

July 27, 1999

Mike Irwin, Commissioner
State of Alaska Dept. of Community & Regional Affairs
P.O. Box 112100
Juneau, Alaska 99800-2100

Dear Mr. Irwin:

CBSFA respectfully submits its second quarter report of 1999. Some of the information contained in the report, including financial and catch information are marked confidential. They qualify as confidential under 6AAC93.070.

CBSFA is a private, nonprofit corporation that represents St. Paul Island, Alaska. The CDP process by which we receive most of our revenues is competitive both between applicants and in arranging for seafood industry partners. Anything that places us at a competitive disadvantage has the possibility of significantly reducing our income. This can happen by a reduction in CDQ allocations from the Secretary, receiving a lower price for CDQ allocations that we lease, or business competition in our partner's commercial enterprises.

We are required to submit a great deal of information to both State and Federal agencies under CDQ regulation at 6AAC93 and 50CFR Part 675, respectfully. Much of this information is of a nature considered confidential by private corporations. The information contained in our financial statements lists investments in projects, the disclosure of which might unfairly disadvantage us in negotiations. The fishery catch information is confidential to our fishing partner and we believe federal, as well as state law, protects such confidentiality.

Sincerely,

Phillip Lestenkof
President

cc: DCRA Quarterly Reports
Board of Directors
File

TABLE OF CONTENTS

	Page
I. Quarterly Highlights.....	3
II. Community Development.....	4
A. Progress Toward Multi-species Goals, Objectives, Milestones	
B. Outreach	
C. Employment	
1. Data Form	
2. Summary	
D. Training	
1. Data Form	
2. Summary	
III. Administration.....	16
A. Board Activities	
1. Change In Members	
2. Decisions	
B. CDP Amendment Status	
C. Other Issues	
IV. Harvesting Report.....	17
A. Pollock Harvest Activities	
B. Reporting Compliance	
C. Pollock Fishing Bycatch/Discard Rates	
D. Other Fishing Issues/Activities	
V. Confidential Issues.....	19
A. Financial Statements - CDQ Group	
1. Balance Sheet	
2. Income Statement	
3. Subsidiary Report	
a. Income Statement	
b. Balance Sheet	
B. Budget Summary	
C. Board Minutes	
D. New Board member resumes	

Central Bering Sea Fishermen's Association

I. Quarterly Highlights – 2nd Quarter

- Multi-species groundfish trawling occurred on a limited scale during the season. Due to some weak markets there was not a great demand for CBSFA's CDQ and CBSFA tried to avoid using its CDQ allotments in fisheries with high undesired or prohibited by-catch.
- A successful opilio crab CDQ fishery ended on May 9, 1999. One million eight hundred thirty six thousand three hundred thirty pounds or 99.9% of the allocation of the one million eight hundred thirty eight thousand one hundred twenty-two pounds was landed. One thousand seven hundred ninety two thousand pounds remained uncaught. All of the allocation was processed on St. Paul Island,
- The CDQ halibut fishery began June 15, 1999 at 6:00 AM. Twenty boats and 122 local fishermen participated in the fishery. It is expected to last until early August.
- An amendment was submitted and approved during the quarter to allow CBSFC, CBSFA's for profit subsidiary, invest in the crabber F/V Ocean Cape. The vessel is a sister ship to the F/V Zolotoi in which CBSFC already has an investment. The Ocean Cape will undergo major shipyard work during the summer and be back on the crabbing grounds in the fall.
- Brenda Parnell resigned as Controller, effective June 11, 1999. In the interim, Ms. Parnell has been retained by CBSFA as a consultant to provide oversight of the financial operation of CBSFA, CBSFC, and MIS while CBSFA looks for a replacement.
- Central Bering Sea Fishermen's Association held a special meeting of the board on April 15 & 16, 1999.
- Central Bering Sea Fishermen's Corporation held a special meeting of the board on April 21, 1999.
- John Iani, Vice President of Corporate Affairs for Unisea, came to St. Paul and met with several CBSFA board members on April 1, 1999.

