

CBSFA

Central Bering Sea Fishermen's Association

Community Development Plan (CDP) for
2003-2005 Multi-Species Community Development Quota (CDQ) Program
2nd Quarter Report 2005

Prepared for:
State of Alaska

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Central Bering Sea Fishermen's Association

I. Quarterly Highlights – 2nd Quarter

- CBSFC Loan Committee met on April 2, 2005 to review vessel, gear and IFQ loan applications.
- Phillip Lestenkof attended the NPFMC meeting in Anchorage April 4-11, 2005.
- Jim O'Brien of the American Bureau of Crane Inspection arrived on St. Paul to re-certify the CBSFA Grove crane in April 2005; he also held a mobile crane safety operation and operators training course.
- Scheduled maintenance and repairs were done on the Grove Crane RT760E by Tim Nicola, Coast Crane technician, in April 2005.
- Phillip Lestenkof met with TDX CEO-Ron Philemonoff re: land for the vessel repair building.
- KPMG started the 2004 Audit for CBSFA and subsidiaries.
- Alaska Business Development Center tax preparers came to St. Paul for the local fishermen and residents, CBSFA donated by means of airfare.
- Dr. Jack Tagart and Heather McCarty met with the CBSFA BOD and local fishermen in St. Paul May 5-7, 2005 and gave presentations summarizing the results of his halibut study.
- A CBSFA Regular BOD meeting was held on May 7, 2005.
- Dan Valdez of Alaska Vessel Vehicle and Repair came to St. Paul in May 2005 to conduct vessel maintenance and repairs to three local vessels.
- Repair-work and preventive maintenance were done on both of CBSFA's hydraulic trailers and gangway ramp in preparation for the CDQ halibut season.
- Phillip Lestenkof, Jonathan Thorpe and CDQ groups met via teleconference on May 19, 2005.
- CFO Jonathan Thorpe participated in an American Seafoods board meeting May 22, 2005 via teleconference.
- Phillip Lestenkof, Jonathan Thorpe and CDQ groups met via teleconference on May 23, 2005.
- AMSEA instructors conducted marine safety training courses on St. Paul for local fishermen and residents, May 26-29, 2005.
- Jonathan Thorpe attended the NPFMC meetings in Girdwood, June 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.
- On June 3, 2005 the floating docks were deployed using the CBSFA Grove crane and 12 local residents.
- On June 6, 2005 the 2005 CDQ Halibut season was open.
- Terry Hensley of Pacific Power Products arrived on St. Paul to conduct vessel repair and maintenance to a local vessel.
- Michelle Goheen, MSDH, arrived on St. Paul with representatives from Peter Pan to meet with the City and to look at the mooring area.
- Phillip Lestenkof, Jonathan Thorpe and CDQ groups met via teleconference on June 14, 2005.
- President Lestenkof (via teleconference) and Jonathan Thorpe participated in the Blue Ribbon Panel meeting on June 16, 2005.
- MSDH successfully completed negotiations for the investment in Royal Aleutian Seafoods.
- MSDH began formation of a new crab-harvesting cooperative.
- MSDH began formation of a new St. Paul based multi-processor joint venture on behalf of CBSFA/MSDH and Royal Aleutian Seafoods.

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.

During 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.

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.

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. Q2/Q3 2005.

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.

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.

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."

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.

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.

Milestone 3: Profit Sharing Distribution to Members (if any)

Status: Profit sharing distributions 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 profit sharing distribution was made to the fishermen proportionate to the amount of fish that was sold as of December 2004, an additional distribution will be made after the remainder is marketed and sold.

In Q1 2005, the remaining 204 fish in inventory was sold and a final profit sharing distribution was made to the fishermen, with local fishermen receiving the highest price ever paid for their CDQ halibut.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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 CBSFC'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 40% of its 2005 set-aside funds in March.

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 March 2005 in Seattle.

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.

Milestone 2: *Review loan performance*

Status: The CBSFC Loan Committee met on December 29, 2004 and reviewed all loans and budgets.

