel repair assistance was not significant enough to justify a program this spring.

Project: Substance Abuse Treatment

One local fisherman was funded to attend Alcohol and Drug Addiction Treatment, off Island. He completed the intensive outpatient component, has returned to St. Paul to fish the 2000 CDQ Halibut season, then will return to complete the remainder of his program. Because of the funding, the fisherman is able to participate in the 2000 Halibut CDQ season, as opposed to being incarcerated for not being able to generate the funds necessary to participate in treatment by the required deadline.

Milestone 1: *Annually evaluates treatment program and budget.*

Status: The program and budget were evaluated in quarter 1. The budget was amended as part of Substantial Amendment 00-03.

Goal 5: Local Employment

Objective: Create programs that lead to the training, education and employment of our residents.

Project: Student Loans, Scholarships & Training Grants

Milestone 1: *Annually monitor progress of students*

Status: All Nineteen (19) students funded in the Spring 2000 semester successfully completed the semester. In other words, none of the students funded dropped out of school. That in itself is a huge success. On top of that, six students satisfactorily completed the course requirements and graduated from their program receiving a degree or a certificate.

On many occasions, students were contacted in person, by telephone, mail, or emailed. This effort to stay in contact with our students proved beneficial and resulted in various opportunities for them such as internship placements, summer job hire, scholarship possibilities, as well as providing emotional encouragement and academic guidance for a student who contemplated dropping out of school.

Milestone 2: *Annually review loan performance*

Status: During this quarter, discussions were held and plans developed to reinstate collection on student loans. NBA Escrow Service Department will maintain the student loan accounts, to ensure stability and for accounting purposes, scheduled to take place in the third quarter.

Milestone 3: *Annually review loan and scholarship policies and budgets*

Status: Currently, the student scholarship and loan applications are under revision. The next scheduled scholarship and loan deadline for submission is July 31, 2000. Following that, the loan committee is tentatively scheduled to meet on August 4, 2000 to decide on the fall 2000 awards.

Ten out of Nineteen students funded during the academic year 1999-2000 are on Island this summer working in various positions. Businesses in which they are working include several of the local entities (Tribal Ecosystems Office, Subsistence Fur Seal Harvest, NOAA, & CBSFA) to crew members for several local fishing vessels.

We are in the planning stages of developing a workshop & training opportunity for the loan committee that is tentatively scheduled to occur during the next quarter.

Project: Outreach Program

Milestone 1: *Review and restructure program due to AFA related changes by Q1 2000.*

Status: On April 4-7, 2000, the management trainees attended meetings sponsored by CVRF and coordinated by Mary Oslin. The purpose of this meeting was for the CDQ and APA member companies HR representatives to consider the possibility of shared support services for interns/apprentices in Seattle. At the meeting, we met a majority of the APA and CDQ HR reps. We discussed HR roles within partnerships, greatest challenges within Western Alaska (recruiting, employment, retention), and identified common support issues

for interns/apprentice. In addition, we completed a questionnaire on CDQ Support Services Coordinator as a part of our commitment to the process.

In June, management trainee, participated in a teleconference with the APA and other CDQ representatives. The meeting was a continuation of the April meeting on Alaskan Interns in Seattle. At this meeting, SE and F, the intern program consultants, hired by the At-sea-Processors were introduced.

Milestone 2: *Develop and establish a quarterly newsletter by Q2 2000*
Status: The first newsletter was published on June 28, 2000.

Project: Youth Training

Milestone 1: *Insure that all Grade K – 12th grade students have an opportunity to participate in Junior Achievement*
Status: Employees, Patience Merculief and Tara Bourdukofsky taught Junior Achievement to elementary classes for one week during the second quarter. Patience Merculief taught 1st and 2nd graders, while Tara Bourdukofsky taught Kindergarden.

Other members of the community participated in the Junior Achievement and taught various grades.

Goal 6: Investment Fund Policies & Procedures

Objective: Invest excess or held funds in a prudent manner to generate additional income to support programs and projects.

Project: Investment Fund Management

Milestone 1: *Annually review policies and procedures for general accounts*
Status: The Investment Fund Policies and Procedures have been reviewed and updated.