II. COMMUNITY DEVELOPMENT

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

GOAL I. MAINTAIN CORPORATE INITIATIVES AND PRACTICES

GOAL I, OBJECTIVE 1. Maintain corporate practices which are consistent with effective corporate administration and management.

MILESTONE A: Provide updated Board Effectiveness training each year.

No action undertaken on this milestone this quarter.

MILESTONE B: Annually review corporate by-laws and committee structure.

Legal council is preparing the final draft copy of necessary by-laws changes to be presented at the next regular meeting of the board of directors.

MILESTONE C: Bi-annually review operations and status of subsidiary company(s) including Central Bering Sea Fishermen's Corporation (CBSFC).

CBSFA board will review Independent Auditors' Report completed this quarter.

The CBSFA board approved setting the date of the 8th Annual Membership Meeting to be held on September 24, 1999.

CBSFC held a special board meeting on April 21, 1999. The board elected Walter Shane to fill the seat vacated by Carl Merculief, Sr. The board held election of officers as follows: Chairman, Ben Barrera, President, Robert Melovidov, Vice-President, Thomas Bourdukofsky, and Secretary/Treasurer, Walter Shane. Member, Phillip Lestenkof.

GOAL I, OBJECTIVE 2. Maintain financial accountability.

MILESTONE A: Annually secure independent financial and performance audits.

The Independent Auditors' Report was completed by KPMG for the year ending December 31, 1998 and 1997.

MILESTONE B: Conduct periodic reviews or audits of industry partners' operation as it affects CBSFA.

No action required or undertaken on this milestone this quarter.

MILESTONE C: Complete and submit monthly and quarterly budget comparisons for use by the Board and its management in evaluating performance with formal revisions to plans and budgets when necessary.

Quarterly budget to actual reports prepared and forwarded to board members for planning purposes.

MILESTONE D: Annually review Investment Fund policies and procedures.

At the April 15 & 16, 1999, CBSFA board meeting, the board reviewed and approved changes to the investment accounts with Salomon Smith Barney and Dean Witter.

At this same meeting, the board approved an investment portfolio for the small boat harbor plan.

GOAL I, OBJECTIVE 3. Annually assess operational and long-term needs of CBSFA and its programs.

MILESTONE A: Develop and utilize annual corporate strategic planning process prior to the end of each fiscal year of the CDQ program.

CBSFA will conduct strategic planning as part of its pollock application process.

MILESTONE B: Submit annual operations need assessments to the appropriate Board(s).

No activity on this milestone this quarter.

GOAL I, OBJECTIVE 4. Advocate for the enhancement of the fisheries interest of CBSFA, its subsidiaries, and affiliates in all appropriate forums and processes.

MILESTONE A: Participate in Western Alaska Fisheries Development Association (WAFDA), North Pacific Fishery Management Council (NPFMC), International Pacific Halibut Commission (IPHC), Alaska Board of Fish (ABF), and other such forums on an ongoing basis.

At a CBSFA board meeting held on April 15, 1999, the board appointed Robert Melovidov (Vice-President of CBSFA) to fill a vacant seat on the WAFDA board. However, at a WAFDA board meeting held on June 2, 1999, the board passed resolution 1-99 to dissolve the corporation. CBSFA President, Phillip Lestenkof, attended this WAFDA meeting via teleconference.

CBSFA President-Phillip Lestenkof, Vice-President-Robert Melovidov, and Fisheries Consultant-Dick Tremaine attended the NPFMC meeting held on April 21 to 23, 1999 in Anchorage.

Phillip Lestenkof, Robert Melovidov, and Dick Tremaine attended the CDQ program review meeting held on May 24 and 25, 1999 in Juneau.

Robert Melovidov and Dick Tremaine attended the NPFMC meeting held on June 4 to June 13, 1999 in Kodiak.

MILESTONE B: Monitor reports and participate in meetings on the status of Bering Sea fishery resources on an ongoing basis.