Milestone 3: *Review loan and scholarship policies and budgets*

Status: The CBSFC Loan Committee reviewed the 2005 budget on December 29, 2004.

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.

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.

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, 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.

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 in April 2004.

CBSFA representative attended MPFMC 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.

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.

B. OUTREACH

- CBSFA donated funds to the NYO class to participate in the activities in Anchorage.
- CBSFA congratulated the 2005 graduates from St. Paul High School with a gift.
- The Alaska Business Development Center tax preparers came to St. Paul for the local fishermen and residents, CBSFA donated by means of airfare.
- CBSFA donated one case of Opilio crab and one case of Bristol Bay red king crab for the local radio station, KUHB, fund-drive.
- CBSFA donated crab for the Wellness Gathering in St. Paul the week of April 17th. Some CBSFA board members and staff attended.

C. EMPLOYMENT

1. CBSFA 2005 2nd Quarter Employment Data Form

	2nd Quarter		Year-to-Date		Year-to Date
	Position/People	Wages	Position/People	Wages	People
Management/Administrative	5	84,584	5	158,027	5
CDQ Pollock Related					
A/B Season	None		None		
C/D Season	None		None		
Other Fishing	1	unknown	1	unknown	1
CDQ Halibut Fisheries	58	196,443	58	346,812	58
Other Employment	15	7,687	16	8,887	16
Internships					
Total	79	288,714	80	513,726	80

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.

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

Other fishing: CBSFA member, Nicholas Philemonoff crewed on the FV Starward (which is owned by CBSFA) during cod season.

CDQ Halibut Fishery: In Q2 2005, the CDQ halibut season opened on June 6, 2005 with 58 local residents, from captains and crew to baiters, participating. Also 15 local residents were employed by CBSFA to deploy the floating docks.

Other employment: One person was hired to provide custodial services to the CBSFC apartment.

Internships: No Activity

D. Training

1. CBSFA 2005 2nd Quarter Training Data Form

	2 nd Quarter		Year-to-Date	
	People	Expenditure	People	Expenditure
Scholarships				
Postsecondary	0	0	15	37,500
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	1	3700
CDQ Staff/Board	0	0		
Other	0	0		
Other Expenditures				
To Educational Institutes	0	0		
Educational Endowment Funds				
Other	0	0		
Total	0	0	17	44200

2. Summary

Scholarships: The deadline for applying was June 30, 2005 for the Fall 2005 semester. A total of 15 students submitted applications, with 13 applying for scholarships and 2 for training grants. The loan committee is scheduled to meet in early August 2005.

Vocational/Technical Grants: 2 students submitted qualifying training grant applications for the Fall 2005 semester.

Other Training: None.

Student Loans: 2 students submitted qualifying student loan applications for the Fall 2005 semester.

Other Expenditures: None

III. ADMINISTRATION

A. Board Activities:

A CBSFA Regular BOD meeting was held on May 7, 2005.

B. State of Alaska Reporting Compliance

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

C. Amendment Status

Quarter 1: **SA 05-01:** Transfer Pollock and associated by-catch for harvested in a pooled fishery.
 SA 05-02: Transfer Pacific Cod and associated by-catch for harvested in a pooled fishery.
 SA 05-03: Transfer Atka Mackerel, Flatfish, and associated by-catch for harvested in a pooled fishery.

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. To provide for increased utilization and minimize by-catch CBSFA, BBEDC, CVRF, and YDFDA pooled Pollock and by-catch. Season A fishery completed.

Flatfish and Atka Mackerel

To provide for increased utilization of the fishery resource and minimize by-catch CBSFA, BBEDC, YDFDA, and CVRF combined their Atka Mackerel and Flatfish quotas for harvest by one fishing partner, US Seafoods. No activity in the 1st quarter. During the 2nd quarter 71% of the pooled Yellowfin Sole and 92% of the pooled Rock Sole were harvested by US Seafoods

Pacific Cod

To provide for increased utilization and minimize by-catch CBSFA and CVRF pooled Pacific Cod for harvest by Pacific Longline Company. During the 1st and 2nd quarters of 2005 99.96% of the A Season Pacific Cod was harvested.