Milestone 2: *Allocate 80% of Pollock royalties to Small Boat Harbor project account*
Status: In response to the C. Opilio Crab crisis, CBSFA submitted Substantial Amendment 00-03, which requests the State and NMFS to change the set-aside formula to a set annual appropriation. Substantial Amendment 00-03 was approved by the State of Alaska and the National Fisheries Service (NMFS).

Milestone 3: *Review Investment Fund policies as they relate to congressional approval of Small Boat Harbor project and Local Share requirements in Q1 2000*
Status: The Investment Fund Policies as they relate to congressional approval of the Small Boat Harbor project have been reviewed. It is anticipated that construction on the Small Boat Harbor project will start during 2001 and that funds will be needed then. The Small Boat Harbor fund has been reviewed for consistency with this goal, i.e., funds need to be invested for the intermediate horizon to ensure availability starting 2001.

Goal 7: Administrative Policies & Procedures

Objective: Continue to develop Board and Management expertise necessary to manage CDQ allocations for St. Paul.

Milestone 1: *Annually secures independent financial & performance audits*

Status: The independent financial and performance audit was completed in the 2nd quarter by KPMG and submitted to the State of Alaska.

Milestone 2: *Provide updated Board training and education each year*

Status: No activity in Quarter 2.

Milestone 3: *Annually review management performance, organization and projects*

Status: During Q2 we reviewed the scope of work that other CDQ groups engaged consultants to conduct on their behalf, and combined some of those issues with our own draft scope. By the end of June we had identified a proposed consultant and are currently engaged in negotiating scope and budget.

Milestone 4: *Develop a new process for evaluating partner performance in Q1 2000.*

Status: CBSFA is in the drafting process on establishing standard criteria for our partner's performance. A Management Trainee is working with the President and Fisheries Consultant to develop the new process for evaluating partner performance. Quarter 3 is the estimated completion date.

Milestone 5: *Create and fill Quota Manager and Economic Development Specialist positions.*

Status: This milestone is under review. Late last year, CBSFA hired two Management Trainees. CBSFA plans to cross-train both individuals for a period of 18 months before appointing them to specific positions. At the end of the 18-month training period, permanent

assignments will be made to fill these positions. Given CBSFA's relatively small staff size, we believe this is a more prudent course.

Milestone 6: *Annually review Strategic Plan*

Status: CBSFA's "Strategic Plan" has undergone almost continuous review since the Opilio crab quota cuts were announced last fall. Several projects have been revamped and budgets revised, as incorporated in Substantial Amendment 00-03, which was approved by the State and NMFS during the second quarter.

Milestone 7: *Participate in NPFMC, IPHC, ABF and other appropriate policy making forums.*

Status: CBSFA management, staff, or consultants participated in the following meetings: NPFMC (April 11th); CDQ/State Meeting (April 19th); CBSFA/State Meeting (May 31); NPFMC (week of June 5th); and other meetings as appropriate.

Milestone 8: *Annually conducts Halibut CDQ Fishery Management Plan meeting with Local fleet*

Status: CBSFA conducted its annual Halibut CDQ management plan meeting with the local fleet on May 25, 2000. Twenty-seven local fishermen participated. Guidelines for the year 2000 halibut season were set.

CBSFA's CDQ halibut fisheries opened on June 15, 2000. During the month of June 2000, there were 12 openings with a total of 274, 688 pounds caught. A total of 25 vessels are participating, with a total of 116 persons participating in the fisheries.

Milestone 9: *Analyze and support local fisheries related needs.*

Status: Thanks to the efforts of CBSFA, this year's CDQ halibut fishery opened with a stable quota and ex-vessel prices that are higher than the peak of the 1999 season. Late last year, CBSFA successfully argued before the International Pacific Halibut Commission (IPHC) that our quotas should be left at current levels, in spite of the general trend to cut fishing quotas in almost every other area. And for the first time, CBSFA sought competitive bids from halibut buyers before the season to increase ex-vessel prices for local fishermen and develop financially self-sustaining local fleet support programs.

B. OUTREACH

On April 12, 2000, CBSFA participated in mock interview session for the Junior high school 8th grade class. Then, in conjunction, a student was assigned to our company for a day to do job shadowing. This

turned out to be a great experience and a great opportunity to take advantage of the extra help. The student helped put together a list of scholarship possibilities and then mailed them to our students.

