

CBSFA

Central Bering Sea Fishermen's Association

Community Development Plan (CDP) for
2003-2005 Multi-Species Community Development Quota (CDQ) Program
3rd Quarter Report 2004

Prepared for:
State of Alaska

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Central Bering Sea Fishermen's Association

I. Quarterly Highlights – 3rd Quarter

- CBSFA completed its community member survey in September 2004.
- CBSFA completed its Board of Directors' survey in September 2004.
- For the first time CBSFA hired 3 outside vessels to help harvest CDQ Halibut, due to persistent bad weather and slow fishing, catch rates and landings were low.
- President Phillip Lestenkof attended Pribilof Islands Collaborative stakeholders' meetings held August 17-20, 2004 at St. Paul Island.
- The St. Paul local fleet continued to experience low catch rates in the Area 4C halibut fishery for the third season in a row.
- CBSFA provided its apartment to the IPHC port sampler stationed at St. Paul Island.

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.

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.

Milestone 3: Exercise Options and Agreements

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.

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 May 6, 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.

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 and signed a custom processing agreement with Trident.

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

Status: Profit sharing distribution will be paid after the CBSFA CDQ halibut is marketed and sold. At the end of the 3rd quarter, CBSFA had halibut in cold storage that still has to be marketed and sold.

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.

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 in June 2004 using the CBSFA Grove crane and 9 local people were employed for this project.

Milestone 2: *Provide Vessel Launch and Retrieval services*

Status: Vessels participating in the 2004 CDQ Halibut Fishery were launched in June 2004 using CBSFA's Grove crane and additional launch and retrieval services will be provided as necessary. Ongoing Q2 & Q3 2004.

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 3rd quarter.

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.

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.

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.

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.

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 3rd quarter.

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 IFQs.

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.

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.

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.

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.

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 4th quarter.

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.

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.

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.

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 22, 2003 to review applications and award scholarships, student loans, and training grants. 14 scholarships and 2 student loans were approved; they will be distributed in Q1 2004. CBSFC Loan Committee met August 13, 2004 to review applications and award scholarships, student loans and training grants. 12 scholarships, 2 training grants and 1 student loan were awarded.

Milestone 2: *Review loan performance*

Status: The CBSFC Loan Committee met on December 22, 2003 and reviewed all loans and budgets. The CBSFC Loan Committee met on April 16, 2004 to review all loans and budgets.

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

Status: Ongoing.

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: A newsletter was distributed in Q1 2004.
The CBSFA 2003 Annual Report was being drafted during 3rd quarter for distribution to the CBSFA membership.

Milestone 2: *Continue Member Survey*

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

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

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.

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.

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 need to retain his CPA license.

Milestone 6: *Periodically review Strategic Plan and Five-year Forecast*

Status: Being revised as part of Substantial Amendment 04-01 CB.

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.

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.

Milestone 2: Maintain sufficient liquidity to meet investment strategy

Status: In 1st quarter 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 2nd quarter CBSFA started meeting with Morgan Stanley to discuss options on stocks and market volatility.
In 3rd quarter CBSFA held meetings with Morgan Stanley to continue monitoring portfolio performance.

B. OUTREACH

- A community survey was done in September 2004.
- The residents and CSBFA board members were invited to the Pribilof Islands Collaborative meetings held at St. Paul Island during August 17-20, 2004.

C. EMPLOYMENT

1. CBSFA 2004 3rd Quarter Employment Data Form

	3rd Quarter		Year-to-Date		Year-to Date
	Position/People	Wages	Position/People	Wages	People
Management/Administrative	5	58,970	5	194,968	5
CDQ Pollock Related					
A/B Season	None		None		
C/D Season	None		None		
Other Fishing	0	0	2	2286	2
CDQ Halibut Fisheries	58	510,898	58	642,873	58
Other Employment	3	6284	12	7050	12
Internships	1	2416	1	3216	1
Total	67	578,568	78	850,393	78

2. Summary

Management/Administrative: Four local CBSFA members are employed at the St. Paul Island Office. Positions consist of President, Quota Manager, Office Manager, Temp. Administrative Assistant 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: The CBSFA Halibut CDQ fishery started on June 7, 2004 employing local vessels and crews.

Other employment: Deployment of the floating docks employed a crew of 9 and the security of the vessels mooring at the floating docks employed 3 persons.

Internships: CBSFA hired Danielle Kozloff as Temporary Administrative Assistant during the summer.