MS CDQ/PSQ Account Status Report 2005, Quarter 2													
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	7,392.500		7,392.500	0.000					-	-	-	-
Pacific Cod	mt	1,390.500		1,370.500	20.000	0.005	0.059			0.064	0.3%	19.936	99.68%
BS FG Sablefish	mt	39.040		0.000	39.040	15.119	23.921			39.040	100.0%	0.000	0.00%
AI FG Sablefish	mt	11.790		0.500	11.290					0.000	0.0%	11.290	100.00%
BS Sablefish	mt	8.280		4.190	4.090		4.013			4.013	98.1%	0.077	1.88%
AI Sablefish	mt	3.920		1.500	2.420					0.000	0.0%	2.420	100.00%
WAI Atka Mackerel 543	mt	120.000		118.250	1.750					0.000	0.0%	1.750	100.00%
CAI Atka Mackerel 542	mt	213.040		212.000	1.040					0.000	0.0%	1.040	100.00%
EAI/BS Atka Mackerel 541	mt	45.040		42.400	2.640					0.000	0.0%	2.640	100.00%
Yellowfin Sole	mt	544.080		539.000	5.080					0.000	0.0%	5.080	100.00%
Rock Sole	mt	249.040		242.000	7.040					0.000	0.0%	7.040	100.00%
BS Greenland Turbot	mt	16.240		5.410	10.830	0.539	0.439			0.978	9.0%	9.852	90.97%
AI Greenland Turbot	mt	4.200		2.000	2.200					0.000	0.0%	2.200	100.00%
Arrowtooth Flounder	mt	81.000		54.000	27.000	1.351	3.475			4.826	17.9%	22.174	82.13%
Flathead Sole	mt	131.670		103.000	28.670					0.000	0.0%	28.670	100.00%
Other Flatfish	mt	21.040		15.800	5.240					0.000	0.0%	5.240	100.00%
Alaska Plaice	mt	30.000		11.300	18.700					0.000	0.0%	18.700	100.00%
BS Pacific Ocean Perch	mt	6.300		3.690	2.610					0.000	0.0%	2.610	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		17.300	1.180					0.000	0.0%	1.180	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		0.790	1.660		0.040			0.040	2.4%	1.620	97.59%
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		547.000	635.000					0.000	0.00%	635.000	100.00%
Zone 1 Bairdi Tanner Crab	ea	5,880.000		2,310.000	3,570.000					0.000	0.00%	3,570.000	100.00%
Zone 2 Bairdi Tanner Crab	ea	17,820.000		7,400.000	10,420.000					0.000	0.00%	10,420.000	100.00%
Opilio Tanner Crab	ea	78,300.000		10,940.000	67,360.000					0.000	0.00%	67,360.000	100.00%
Pacific Halibut (mortality)	mt	30.780		16.200	14.580					0.000	0.00%	14.580	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 2005, Quarter 2