At the end of April, early May 2000, CBSFA assisted APICDA with employment opportunities for community members. We assisted by posting public service announcements, as a local contact then referred interested local community members to APICDA Human Resource Director, and received faxed information at our office for local community members.

In addition, during the month of May 2000, CBSFA participated in the following outreach engagements: Center for Marine Conservation meeting regarding: International Marine Debris Conference; Beach and Harbor cleanup efforts that took place on May 19, 2000. A video presentation of clean-up efforts provided to fishermen at a meeting held on May 25, 2000. Second clean-up of the harbor took place on May 26, 2000 with the assistance of local entities and vessel crew members.

In the middle of May, efforts were made to work with other CDQ groups and the APA by completing a scholarship program survey, providing information about our vessel and gear loan program, and posting public service announcements.

At the end of June, CBSFA staff began a door-to-door survey to receive community feedback for the upcoming Community Development Plan (CDP). On June 28th the Spring issue of CBSFA's quarterly newsletter was published. The newsletter was distributed as a handout during the community survey.

C. EMPLOYMENT

EMPLOYMENT DATA 2000 QUARTER 2

1. Data Form

	Quarter 2		Year-to-Date		Year-to- Date People
	Position/Trips	Wages	Position/Trips	Wages	
Management	4	38,893.75	4	78,749.37	4
Anchorage Clerical					
CDQ Pollock Related					
A Season					
B Season					
Multi-species Related					
Crabbing	0	Unknown	0	Unknown	0
Groundfish	2	Unknown	2	Unknown	2
Other Fishing					
CDQ Halibut	116	476,216.86	116	47,6216.86	116
Other Employment	7	2,124.00	7	2,124.00	7
CBSFC	1	528.83	1	836.51	1
St. Paul Clerical					
Misty Islands Seafood's					
Management	1	6,730.75	1	14,806.75	1
Production Staff	9	1,362.88	9	4,173.88	9
Internships					
Total	140	525,857.07	140	576,907.37	140

2. Summary

CBSFA's CDQ Halibut 2000 season started on June 15, 2000 with a total of 116 Captains and crew members.

Other employment was to deploy the floating docks for the 2000 CDQ Halibut season.

D. TRAINING AND EDUCATION

1. Data Form

TRAINING/SCHOLARSHIP/STUDENT LOAN 2000 QUARTER 2					
		Quarter 2		year-to-date 2	
		People	Expenditure	People	Expenditure
Scholarships					
	Postsecondary	0	0	14	\$18,200
	Vocational	0	0	3	\$9,000
Voc-tech Classes					
	Basic	2	\$1,100	2	\$1,100
	Advanced	0	0	0	0
Other Training					
	Fisheries related	0	0	0	0
	Student Loans	0	0	9	\$10,800
	CDQ Staff/Board	0	0	0	0
	Other (Board Training)	0	0	0	0
Other Expenditures					
	To Educational Institutes		0	0	0
	Educational Endowment Funds		0	0	0
	Other		0	0	0
Total		2	\$1,100	28	\$39,100

2. Summary

During this quarter, two high school seniors applied and were to attend the Unalaska Fishery Institute. In addition, we are happy to report that the following students successfully completed their graduation requirements, and that the 4 of the 6 who have returned to St. Paul and are positive additions to the work force in the community.:

1. Gregory Fratis Jr.- AVTEC; Plumbing & Heating Repairer
2. Anthony Kushin- AVTEC; Assistant Maintenance Carpenter
3. Leatha Mercurieff- UAA; BS Business Management
4. Patricia Mercurieff-Booth- Everett Community College; AAS Accounting
5. Jessica Rukovishnikoff- Keller Institute; Master of Business Administration; Projects management
6. Michael J. Zacharof- AVTEC; Structural Maintenance
7. Quintin Kochuitn- Unalaska Fishery Institute; Fishery Certificate
8. Shaun Lekanof- Unalaska Fishery Institute; Fishery Certificate

III. ADMINISTRATION

A. BOARD ACTIVITIES

1. Changes in members

There were no changes in CBSFA board members in the second quarter.