On April 30, 1999, CBSFA board member, Rena Kudrin attended a meeting sponsored by the Ecosystem Conservation Office of the Tribal Government of St. Paul. The purpose of the meeting was to address subsistence fishing for halibut on St. Paul Island.

On May 11, 1999, CBSFA called a 1999 Halibut CDQ Fishery Management Plan meeting. All local fishermen were invited and the Tribal Ecosystem Conservation Office representatives addressed the attendees about funding a program to continue the studies of local halibut stomachs. The purpose of the program is to develop local research and monitor local marine resources.

GOAL I, OBJECTIVE 5. Ensure proper management of current investments and subsidiaries.

MILESTONE A: Annually receive and review overview and annual report for each investment held by subsidiary company(s), including office/rental building on St. Paul Island, *F/V Zolotoi*, and Misty Islands Seafoods.

Independent Auditors' Report completed by KPMG this quarter. CBSFA board will review. CBSFC board will submit a report to CBSFA during the third quarter.

GOAL II. INVESTMENTS

GOAL II, OBJECTIVE 1. Invest in the fishing industry.

MILESTONE A: By February 1998, develop and adopt a plan to actively participate in the marketing of live *Opilio* crab.

This milestone was completed in 1998.

MILESTONE B: By August 1998, finalize assessment, perform adequate due diligence procedures, and take appropriate action regarding the opportunity to acquire ownership of a live crab facility in Anchorage, Alaska. A company named Misty Islands Seafood's will be created to operate the facility.

Accomplished. Milestone met by creating Misty Islands Seafood's during third quarter 1998.

MILESTONE C: By September 1998, conduct due diligence procedures and make a determination regarding a proposed investment in the crab-fishing vessel *Scandies Rose*.

After analysis management made a decision to recommend against this investment due to high asking price.

MILESTONE D: By February 1999, perform due diligence procedures and complete a preliminary plan and assessment with regard to development of a joint investment in a freezer longliner with Jubilee Fisheries.

Ongoing.

MILESTONE E: By September 1999, conduct due diligence procedures and make a determination regarding a proposed investment in a crab fishing vessel.

This milestone was completed during 2nd quarter of 1999. CBSFA received a proposal from Situk, Inc., to purchase 35% ownership in the *F/V Ocean Cape*. CBSFA management engaged the services of Dock Street Brokers and Oaksmith Boat Sales to conduct due diligence and determine the market value of the *F/V Ocean Cape*.

At a CBSFA board meeting held on April 15 and 16, 1999, the board approved the offer to purchase an ownership share of the *F/V Ocean Cape* and passed required resolutions.

MILESTONE F: By July 2000, perform due diligence procedures and make a determination regarding investment in pollock catching and/or processing.

During the first half of 1999, CBSFA joined with several others to make a purchase offer for Tyson Seafoods. The short timeline for final offers did not allow this group to make a competitive binding bid.

GOAL II, OBJECTIVE 2. Develop local fisheries

MILESTONE A: By December 2000, complete an assessment and investigation regarding investment in the sea urchin fishery.

No action on this milestone this quarter.

MILESTONE B: By September 2000, develop and implement a plan to utilize the local fleet to catch Pacific cod for local processing.

On April 27, 1999, a local processor spoke with the CBSFA president and stated interest in purchasing a limited amount of cod this summer during the local halibut fishery. To date no offer to purchase any cod has been made by the processor.

MILESTONE C: By December 2000, and contingent upon Alaska Department of Fish and Game's decision on shifting the season, develop and implement a plan to use three local boats to harvest hair crab.

No action on this milestone this quarter.

MILESTONE D: Halibut fishery annual milestones.

- (1) Participation each year by 30 locally owned vessels.
- (2) Participation each year by 130 local residents as fishing crew, baiters, or processors workers.
- (3) 100% of annual CDQ allocation caught.
- (4) 100% of halibut caught under this CDP processed locally.
- (5) At least 15 days of CDQ halibut fishing.
- (6) Reported average ex-vessel price, minus transportation costs from the Pribilof Islands to Anchorage, greater than or equal to that reported by NMFS or the IPHC for average ex-vessel prices in Kodiak.