2005 Pollock Pool with US Seafoods for June 30, 2005											
CDQ		Pool Contribution by Group				Total	CDQ Catch by Group				
Reserve Category	units	BBEDC	CBSFA	CVRF	YDFDA	Allocation	BBEDC	CBSFA	CVRF	YDFDA	Total
Pollock	mt	31,447.500	7,487.500	35,940.000	5,000.000	79,875.000	16,214.353	3,860.560	18,530.689	2,578.003	41,183.605
Pacific Cod	mt	97.335	34.000	162.000	23.000	316.335	42.908	10.274	48.952	6.950	109.084
BS FG Sablefish	mt										-
AI FG Sablefish	mt										-
BS Sablefish	mt	2.000	0.190	0.900	0.130	3.220	0.007	0.002	0.008	0.001	0.018
AI Sablefish	mt										-
WAI Atka Mackerel	mt										-
CAI Atka Mackerel	mt										-
EAI/BS Atka Mackerel	mt	2.000	0.300	1.400	0.200	3.900	0.014	0.004	0.017	0.002	0.037
Yellowfin Sole	mt	30.000	6.000	29.000	4.000	69.000	1.099	0.254	1.226	0.169	2.748
Rock Sole	mt	93.000	20.000	95.000	13.000	221.000	11.205	2.7	12.825	1.755	28.485
BS Greenland Turbot	mt	2.000	0.410	1.810	0.270	4.490	0.185	0.05	0.221	0.033	0.489
AI Greenland Turbot	mt										-
Arrowtooth Flounder	mt	35.000	4.000	20.000	3.000	62.000	2.767	0.651	3.255	0.488	7.161
Flathead Sole	mt	77.230	13.000	63.000	9.000	162.230	26.33	6.224	30.16	4.309	67.023
Other Flatfish	mt	16.000	2.400	11.250	1.600	31.250	1.589	0.381	1.787	0.254	4.011
Alaska Plaice	mt	15.000	0.300	1.400	0.200	16.900	0.146	0.036	0.17	0.024	0.376
BS Pacific Ocean Perch	mt	3.500	0.190	0.900	0.130	4.720	0.268	0.064	0.301	0.044	0.677
WAI Pacific Ocean Perch	mt										-
CAI Pacific Ocean Perch	mt										-
EAI Pacific Ocean Perch	mt										-
BS Other Rockfish	mt	2.000	0.190	0.900	0.260	3.350	0.989	0.117	0.556	0.161	1.823
AI Other Rockfish	mt										-
											-
Prohibited Species Quota	mt										-
Zone 1 Red King Crab	mt	500.000	47.000	225.000	32.000	804.000					-
Zone 1 Bairdi Crab	mt	2,000.000	310.000	1,490.000	210.000	4,010.000	3.46	0.825	3.965	0.559	8.809
Zone 2 Bairdi Crab	mt	2,000.000	400.000	1,940.000	270.000	4,610.000	5.435	1.279	6.202	0.863	13.779
Opilio Tanner Crab	mt	6,000.000	940.000	4,500.000	630.000	12,070.000					-
Pacific Halibut	mt	6.720	1.200	5.400	0.800	14.120	0.563	0.141	0.633	0.094	1.431
Chinook Salmon	mt	457.000	109.000	522.000	73.000	1,161.000	350.903	83.695	400.812	56.052	891.462
Non-Chinook Salmon	mt	662.000	158.000	756.000	106.000	1,682.000					-

2. Pacific Cod Harvesting Activities 2005, Quarter 2

CBSFA Pacific Cod Target Fishery Harvest Activity													
Quarter ended June 30, 2005													
CDQ Reserve Category	Units	Pool Contribution		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	774.300	1,470.000	2,244.300	2,169.025	74.313	-	-	2,243.338	773.968	1,469.370	99.96%	99.96%
B Season (40%)	mt	516.200	980.000	1,496.200	-	-	-	-	-	-	-	0.00%	0.00%
Pacific Cod Total	mt	1,290.500	2,450.000	3,740.500	2,169.025	-	-	-	2,243.338	773.968	1,469.370	59.97%	59.97%
Bycatch													
Non Pollock Quota	mt	-	-	-	-	-	-	-	-	-	-	-	-
BS FG Sablefish	mt	-	-	-	-	-	-	-	-	-	-	-	-
AI FG Sablefish	mt	0.500	1.500	2.000	-	-	-	-	-	-	-	-	-
BS Sablefish	mt	0.500	1.300	1.800	-	-	-	-	-	-	-	-	-
AI Sablefish	mt	-	-	-	-	-	-	-	-	-	-	-	-
WAI Atka Mackerel 543	mt	0.250	0.167	0.417	-	-	-	-	-	-	-	-	-
CAI Atka Mackerel 542	mt	-	-	-	-	-	-	-	-	-	-	-	-
EAI/BS Atka Mackerel 541	mt	0.100	0.288	0.388	0.006	-	-	-	0.006	0.002	0.004	-	-
Yellowfin Sole	mt	10.000	20.000	30.000	0.423	0.266	-	-	0.689	0.230	0.459	-	-
Rock Sole	mt	2.000	5.000	7.000	1.564	0.138	-	-	1.702	0.486	1.216	-	-
BS Greenland Turbot	mt	1.000	2.568	3.568	0.019	-	-	-	0.019	0.005	0.014	-	-
AI Greenland Turbot	mt	-	-	-	-	-	-	-	-	-	-	-	-
Arrowtooth Flounder	mt	20.000	47.000	67.000	2.620	0.017	-	-	2.637	0.787	1.850	-	-
Flathead Sole	mt	10.000	35.000	45.000	6.726	0.182	-	-	6.908	1.535	5.373	-	-
Other Flatfish	mt	2.400	7.500	9.900	3.965	0.092	-	-	4.057	0.984	3.073	-	-
Alaska Plaice	mt	1.000	5.000	6.000	-	-	-	-	-	-	-	-	-
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	0.100	0.750	0.850	0.139	0.001	-	-	0.140	0.016	0.124	-	-
AI Other Rockfish	mt	-	0.835	0.835	-	-	-	-	-	-	-	-	-
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	5.000	22.000	27.000	1.790	0.121	-	-	1.911	0.354	1.557	-	-
Chinook Salmon	ea	-	-	-	-	-	-	-	-	-	-	-	-
Non-Chinook Salmon	ea	-	-	-	-	-	-	-	-	-	-	-	-