2. Substantial Decisions

- The CBSFA Board passed Resolution No. 00-06 approving the Keybank of Alaska document titled CORPORATE RESOLUTIONS necessary to finalize loan documents with Keybank to complete the purchase of 2.8% of the initial equity of American Seafoods, L.L.P..

B. CDP AMENDMENT STATUS

The following amendments were submitted and approved during Quarter 2:

TA 00-05: Add F/V OCEAN BALLAD to CBSFA's 2000 CDP.

TA 00-06 Add WESTWARD SEAFOODS as an eligible processor under CBSFA's 2000 CDP.

SA 00-07: Transfer quota from CBSFA to NSEDC to prosecute the Atka Mackerel fishery.

SA 00-08 Add Unisea and Pribilof Alaska Seafood Company (PASCO) as eligible processors to CBSFA's 2000 CDP.

C. Other Issues

There are no other issues to report at this time.

IV. HARVESTING REPORT for Quarter 2 Year 2000

A. Target Fishery Harvest Activities

1. PACIFIC COD HARVESTING ACTIVITIES

SPECIES	CDQ Allocation		Target Fishery Information			
	Metric Tons Allocated	Metric Tons Harvested			Percentage of Allocation	% of Target Fishery
		Q1	Q2	YTD		
PACIFIC COD	1,447.500	499.880	345.610	845.490	58.410%	86.96%
BYCATCH						
Turbot Bering	65.380	0.630	0.070	0.700	1.071%	0.07%
Turbot Aleutian Islands	11.500	0.130	0.110	0.240	2.087%	0.02%
Non-target pollock		14.590	2.030	16.620		1.71%
Atka Mackerel - Central	185.200	3.150	0.950	4.100	2.214%	0.42%
Other Flats	628.500	0.270		0.270	0.043%	0.03%
Rock Sole	1,010.700	0.240	0.170	0.410	0.041%	0.04%
Flathead Sole	394.800	0.900	0.720	1.620	0.410%	0.17%
Arrowtooth	751.590	1.750	1.680	3.430	0.456%	0.35%
Other Species	179.910	59.690	27.420	87.110	48.419%	8.96%
Other Rockfish - BS	2.160	0.070	0.250	0.320	14.815%	0.03%
Other Rockfish - AI	4.080	0.010		0.010	0.245%	0.00%
Other Red Rockfish - BS	1.400	0.100	1.010	1.110	79.286%	0.11%
True POP - Central AI	26.300	0.010	0.010	0.020	0.076%	0.00%
Sharp/Northern - AI	38.600	2.590	1.040	3.630	9.404%	0.37%
Short/Rougheye - AI	5.940	3.960	3.180	7.140	120.202%	0.73%
				0.000		
PSQ Halibut		12.320	16.370	28.690		
PSQ Halibut Mortality	27.440	1.380	1.650	3.030	5.029%	
PSQ Other Tanner crab		156.130	35.940	192.070		
PSC Bairdi crab		8.040	3.000	11.040		
				0.000		
Total Harvest (non-PSQ)		587.970	384.250	972.220		100.00%

a. Summary of harvesting activities by target fishery (Pacific Cod)

Two Jubilee Seafoods' freezer/longliners, the *Kjevolia* and *Zenith*, fished CBSFA's Pacific Cod allocation during the second quarter. They stopped fishing on April 17, 2000.

b. Summary of By-catch in Pacific Cod fishery

The predominant by-catch species in this fisheries was Shortraker/Rougheye-AI, Other Red Rockfish – BS, and Other Species.

2. SABLEFISH / TURBOT HARVESTING ACTIVITIES

SPECIES	CDQ Allocation			Target Fishery Information
	Metric Tons Allocated	Metric Tons Harvested	Percentage of Allocation	% of Target Fishery
TOTAL Sablefish, H+L Bering	26.460	20.120	76.039%	41.246%
TOTAL Turbot Bering	65.380	12.470	19.073%	25.564%
BYCATCH				
Pacific Cod	1447.500	1.240	0.086%	2.542%
Arrowtooth	751.590	14.920	1.985%	30.586%
Other Rockfish - BS	2.160	0.030	1.389%	0.062%
PSQ Halibut	0.000	1.870		
Total Harvest (non-PSQ)		48.780		100.000%

a. Summary of harvesting activities by target fishery (Sablefish / Turbot)

The F/V Ocean Ballad targeted CBSFA CDQ Sablefish and Turbot-BS. They fished between May 02 and May 19, 2000. The loss of the CDQ observer forced the vessel to stop fishing.

b. Summary of By-catch in Sablefish / Turbot fishery

By-catch was extremely low in this fishery.