D. Training

1. CBSFA 2004 3rd Quarter Training Data Form

	3 rd Quarter		Year-to-Date	
	People	Expenditure	People	Expenditure
Scholarships				
Postsecondary	12	39,600	26	76,000
Vocational	0	0		
Voch-tech Classes				
Basic	1	519	1	519
Advanced	1	2500	1	2500
Other Training				
Fisheries related	0	0		
Student Loans	1	2500	3	8750
CDQ Staff/Board	0	0		
Other	0	0		
Other Expenditures				
To Educational Institutes	0	0		
Educational Endowment Funds				
Other	0	0		
Total	15	45,119	31	87,769

2. Summary

Scholarships: The fall term scholarship application deadline was June 30, 2004 and 14 students applied. The CBSFC Loan Committee met on August 13, 2004 and awarded 12 scholarships, 2 training grants and 1 student loan.

Vocational/Technical Grants: The fall term Vocational/Technical grant application deadline was June 30, 2004 and 2 students applied. The CBSFC Loan Committee met August 13, 2004 and awarded 2 training grants.

Other Training: Temporary Administrative Assistant at CBSFA office received OJT.

Student Loans: The fall term student loan application deadline was June 30, 2004 and 1 student applied. The CBSFC Loan Committee met August 13, 2004 and awarded 1 student loan.

Other Expenditures: None

III. ADMINISTRATION

A. Board Activities: None.

B. State of Alaska Reporting Compliance

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

C. Amendment Status

Quarter 1: **SA 04-01:** Amend CBSFA’s 2003-2005 CDP, adding Multi-Species Development Holding LLC and adds the F/V Starlite and F/V Starward.
 SA 04-02: Transfer Pollock and associated by-catch to BBEDC to be harvested in a pooled fishery.
 SA 04-03: Transfer Atka Mackerel, Flatfish, and associated by-catch to be harvested in a pooled fishery.
 SA 04-04: Addition of F/V Ballyhoo and the shoreside processors Westward and Unisea to CBSFA’s 2003-2005 CDP.
 TA 04-05: Proposed transfer of *C. opilio* to BBEDC. FAILED

Quarter 2: **TA 04-06:** Transfer Other Flatfish to CVRF to assist with the P. Cod fishery.
 TA 04-07: Transfer Yellowfin Sole, Rock Sole, Flathead Sole, and Alaska Plaice to BBEDC to support the combined “Flatfish Pool” being prosecuted by US Seafoods.

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

2004 Species Transferred into pools for Harvest:

Pollock

American Seafoods Company continues to be CBSFA harvesting partner. To provide for increased utilization and minimize by-catch CBSFA, BBEDC, and CVRF pooled Pollock and by-catch. In 2004 this fishery pool is being harvested by American Seafoods vessels through the CDQ group BBEDC.

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. In 2004 this fishery pool is being managed by BBEDC.