3. Sablefish (Black Cod) Harvesting Activities 2005, Quarter 2

Sablefish Target Fishery Harvest Activity Second Quarter as of June 30, 2005								
CDQ Reserve Category	Units	Allocation				YTD Harvest	% of Target Harvest	
		after transfers	1st Qtr	2nd Qtr	3rd Qtr			4th Qtr
BS FG Sablefish	mt	39.040	15.119	23.921			39.040	100.0%
AI FG Sablefish	mt	10.000						
BS Sablefish (trawl)	mt	4.090		4.013			4.013	98.1%
AI Sablefish (Trawl)	mt	2.000						
Bycatch								
Pacific Cod	mt	-	0.005	0.059			0.064	-
WAI Atka Mackerel 543	mt	-						-
CAI Atka Mackerel 542	mt	-						-
EAI/BS Atka Mackerel 541	mt	-						-
Rock Sole	mt	-						-
BS Greenland Turbot	mt	-	0.539	0.439			0.978	-
AI Greenland Turbot	mt	-						-
Arrowtooth Flounder	mt	-	1.351	3.475			4.826	-
Other Flatfish	mt	-						-
BS Other Rockfish	mt	-	0.068	0.040			0.108	-
AI Other Rockfish	mt	-						-

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

The F/V Early Dawn harvested 100% of the Bering Sea Fixed Gear Sablefish allocation and 98.1% of the BS Sablefish (trawl) allocation by the end of the second quarter of 2005.

