

CBSFA

Central Bering Sea Fishermen's Association

Community Development Plan (CDP) for
2001-2002 Multi-Species Community Development Quota (CDQ) Program
Fourth Quarter 2002 Report

Prepared for:
State of Alaska

January 30, 2003

TABLE OF CONTENTS

	Page
I. Quarterly Highlights.....	3
II. Community Development.....	4
A. Progress Toward Goals, Objectives, Milestones	
B. Outreach	
C. Employment	
1. Data Form	
2. Summary	
D. Training	
1. Data Form	
2. Summary	
E. Other Issues	
III. Administration.....	15
A. Board Activities	
1. Change in Members	
2. Substantial Decisions	
3. Minutes (confidential)	
B. State of Alaska Reporting Compliance	
C. Amendment Status	
D. Other Issues	
IV. Harvesting Report.....	16
A. Pollock and Multi-species CDQ Harvest Activities by Target Fishery	
1. Summary of harvesting activities by Target Fishery	
B. Pollock and Multi-species CDQ Harvest by Quarter and Year-to-Date	
1. Consolidated Summary of CDQ harvesting activities.	
C. Compliance	
D. Other Fishing Issues / Activities	
V. Confidential Issues.....	24
A. Financial Statements – CDQ Group	
1. Consolidated Income Statement	
2. Consolidated Balance Sheet	
3. Cash Flow Statement	
4. Subsidiary Report	
a. Income Statement (if required)	
b. Balance Sheet (if required)	
5. Consolidated General and Administrative Expenses	
6. Budget Summary	
7. Notes to Financial Statements (including quarterly and YTD CDQ Royalties by species)	
B. Tax Issues	
C. Imminent Major Investments	
D. Other – BOD Meeting Minutes	

Central Bering Sea Fishermen's Association

I. Quarterly Highlights – 4th Quarter

- CBSFA held a Special Board of Directors meeting on October 18, 2002.
- CBSFA held a Regular Board of Directors meeting on November 13, 2002.
- CBSFA held its Annual Membership Meeting on November 15, 2002.
- CBSFA held its Annual Board of Directors meeting on November 22, 2002.
- CBSFC held its Annual Board of Directors meeting on December 31, 2002.
- President Phillip Lestenkof and Quota Manager, Patience Mercurief, attended NPFMC meetings in Anchorage in October, December 2002.
- President Phillip Lestenkof attended ASG Board Meetings in New York, December 2002.
- President Phillip Lestenkof attended meeting/workshop hosted by World Wildlife Fund and Tribal Ecosystems in Anchorage, November 2002.
- The Grove Crane RT760E was serviced by a Coast Crane mechanic in November 2002.
- Completed harvest of Pollock.
- Completed harvest of P. Cod.

II. COMMUNITY DEVELOPMENT

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

Goal 1: Develop the Small Boat Harbor (SBH)

Objective: Actively represent local fishermen's interests in the construction, funding and operation of this regional project.

Milestone 1: Continue Local Share Set-Aside program

Status: CBSFA wrote a letter addressed to CDQ manager, Greg Cashen on December 30, 2002. Ongoing.

Milestone 2: Continue efforts to seek additional Local Share funding

Status: Ongoing.

Milestone 3: Facilitate efforts to secure multi-entity uplands access agreement

Status: Ongoing.

Milestone 4: Seek State and Federal approval to accelerate ramp construction

Status: During Q1 2002, CBSFA purchased a 60-ton Grove crane to launch and retrieve our local fleet vessels and floating docks. This acquisition eliminates the need for accelerated ramp construction.

Milestone 5: Pending approval, construct ramp during summer 2001 season

Status: Acquisition of the 60-ton crane eliminates the need for accelerated ramp construction.

Milestone 6: Develop SBH Business Plan that includes long-term O & M funding options

Status: This is now being done as part of the larger MSD project.

Goal 2: Support Development of St. Paul Harbor Based Projects

Objective: Identify opportunities and make strategic investments and allocations decisions

Milestone 1: Negotiate deployment of shore-based processor at City dock

Status: We are currently pursuing this as part of the MSD project

Milestone 2: Conduct Multi Species Development Study (MSD Study)

Status: In January 2002 MSD report and project development proposal was completed. It has now been approved by the board.

Milestone 3: Short list opportunities, conduct due diligence

Status: During Q2 several Non-Disclosure Agreements were signed, and negotiations are proceeding on schedule.

During Q4, CBSFA made its first offer for the acquisition of certain crab-related assets for this project, and contracted with several individuals and organizations to assist with due diligence.

Milestone 4: *Make final determination, develop business plans and make investment or allocation decisions consistent with MSD Study.*

Status: The preliminary business plan has been approved by the board and the MSD project is proceeding.

Goal 3: Direct Investment in Strategic Fisheries & Vertical Industries

Objective: Economic growth and diversification by expanding our active participation in strategic fisheries.