MS CDQ/PSQ Account Status Report 2004, Quarter 3

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	7,460.000		7460.000	0.000					-	-	-	-
Pacific Cod	mt	1,454.670		65.000	1,389.670	288.133	666.289	446.894		1,401.316	100.8%	-11.646	-0.8%
BS FG Sablefish	mt	46.400		0.000	46.400	31.478	13.120			44.598	96.1%	1.802	3.9%
AI FG Sablefish	mt	13.950		0.000	13.950					0.000	0.0%	13.950	100.0%
BS Sablefish	mt	9.810		5.500	4.310					0.000	0.0%	4.310	100.0%
AI Sablefish	mt	4.640		2.500	2.140					0.000	0.0%	2.140	100.0%
WAI Atka Mackerel 543	mt	124.000		121.000	3.000					0.000	0.0%	3.000	100.0%
CAI Atka Mackerel 542	mt	186.640		183.000	3.640					0.000	0.0%	3.640	100.0%
EAI/BS Atka Mackerel 541	mt	67.440		65.700	1.740	0.448	0.010	0.026		0.484	27.8%	1.256	72.2%
Yellowfin Sole	mt	516.480		420.000	96.480			0.003		0.003	0.0%	96.477	100.0%
Rock Sole	mt	246.000		235.000	11.000	1.367	0.228	0.119		1.714	15.6%	9.286	84.4%
BS Greenland Turbot	mt	16.240		6.000	10.240	2.100	1.382	0.151		3.633	35.5%	6.607	64.5%
AI Greenland Turbot	mt	4.200		2.000	2.200					0.000	0.0%	2.200	100.0%
Arrowtooth Flounder	mt	81.000		55.000	26.000	7.936	7.387	17.146		32.469	124.9%	-6.469	-24.9%
Flathead Sole	mt	128.250		98.000	30.250	1.999	2.776	2.327		7.102	23.5%	23.148	76.5%
Other Flatfish	mt	18.000		13.000	5.000	0.018	0.004			0.022	0.4%	4.978	99.6%
Alaska Plaice	mt	37.500		14.000	23.500					0.000	0.0%	23.500	100.0%
BS Pacific Ocean Perch	mt	6.360		4.500	1.860					0.000	0.0%	1.860	100.0%
WAI Pacific Ocean Perch 543	mt	35.120		30.100	5.020					0.000	0.0%	5.020	100.0%
CAI Pacific Ocean Perch 542	mt	17.520		16.500	1.020					0.000	0.0%	1.020	100.0%
EAI Pacific Ocean Perch 541	mt	18.320		17.300	1.020					0.000	0.0%	1.020	100.0%
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	0.056	0.568			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		0.900	1.550	0.076	0.244	0.004		0.324	20.9%	1.226	79.1%
AI Other Rockfish	mt	3.840		1.900	1.940					0.000	0.0%	1.940	100.0%
Other Species	mt	0.000		N/A	N/A	112.754	206.748	102.230		N/A	N/A	N/A	N/A
PSQ Reserve Category													
Zone 1 Red King Crab	ea	1,182.000		850.000	332.000					0.000	0.00%	332.000	100.0%
Zone 1 Bairdi Tanner Crab	ea	5,880.000		3,300.000	2,580.000					0.000	0.00%	2,580.000	100.0%
Zone 2 Bairdi Tanner Crab	ea	17,820.000		13,300.000	4,520.000					0.000	0.00%	4,520.000	100.0%
Opilio Tanner Crab	ea	26,100.000		16,000.000	10,100.000					0.000	0.00%	10,100.000	100.0%
Pacific Halibut (mortality)	mt	30.870		13.000	17.870	0.122	1.105	2.402		3.629	20.31%	14.241	79.7%
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

2. Pollock Harvesting Activities for 2004, Quarter 3

** Please reference the BBEDC 3rd quarter report. BBEDC is overseeing the “Pollock Pool” for the 2004 season.

3. Pacific Cod Harvesting Activities for 2004 Quarter 3

CBSFA Pacific Cod Target Fishery Harvest Activity Third Quarter as of September 30, 2004								
CDQ Reserve Category	Units	Alloc. after transfers	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Harvest	% of Target Harvest
B Season (40%)	mt	555.868		132.911	446.894		579.805	104.3%
Pacific Cod Total	mt	1,389.670	287.875	666.287	446.894	0.000	1,401.056	100.8%
Bycatch								
Non Quota Pollock	mt	N/A	30.327	15.829	21.582		67.738	-
BS FG Sablefish	mt	-						-
AI FG Sablefish	mt	-						-
EAI/BS Atka Mackerel 541	mt	-		0.010	0.026		0.036	
Yellowfin Sole	mt	-			0.003		0.003	-
Rock Sole	mt	-	0.367	0.228	0.119		0.714	-
BS Greenland Turbot	mt	-	0.056	0.007	0.151		0.214	-
AI Greenland Turbot	mt	-						-
Arrowtooth Flounder	mt	-	0.342	5.051	17.146		22.539	-
Flathead Sole	mt	-	1.999	2.776	2.327		7.102	-
Other Flatfish	mt	-	0.018	0.003			0.021	-
Alaska Plaice	mt	-					0.000	-
BS Pacific Ocean Perch	mt	-						-
WAI Pacific Ocean Perch 543	mt	-						-
CAI Pacific Ocean Perch 542	mt	-						-
EAI Pacific Ocean Perch 541	mt	-						-
BS Northern Rockfish	mt	-						-
BS Other Rockfish	mt	-		0.003	0.004		0.007	-
AI Other Rockfish	mt	-						-
Other Species	mt	-	112.754	206.748	102.230		421.732	-
PSQ Reserve Category								
Zone 1 Red King Crab	ea	332.000						
Zone 1 Bairdi Tanner Crab	ea	2,580.000						
Zone 2 Bairdi Tanner Crab	ea	4,520.000						
Opilio Tanner Crab	ea	10,100.000						
Pacific Halibut (mortality)	mt	17.870	0.122	1.105	2.402		3.629	
Chinook Salmon	ea	0.000						
Non-Chinook Salmon	ea	0.000						

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

Pacific Longline Company harvested 100.8% of the total Pacific Cod target allocation as of September 30, 2004.

b. Summary of by-catch in Pacific Cod fishery

PLC exceeded the Arrowtooth Flounder allocation by 6.469 metric tons.
Note: CDQ groups are no longer individually allocated 'Other Species.'