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 2005, Quarter 2

2005 Atka Mackerel/ Flatfish Pool with US Seafoods for June 30, 2005											
CDQ Species		Pool Contribution by Group				Total Allocation	CDQ Catch by Group				
		BBEDC	CBSFA	CVRF	YDFDA		BBEDC	CBSFA	CVRF	YDFDA	Total
Pacific Cod	mt	124.000	46.000	55.000	115.000	340.000	10.821	4.014	4.8	10.035	29.67
BS FG Sablefish	mt	0.000		0.000	0.000	0.000					
AI FG Sablefish	mt	0.000		0.000	0.000	0.000					
BS Sablefish	mt	15.240	3.500	4.500	13.500	36.740					
AI Sablefish	mt	8.300	1.500	3.750	6.000	19.550					
WAI Atka Mackerel	mt	224.000	118.000	215.000	260.000	817.000					
CAI Atka Mackerel	mt	398.450	212.000	390.000	462.000	1,462.450					
EAI/BS Atka Mackerel	mt	81.450	42.000	75.000	94.000	292.450					
Yellowfin Sole	mt	1,600.000	523.000	276.000	1,700.000	4,099.000	1,137.843	371.932	196.278	1,208.958	2,915.01
Rock Sole	mt	613.000	185.000	215.000	580.000	1,593.000	563.355	170.017	197.588	533.028	1,463.99
BS Greenland Turbot	mt	18.800	4.000	19.000	18.000	59.800	0	0	0	0	0
AI Greenland Turbot	mt	10.400	2.000	8.000	6.000	26.400	0	0	0	0	0
Arrowtooth Flounder	mt	140.000	30.000	15.000	140.000	325.000	0.24	0.051	0.026	0.24	0.556
Flathead Sole	mt	210.000	70.000	15.000	195.000	490.000	0.139	0.046	0.01	0.129	0.325
Other Flatfish	mt	45.000	11.000	1.250	40.000	97.250	19.125	4.675	0	17	40.799
Alaska Plaice	mt	106.000	10.000	100.000	60.000	276.000					
BS Pacific Ocean Perch	mt	17.550	3.500	13.800	10.500	45.350	0.007	0.001	0.005	0.004	0.018
WAI Pacific Ocean Perch	mt	56.650	30.000	55.000	62.000	203.650					
CAI Pacific Ocean Perch	mt	33.700	18.000	30.000	37.000	118.700					
EAI Pacific Ocean Perch	mt	33.650	18.000	32.000	36.000	119.650					
BS Other Rockfish	mt	1.000	0.500	1.200	1.250	3.950					
AI Other Rockfish	mt	6.000	2.000	0.800	4.000	12.800					
Prohibited Species Quota											
Zone 1 Red King Crab	mt	2,600.000	750.000	960.000	1,600.000	5,910.000	0	0	0	0	0
Zone 1 Bairdi Crab	mt	13,000.000	3,000.000	2,400.000	12,000.000	30,400.000	0	0	0	0	0
Zone 2 Bairdi Crab	mt	40,000.000	13,000.000	16,000.000	40,000.000	109,000.000	0	0	0	0	0
Opilio Tanner Crab	mt	50,000.000	15,000.000	20,000.000	45,000.000	130,000.000	0	0	0	0	0
Pacific Halibut	mt	40.660	10.000	6.000	40.000	96.660	9.266	2.279	1.367	9.115	22.027
Chinook Salmon	mt	0.000			0.000	0.000					
Non-Chinook Salmon	mt	0.000			0.000	0.000					

5. Crab Harvesting Activities 2005, Quarter 2

Crab Harvest Activity									
Second Quarter as of June 30, 2005									
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> (snow) Tanner crab	lbs	371,267	371,138				371,138	99.97%	129
Bering Sea <i>C. Bairdi</i> Tanner crab	lbs	N/A							
Bristol Bay Red King crab	lbs	TBD							
Norton Sound Red King crab	lbs	N/A							
Pribilof Red & Blue King crab	lbs	Closed							
St Matthew Blue King crab	lbs	Closed							

a. Summary of harvesting activities by target fishery

No crab harvesting activity occurred during the 2nd quarter.

***C. Opilio* (Snow Crab):** In Quarter 1 of 2005, the F/V Shishaldin and F/V Early Dawn harvested 99.97% of CBSFA's *C. Opilio* allocation.

BBRKC: The Bristol Bay Red King Crab fishery is anticipated to occur in the third or fourth quarter of 2005.

6. Halibut Harvesting Activities, 2005 Quarter 2

Halibut Harvest Activity									
Second Quarter as of June 30, 2005									
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	771,375	0	122,785			122,785	15.9%	648,590
4D Halibut	lbs	0						-	-
4E Halibut	lbs	0						-	-

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

During the 2nd quarter of 2005 the St. Paul Island fishing fleet harvested 15.9% of the Area 4C halibut allocation.

b. Summary of by-catch in the Halibut fishery

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

C. Compliance / Enforcement Issues

NONE

D. Other Fishing Issues/Activities

NONE

V. CONFIDENTIAL ISSUES

A. Financial Statements

B. Tax Issues

No tax issues for Q2 2005.

C. Imminent Major Investments

D. Other

1. Board Minutes

CBSFA Regular BOD Meeting May 7, 2005