On April 1, 1999 CBSFA management and the board held a meeting with John Iani of Unisea to discuss the 1999 halibut season.

On May 6, 1999, CBSFA management submitted a list of eligible cardholders (51 fishermen) to the Restricted Access Management Division, NMFS, for the CBSFA 1999 halibut CDQ fishery.

On May 4, 1999, CBSFA sent a notice to the local fishermen to attend a pre-season 1999 halibut CDQ fishery meeting to be held on May 11, 1999.

On May 11, 1999, a pre-season 1999 halibut CDQ fishery meeting was held with the local fishermen. The purpose of the meeting was to develop and agree upon a fishery management plan to conduct the 1999 halibut CDQ fishery. 29 fishermen attended the meeting.

The following lists the agreed upon 1999 fishery management plan:

1. Halibut CDQ season opens on June 15, 1999 at 6:00 AM.
2. The fishery will be closed on the 20th of June, 1999. The closed period will start at 12:01 AM on June 20th and end at 6:00 AM on June 21, 1999. No setting or hauling gear for CDQ halibut is allowed during closed period.
3. The fishery will be closed on 4th of July, 1999. The closed period will start at 12:01 AM on July 4th and end at 6:00 AM on July 5, 1999. No setting or hauling gear for CDQ halibut is allowed during closed period.
4. Daily vessel landing limit is 5000 pounds.
5. Vessels going over the daily vessel landing limit are required to forfeit the proceeds from the sale of the overage to CBSFA.
6. Reducing the daily vessel landing limit to prevent going over the CDQ allocation will be implemented if necessary.

During the 2nd quarter, twenty boats (two more entered in 3rd quarter) and 122 local fishermen and baiters participated in the halibut CDQ fishery.

CBSFA's 1999 halibut CDQ allocation is 913,500 pounds. At the end of the 2nd quarter, 165,798 pounds was landed.

Ex-vessel price paid to local fishermen for halibut varied from \$.80/lb. for 10-20 lbs., \$1.15/lb for 20-40lbs., \$1.35/lb for 40-80 lbs., and \$1.55/lb for 80 lbs. and over.

GOAL II, OBJECTIVE 3. Develop and implement a real-time data tracking and catch accounting system.

MILESTONE A: By January 1, 1998:

- (1) Sign a letter of understanding with other CDQ groups to participate in a coordinated development of a real-time data accounting and tracking system.
- (2) Finish development of a mutually cooperative real-time data accounting and tracking system in conjunction with other CDQ groups.
- (3) Beta test the system during the 1997 Pollock "B" season.

These goals were successfully met in 1997/8.

MILESTONE B: Implement the real-time data tracking system as soon as CDQ fishing begins.

Milestone accomplished in 1998.

GOAL III. EMPLOYMENT

GOAL III, OBJECTIVE 1. Develop an outreach program that offers employment to Alaskan residents other than St. Paul residents.

MILESTONE A: By January 1, 1998:

- (1) Develop and adopt an employment outreach plan.
- (2) Draft and sign an employment outreach agreement with both American Seafoods and Icicle Seafoods.
- (3) Contact at least 5 regional or Village Native organizations concerning seafood industry employment opportunities.

This was accomplished in 1998.

MILESTONE B: By May 1998, assist in the development and sponsorship of Bering Sea fishing industry job fairs for the residents of all selected communities/regions.

A fishery related job fair did not occur during 1998. The board of directors will be evaluating the possibilities in 1999.

MILESTONE C: By October 1998, report to the Board on the effectiveness of CBSFA's efforts at expanding Bering Sea fishing industry employment opportunities and create new outreach milestones as deemed appropriate.

Report past due and not deemed applicable, no further action.