4. Sablefish (Black Cod) Harvesting Activities for 2004 Quarter 3

Sablefish Target Fishery Harvest Activity Third Quarter as of September 30, 2004								
CDQ Reserve Category	Units	Allocation				YTD Harvest	Target Harvest	% of Target
		after transfers	1st Qtr	2nd Qtr	3rd Qtr			
BS FG Sablefish	mt	46.400	31.478	13.120	0.000		44.598	96.1%
AI FG Sablefish	mt	13.950					0.000	
BS Sablefish (trawl)	mt	4.310						
AI Sablefish (Trawl)	mt	2.140						
Bycatch								
Non Pollock Quota	mt	N/A						-
Pacific Cod	mt	-	0.258	0.002			0.260	-
WAI Atka Mackerel 543	mt	-						-
CAI Atka Mackerel 542	mt	-						-
EAI/BS Atka Mackerel 541	mt	-	0.448				0.448	-
Rock Sole	mt	-	0.001				0.001	-
BS Greenland Turbot	mt	-	2.044	1.375			3.419	-
AI Greenland Turbot	mt	-						-
Arrowtooth Flounder	mt	-	7.594	2.336			9.930	-
Other Flatfish	mt	-		0.001			0.001	-
Northern Rockfish	mt	N/A						-
Shortraker Rockfish	mt	N/A	0.056	0.568			0.624	-
Rougheye Rockfish	mt	N/A						-
BS Other Rockfish	mt	-	0.076	0.241			0.317	-
AI Other Rockfish	mt	-						-
Other Species	mt	N/A						-

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

To date, the F/V Ballyhoo harvested 96.1% of CBSFA's Bering Sea Fixed Gear Sablefish allocation using pot gear. No harvesting activity occurred in the 3rd quarter.

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.

**5. Atka Mackerel / Flatfish Harvesting Activities for 2004 Quarter 3
Flatfish Pool Fishery Harvest by Group, Third Quarter as of September 30, 2004.**

** ** Please reference the BBEDC 3rd quarter report. BBEDC is overseeing the “Flatfish Pool” for the 2004 season.

6. Crab Harvesting Activities, 2004 Quarter 3

Crab Harvest Activity									
Third Quarter as of September 30, 2004									
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	356,416	353,808				353,808	99.3%	2,608
Bering Sea <i>C. Bairdi</i> Tanner crab	lbs	N/A							
Bristol Bay Red King crab	lbs	113,532							
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

***C. Opilio* (Snow Crab):** In Quarter 1 of 2004 the F/V Shishaldin and F/V Early Dawn harvested 99.3% of CBSFA's *C. Opilio* Allocation.

BBRKC: The BBRKC fishery will occur in the 4th quarter of 2004.

7. Halibut Harvesting Activities for 2004 Quarter 3

Halibut Harvest Activity									
Third Quarter as of September 30, 2004									
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	731,000.00	0	89,382	245,604	-	334,986	45.8%	396,014
4D Halibut	lbs	0						-	-
4E Halibut	lbs	0						-	-

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

Harvesting activities began for CBSFA on June 7, 2004. As of September 30, 2004 45.8% of CBSFA's halibut allocation was harvested. For its first time, CBSFA hired three larger outside vessels to help harvest its halibut beginning mid-September.

b. Summary of by-catch in the Halibut fishery

No by-catch to report, all vessels are below 60 feet.

C. Compliance / Enforcement Issues

- During the third quarter of 2004 Pacific Longline Company inadvertently exceeded CBSFA's Pacific Cod allocation by 11.646 metric tons and Arrowtooth allocation by 6.469 metric tons during their final tow of the year.

D. Other Fishing Issues/Activities

NONE

V. CONFIDENTIAL ISSUES

A. Financial Statements

B. Tax Issues

Corporate Restructuring.

C. Imminent Major Investments

D. Other

1. Board Minutes

No meetings were held during 3rd quarter.