3. *C. Opilio* (Snow Crab) Harvesting Activities

SPECIES	CDQ Allocation			Target Fishery Information
	Metric Tons Allocated	Metric Tons Harvested	Percentage of Allocation	% of Target Fishery
TOTAL <i>C. Opilio</i> (Snow Crab)	478564.000	478468.000	99.980%	100.000%

a. Summary of harvesting activities by target fishery (*C. Opilio*)

The F/V Zolotoi and the F/V Ocean Cape harvested CBSFA's 2000 CDQ *C. Opilio*. Fishing began on April 17th and concluded on May 13th.

b. Summary of By-catch in *C. Opilio* fishery

There is no by-catch to report in this fishery.

4. Flatfish Harvesting Activities

SPECIES	CDQ Allocation			Target Fishery Information
	Metric Tons Allocated	Metric Tons Harvested	Percentage of Allocation	% of Target Fishery
TOTAL Flathead sole	394.800	64.300	16.287%	26.596%
TOTAL Other flats	628.500	44.900	7.144%	18.572%
BYCATCH				
Turbot Bering	65.380	6.670	10.202%	2.759%
Pollock – Non quota - BS	0.000	14.220		5.882%
Pacific Cod	1447.500	17.110	1.182%	7.077%
Yellowfin sole	739.520	45.260	6.120%	18.721%
Rock sole	1010.700	8.000	0.792%	3.309%
Arrowtooth	751.590	23.180	3.084%	9.588%
Squid	6.250	0.190	3.040%	0.079%
Other species	179.910	11.690	6.498%	4.835%
Other rockfish - BS	2.160	0.005	0.231%	0.002%
True POP - BS	19.500	0.380	1.949%	0.157%
Other Red Rockfish - BS	1.400	0.090	6.429%	0.037%
Sablefish, Trawl - BS	5.500	5.770	104.909%	2.387%
PSQ Halibut	0.000	4.670		
PSQ Halibut mortality	27.440	3.030	11.042%	
PSQ Total bairdi	4357.500	823.460	18.898%	
PSQ Bairdi Zone 2	13230.000	815.370	6.163%	
PSQ Other Tanner Crab	0.000	2431.290		
Total Harvest (non-PSQ)		241.765		100.000%

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

The F/V Vaerdal targeted CBSFA CDQ Flatfish. They fished between May 02 and May 19, 2000. The loss of the CDQ observer forced the vessel to stop fishing.

b. Summary of By-catch in Flatfish fishery

All by-catch was relatively low except for sablefish, trawl – BS.

B. Compliance / Enforcement Issues

An overage in Shortraker/Rougheye – AI occurred while prosecuting the P. Cod fishery by the F/V Zenith.

An overage in Sablefish, Trwal – BS occurred while prosecuting the flatfish fishery by the F/V Vaerdal.

C. Other Fishing Issues/Activities

Pollock

There are no other fishing issues / activities to report.

Pacific Cod

There are no other fishing issues / activities to report.

Crab CDQ fishing

Completed during quarter two.

Multi-species groundfish fishing

Sablefish and flatfish were prosecuted during quarter two.

Halibut CDQ Fishing

Halibut CDQ fishing began on June 15, 2000.

V. CONFIDENTIAL ISSUES

A. Financial Statements

To be inserted

B. Budget Summary

To be inserted

C. Board Minutes

The minutes for the following board meetings are attached:

- April 06, 2000 Special Meeting of CBSFA Board of Directors
- April 15, 2000 Special Meeting of CBSFA Board of Directors
- April 25, 2000 Special Meeting of CBSFA Board of Directors
- May 25, 2000 Special Meeting of CBSFA Board of Directors
- June 08, 2000 Special Meeting of CBSFA Board of Directors