GOAL IV. LOCAL EMPLOYMENT AND TRAINING

GOAL IV, OBJECTIVE 1. Increase internship and job opportunities for local residents.

MILESTONE A: By January 2, 1998, expand internship and employment preference program to all harvesting, processing, and marketing partners.

All of CBSFA's long term partners have agreed to employ St. Paul residents and to provide internship opportunities as part of their partnership discussions and contracts.

MILESTONE B: Annually increases St. Paul resident participation in the job training and career development program.

CBSFA funded a local person, Haretina Kashavarof, to attend the 25th Annual School of Addiction held in Anchorage, May 10 to 17, 1999. The Substance Abuse Directors Association, Alaska Dept. of Health & Social Services, and Alaska Division of Alcoholism & Drug Abuse sponsored the training session.

CBSFA, in conjunction with the Tribal Ecosystem Conservation Office has sponsored two temporary employment positions:

One is for an intern to participate in an on-the-job training project working with the City of St. Paul's electricians.

The other position hired a high school student to collect and study the stomach contents of locally caught halibut.

Progress reports are required to be submitted to CBSFA.

MILESTONE C: Assist at least two St. Paul residents in securing career path employment with CDQ partners each year.

No action on this milestone this quarter.

MILESTONE D: Re-evaluate training and employment program in a formal report to the Board twice each year and modify targets and plan based on Board direction.

No action on this milestone this quarter.

MILESTONE E: Ensure that employment of community members in fisheries other than halibut increases each year.

One St. Paul resident was employed as a crewmember on the F/V Zolotoi during the 1999 opilio CDQ crab fishery during the 2nd quarter.

GOAL IV, OBJECTIVE 2. Provide access to substance abuse treatment program on behalf of CBSFA members in the seafood industry.

MILESTONE A: Initiate substance abuse treatment program on January 2, 1998.

Accomplished during January 1998.

CBSFA coordinates our program with Aleutian Pribilof Island Association, Pribilof Counseling Center, on St. Paul Island.

MILESTONE B: On an annual basis evaluate substance abuse treatment program and act on the results of the evaluation.

No action taken during 2nd quarter.

GOAL IV, OBJECTIVE 3. Maintain local fleet facilities.

MILESTONE A: Annually maintain small vessel mooring dock.

In June of this quarter, CBSFA hired a crew of six people to deploy and anchor five floating docks (200 feet long) in the St. Paul harbor. Also, in June, CBSFA hired one local resident, Metrofan Rukovishnikoff, as a security guard to insure the floating docks and vessels are safely secured and prevent accidents and misuse from occurring.

GOAL IV, OBJECTIVE 4. Develop local vessel repair facility.

MILESTONE A: By May 2000 secure a facility, including equipment, within which local fishermen can work on their trailerable fishing boats.

Work is ongoing with TDX and the City of St. Paul to secure a facility.

GOAL IV, OBJECTIVE 5. Administer loan funds.

MILESTONE A: Annually review status of all loan and scholarship programs (education, training, boat and gear, IFQ, and business development).

The Independent Auditors' Report was completed during the 2nd quarter and includes the status of all loan and scholarship programs. CBSFA board members will review this report.

The CBSFC loan committee is scheduled to meet on July 9, 1999 to review all scholarship and loan programs.

GOAL IV, OBJECTIVE 6. Ensure that community members are educated and trained for business and the seafood industry.

MILESTONE A: Annually ensure that all the students in school on St. Paul Island have the opportunity to participate in Junior Achievement.

Completed in first quarter of 1999.

MILESTONE B: Annually provide at least one training workshop on St. Paul Island aimed at improving local fishermen's skills.

CBSFA provided training opportunities in the 1st quarter and the 2nd quarter of 1999.

CBSFA entered into contract with Kvichak Marine (boat builders) on March 4, 1999, to facilitate a project to repair local vessels and provide on the job training in vessel repair techniques. Three boats received extensive rebuilding work, one received structural reinforcement and one boat had a longlining setting chute built.