Project 3A: American Seafoods Company

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

Status: President, Phillip Lestenkof attended several ASC Board meetings. President Phillip Lestenkof attended a meeting in Seattle October 28 & 29, 2002. President Phillip Lestenkof attended a meeting in New York, December 15 through 18, 2002.

Milestone 2: *Strengthen CBSFA/ASC management relationship*

Status: CBSFA employee (PPM) began her internship March 11, 2002 at American Seafoods. Patience Mercurief completed the internship program on June 30, 2002.

Project 3B: Freezer / Longliner Investment

Milestone 1: *Conduct due diligence on North Cape acquisition in late 2000*

Status: Completed. The North Cape was acquired through American Seafoods investment.

Milestone 2: *Make final determination, develop Business Plan and make investment consistent with due diligence, MSD Study and other strategic guidelines.*

Status: Completed.

Project 3C: Misty Islands Seafoods

Milestone 1: *Review opportunities identified in MSD Study*

Status: Completed. MSD project is proceeding.

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

Status: Completed. MSD project is proceeding.

Milestone 3: *Make final determination, develop business plans and make investments consistent with MSD Study.*

Status: Completed. MSD project is proceeding.

Project 3D: F/V Zolotoi

Milestone 1: *Continue to seek CDQ Cod exemption*

Status: Suspended pending resolution of several partnership issues.

Milestone 2: *Continue involvement in Crab Rationalization policy initiatives*

Status: On June 10, 2002 the NPFMC voted 11-0 to adopt a “Voluntary Three Pie” crab rationalization plan that incorporates most of the provisions St. Paul was working for.

Throughout Q4 CBSFA has participated in the Council process and lobbying efforts in Washington DC to authorize and implement this program.

Milestone 3: *Continue involvement in Vessel Buy-back policy initiatives*

Status: The vessel buy back program has been authorized by Congress. This project completed.

Project 3E: F/V Ocean Cape

Milestone 1: *Continue to seek CDQ Cod exemption*

Status: Suspended pending resolution of several partnership issues.

Milestone 2: *Continue involvement in Crab Rationalization policy initiatives*

Status: On June 10, 2002 the NPFMC voted 11-0 to adopt a “Voluntary Three Pie” crab rationalization plan that incorporates most of the provisions St. Paul was working for.

Throughout Q4 CBSFA has participated in the Council process and lobbying efforts in Washington DC to authorize and implement this program.

Milestone 3: *Continue involvement in Vessel Buy-back policy initiatives*

Status: The vessel buy back program has been authorized by Congress. This project completed.

Goal 4: Development of Local Fisheries

Objective: Create support programs for the development of local fisheries.

Project 4A: Local Fleet Cod Fishery

Milestone 1: *Analyze opportunity within scope of MSD Study*

Status: Completed.

Milestone 2: *Advocate for super-exclusive local fishing zone in Pribilofs*

Status: Ongoing.

Milestone 3: *Create or revise programs and amend CDP as necessary to support development of Local Fleet Cod Fishery consistent with MSD Study.*

Status: On-going analysis within MSD feasibility/pro forma project.

Project 4B: Vessel & Gear Loans, IFQ Loans, Business Loans

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

Status: CBSFC held its annual board of directors meeting on December 31, 2002 and Rena J. Kudrin updated the board with a report on the student, vessel/gear, and IFQ loan status.

Milestone 2: *Analyze Loan Program structure and make strategic recommendations to Board*

Status: Ongoing.

Milestone 3: *Implement Board-approved recommendations, if any*

Status: Ongoing.

Project 4C: Local Fleet Halibut Fishery

Milestone 1: *Review success of 2000 CDQ halibut fishery and review associated programs and policies*

Status: Completed.

Milestone 2: *Analyze additional Area 4 halibut opportunities within scope of MSD Study*

Status: Completed.

Milestone 3: *Create or revise programs and amend CDP as necessary to support continued development of Local Fleet Halibut Fishery and funding of Local Fleet Support Programs consistent with MSD Study and SBH Business Plan.*

Status: We are currently tracking CIFQ and class A Share issues to define new opportunity. CBSFA has been working with IPHC on conducting halibut research involving local boats deploying water temperature data recorders this fishing season.

At the October 2002 NPFMC meeting held in Seattle, CBSFA management introduced our CIFQ project to the council.

Milestone 4: *Annually conduct Halibut CDQ Fishery Management Plan meeting with local fleet*

Status: The 2002 annual fishermen's meeting was held May 23, 2002, at this meeting the local fishermen approved the 2002 Halibut CDQ fishery management plan. CBSFA held a meeting with the local fishermen on September 18, 2002 to discuss the progress of CDQ halibut fishing.