CBSFA in a joint effort with the TDX Corporation and the City of St. Paul, facilitated a boating safety class on St. Paul Island. Three personnel from the Coast Guard Auxiliary in Anchorage were brought out to St. Paul on June 2, 1999. On June 2, 1999 a class was held for adults and on June 3, 1999, for adults and children. CBSFA contributed to part of the airfare costs and coordinated class arrangements.

GOAL IV, OBJECTIVE 7. Provide small vessel launch and retrieval facilities.

MILESTONE A: By June 5, 1999, prepare and implement plan to repair boat ramp, and provide launch and retrieval equipment.

This milestone was addressed in the 4th quarter of 1998 by CBSFA and a boat ramp was completed in June of 1998, by the TDX Corporation on their waterfront property.

In the 4th quarter of 1998, CBSFA purchased and received a used boat trailer that incorporates a hydraulic lifting system. This trailer is currently in use for vessel launch and retrieval of local vessels. CBSFA has secured the use (no charge) of a crane owned by the TDX Corporation to launch larger vessels, which cannot safely use the boat ramp.

In June of 1998, the TDX Corporation completed a boat ramp that has limited launching capability. Due to design, vessels larger than 26 foot cannot safely launch from this ramp.

CBSFA has a small boat harbor goal in this CDP which includes a boat ramp and feels it should not spend money on improving the present boat ramp, which will no longer be of use in the near future.

GOAL V SMALL BOAT HARBOR

GOAL V, OBJECTIVE 1. Coordinate with other local entities to form united St. Paul community approach and design for small boat harbor.

MILESTONE A: Hold coordination meetings on St. Paul Island throughout the later half of 1998 and first half of 1999 until local agreement is reached.

Several coordination meetings were held during the 2nd quarter between CBSFA and St. Paul organizations. The following list includes dates the meetings were held and the names of the organizations and their respective representatives that attended:

April 19, 1999: CBSFA-President Phillip Lestenkof; Tribal Government of St. Paul- President Vladimir Melovidov and Executive Director Pat Baker.

May 3, 1999: CBSFA-President Phillip Lestenkof; Tribal Government of St. Paul-President Vladimir Melovidov.
CBSFA President-Phillip Lestenkof; TDX C.E.O.-Ron Philemonoff.

May 4, 1999: CBSFA-President Phillip Lestenkof; City of St. Paul-City Manager John R. Mercurief, Sr..

May 5, 1999: CBSFA-President Phillip Lestenkof and Vice-President Robert Melovidov; City of St. Paul-City Manager John R. Mercurief; TDX Corporation-CEO Ron Philemonoff; Tribal Government-President Vladimir Melovidov and Executive Director Pat Baker.

MILESTONE B: Work with local organizations to reach an agreed upon harbor development plan and design with final plan drafted by June 1, 1999.

At the May 5, 1999 meeting between the leadership of CBSFA, TDX Corporation, City of St. Paul and the Tribal Government, all organizations agreed that the small boat harbor should be constructed according to the design engineered by the City of St. Paul. Since this design has already been model tested by the Corps of Engineers, it was determined that this was the most expedient design to use to implement the small boat harbor construction plan.

During the 2nd quarter several small boat harbor agreements were drafted and reviewed by CBSFA and the other St. Paul organizations.

Decision by the State of Alaska, Department of Natural Resources, addressing the tideland/upland boundary line in the proposed small boat harbor, was still pending during the 2nd quarter.

GOAL V, OBJECTIVE 2. Obtain funding for small boat harbor.

MILESTONE A: Establish and fund dedicated set-aside account from pollock CDQ revenues consisting of 80% of all such revenues.

CBSFA resolution 99-04 was passed on April 15, 1999, to establish and fund a dedicated set-aside account from 1999 pollock CDQ revenues consisting of 80% of all 1999 pollock revenues. This account is set up with Dean Witter.

MILESTONE B: Along with other local entities obtain sufficient funds for small boat harbor dredging, ramp, and minimal docking by June 1, 2000.

Funding sources for the small boat harbor were addressed during the meetings listed under Goal V, Objective 1, Milestone A.

GOAL V, OBJECTIVE 3. Construct small boat harbor.

MILESTONE A: Issue an RFP for construction by September 1, 2000.

No activity during 2nd quarter.

MILESTONE B: Ensure contract for small boat harbor dredging is signed by construction firm by March 1, 2001.

No activity during 2nd quarter.

MILESTONE C: Begin dredging small boat harbor by June 1, 2001.

No activity during 2nd quarter.

MILESTONE D: Have small boat harbor, including ramp and minimal docks, in place and in use by June 1, 2003.

No activity during 2nd quarter.

B. OUTREACH

No activity during 2nd quarter.

C. EMPLOYMENT

**EMPLOYMENT DATA
1999 QUARTER II**

1. Data Form

	Quarter II		Year-to-Date II		Year-to-Date People
	Position/Trips	Wages	Position/Trips	Wages	
CBSFA Management	4	18,550	5	67,773	5
Anchorage Clerical	1	4,757	4	20,483	4
CDQ Pollock Related					
A Season	None	None	None	None	None
B Season					
Multi-species Related					
Crabbing	Unknown	Unknown	Unknown	Unknown	Unknown
Groundfish					
Other Fishing					
Other Employment	7	6,078	7	6,078	7
CBSFC Management	1	11,319	2	19,357	2
St. Paul Clerical	None	None	None	None	None
Misty Islands Seafood's					
Management	3	14,808	3	36,731	3
Production Staff	4	702	23	14,322	23
Internships	0	0	1	48	1
Total	20	37,664	45	164,792	45

2. Summary

CBSFA staff members earned \$53,163 in total wages. CBSFC's St. Paul office staff included the President, who earned \$11,319, and clerical staff who earned \$5,541. CBSFA hired the services of one attorney and one consultant in conjunction with contract negotiations, legal issues, government compliance and assistance with Multi-Species CDP issues.

D. TRAINING AND EDUCATION

1. Data Form

TRAINING/SCHOLARSHIP/STUDENT LOAN					
1999 QUARTER II					
		Quarter II		Year-to-Date II	
		People	Expenditure	People	Expenditure
Scholarships					
	Postsecondary	8	4,101	17	45,983
	Vocational				
Voc-tech Classes					
	Basic	0	0	0	0
	Advanced	0	0	4	10,663
Other Training					
	Fisheries related	6	77,117	8	96,424
	Student Loans	9	27,632	10	35,288
	CDQ Staff/Board				
	Other				
Other Expenditures					
	To Educational Institutes				
	Educational Endowment Funds				
	Other				
Total		23	108,850	39	188,358

2. Summary

During the Second quarter, CBSFA sponsored students. These students are attending the following schools: University of Alaska-Anchorage and Fairbanks; Alaska Pacific University; Chemeketa Community College; Arizona State University with Marissa Mercurieff graduating with a Bachelor of Science in Conservation Biology, May 13, 1999; Keller Graduate School; Montana State University; Loyola University, and Oregon Institute of Technology.

III. ADMINISTRATION

A. Board Activities

1. Change In Members

CBSFC held a special board meeting on April 21, 1999. The board elected Walter Shane to fill the seat vacated by Carl Mercurief, Sr. The board held election of officers as follows: Chairman, Ben Barrera, President, Robert Melovidov, Vice-President, Thomas Bourdukofsky, and Secretary/Treasurer, Walter Shane. Member, Phillip Lestenkof.

2. Decisions

A CBSFA board of directors meeting was held on April 15 & 16, 1999.

A CBSFC board of directors meeting was held on April 21, 1999.

At a CBSFA board meeting held on April 15 and 16, 1999, the board approved the offer to purchase an ownership share of the F/V Ocean Cape and passed required resolutions.

At the April 15 & 16, 1999, CBSFA board meeting, the board reviewed and approved changes to the investment accounts with Salomon Smith Barney and Dean Witter.

At the April 15 & 16, 1999, CBSFA board meeting, the board approved an investment portfolio for the small boat harbor plan.

B. CDP Amendment Status

- Amendment 99-5CB was submitted on May 6, 1999 to invest in the F/V Ocean Cape. It was approved by NMFS on June 29, 1999.**
- Amendment to add Kjevolja to CBSFA Multi-Species 1998-2000 CDQ.**

C. Other Issues

The planned move of the Anchorage office continued this quarter. Executive Office Manager, Rena J. Kudrin was sent to the Anchorage office for training and to transfer some financial needs to the St. Paul Office.

Controller, Brenda Parnell has given her resignation to be effective on June 11, 1999. She is still hired on as a part time basis until replacement is hired.

IV. HARVESTING REPORT

A. Pollock Harvest Activities

There was no pollock CDQ harvesting activity during the second quarter. Total annual pollock harvest to date along with total harvest of all species is shown in the attached table taken from the CBSFA web pages on the Sea State web site.

B. Reporting Compliance

We are in compliance with all reporting requirements.

C. Pollock Fishing Bycatch and Discards

Table 1. Total harvest in Pollock CDQ fishery as reported to NMFS

<i>Species</i>	<i>Yearly Total Metric Tons</i>	<i>Yearly Total (discard/retain) Metric Tons</i>	<i>2nd Quarter Metric Tons</i>	<i>2nd Quarter (discard/retain) Metric tons</i>
Pollock				
Pacific cod	See Pages 18A-18E			
Flathead sole	See Pages 18A-18E			
Pacific Ocean Perch				
Other species				
Yellowfin sole				
Squid				
Arrowtooth				
Rocksole				
Deep Rockfish				
Total TAC species				

Table 2. Prohibited species bycatch in Pollock CDQ fishery

<i>Species</i>	<i>Yearly Total</i>	<i>4th Quarter</i>
Halibut		
Herring	See Pages 18 A-18E	
Salmon – Chinook		
Salmon – Other		

D. Other Fishing Issues/Activities

Crab CDQ fishing

1999 CBSFA Opilio crab CDQ began April 2, 1999 and was completed May 9, 1999. Vessels fishing for CBSFA were Arctic Lady, Kona Kai, Ocean Ballad, Ocean Cape, and Zolotoi. The first delivery to Unisea was April 2, 1999. The total pound caught was 1,836,330 with an underage of 1792 for 1999 season, dead loss totaled: 17,380. Unisea processed all of the harvest at St. Paul Island harbor.

Multi-species groundfish fishing

Two vessels, the C/P Vaerdal and the C/P Seafreeze Alaska trawled for mixed groundfish during the second quarter. They caught a combined total of 137 mt of groundfish. The catch by vessel is attached in separate sheets obtained from the CBSFA web pages on the Sea State web site.

Halibut CDQ Fishing

1999 CBSFA CDQ Halibut fisheries began June 15, 1999 with an allocation of 913,500 pounds, with a total of 20 boats participating, and a total of 122 local people working in the fishery. A total of 165,798 pounds was landed in the 2nd quarter. A total of 14 days of landing were made in June, 1999. The halibut is delivered to local processors here on St. Paul.

Misty Islands Seafoods

Misty Islands did not operate during the second quarter. It will begin preparations during late July for the September crab season.

Zolotoi

- Zolotoi finished CDQ opilio crab fisheries for CBSFA on May 2, 1999.
- Zolotoi continued on to Adak to participate in the Cod fisheries.
- Zolotoi continued to Bristol Bay to tender for the Salmon fisheries.
- Zolotoi continued to Kodiak to participate in the Red Salmon fisheries.
- Currently the Zolotoi is tendering in South East Alaska in Petersburg.

V CONFIDENTIAL ISSUES

A. Financial Statements

Sent under Separate e-mail noted as CBSFA Confidential 2nd Qtr Rpt.