Project 4D: Vessel Support Program

Milestone 1: *Until SBH completion, annually deploy and retrieve floating dock system*

Status: CBSFA hired 8 residents to deploy the floating docks; the docks were completed June 14, 2002. Two local residents were hired as security guards to monitor the floating dock and vessels during the CDQ halibut season. CBSFA hired 7 local residents for retrieval and storage of the floating docks, they were completed on October 6, 2002.

Milestone 2: *Provide Vessel Launch and Retrieval services consistent with Local Fleet needs.*

Status: CBSFA held a training class, that trained 6 members to operate the Grove RT760E 60-ton crane. CBSFA has hired one trained resident to operate and maintain the crane. Also, CBSFA received a new hydraulic boat trailer in June 2002 to be used by local fleet. The hydraulic crane and both trailers have been used on numerous occasions throughout the halibut season to assist fishermen.

Project 4E: Acquire Vessel Launch & Retrieval System

Milestone 1: *Take action consistent with CY 2000 due diligence and progress of Small Boat Harbor project.*

Status: Completed.

Milestone 2: *Conduct search for purchase of new system (crane).*

Status: Completed. CBSFA staff completed the search to purchase a crane in the first quarter of 2002. The crane is now in operation on St. Paul Island. Crane activities include the launching and retrieval of the floating docks and local fishing vessels. Different capacity cranes were analyzed and tested at Coast Crane Company in Anchorage and it was determined that a crane with a 60-ton capacity was sufficient to meet out local fleet support needs.

Milestone 3: *Seek Board review and approval of purchase.*

Status: Completed. The CBSFA board approved resolution 02-03: A resolution of the CBSFA board of directors approving the purchase of a Grove Crane Model RT 760 E (60-ton capacity).

Milestone 4: *Deploy new Vessel Launch/Retrieval system.*

Status: Completed. The newly purchased crane arrived in St. Paul at the end of April, in time for use during fishing season. The hydraulic boat trailer arrived in June, and is currently in use. Both the crane and new hydraulic trailer have received use consistently throughout 3rd quarter.

Project 4F: Vessel Repair & Maintenance Program

Milestone 1: *Annually conduct a Local Fleet Needs Assessment*

Status: Ongoing.

Milestone 2: *Issue RFP and conduct program if local needs warrant*

Status: CBSFA facilitated vessel engine maintenance and repair project (via Coastal Marine Engine mechanic) prior to the halibut season.
CBSFA sponsored an AMSEA Marine Safety Training, the week of June 9th, a total of 59 fishermen participated in the training.

Project 4G: Acquire Vessel Repair & Maintenance Facility

Milestone 1: *Finalize building plan including construction finance, land acquisition and operations by Q1 2001.*

Status: Ongoing. During quarter four of 2001, CBSFA received the final conceptual design for the new vessel repair facility on St. Paul and the construction cost estimate from Polarconsultant Alaska, Inc.

Milestone 2: *Contingent upon securing land, permits and financing, begin construction by Spring 2002.*

Status: For budgeting and analysis purposes, this project has now been folded into the MSD project.

Goal 5: Education and Outreach Project

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

Project 5A: Student Loans, Scholarships & Training Grants

Milestone 1: *CBSFA will fund a scholarship and student loan program*

Status: Deadline for the Spring Semester scholarship and loan applications was December 15, 2002. The CBSFA Loan Committee is scheduled to meet on January 11, 2003 to review current loans, loan applications and scholarship applications. A total of 9 scholarships, 1 loan, and 1 training grant were received.

Milestone 2: *Annually review loan performance*

Status: The CBSFC BOD met on December 31, 2002 and reviewed all loans.

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

Status: The CBSFC loan committee reviewed the budget for the year 2002. The CBSFC BOD met on December 31, 2002 and reviewed policies and budgets.

Project 5B: Outreach Program

Milestone 1: *Continue quarterly newsletter*

Status: In place of the 3rd and 4th quarter newsletters, CBSFA completed and distributed "Report to the Community," November 2002.

Milestone 2: *Continue annual community survey*
Status: CBSFA conducted a board survey on May 13, 2002. CBSFA conducted a community survey May 13-16, 2002.

Goal 6: Investment Fund Policies & Procedures

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

Project: Investment Fund Management

Milestone 1: *Annually review policies and procedures for general accounts*
Status: On going. CBSFA President has been corresponding with other investment institutions and seeking proposals.

Goal 7: Administrative Policies & Procedures

Objective: Continue to develop board and management expertise, and make efficient use of resources.

Milestone 1: *Continue to implement approved Management Review recommendations*
Status: Ongoing.

Milestone 2: *Annually secure independent financial & performance audits*
Status: The 2001 audit was completed May 31, 2002.

Milestone 3: *Provide updated Board training and education each year*
Status: Completed.

Milestone 4: *Annually review management performance, organization and projects*
Status: Ongoing.

Milestone 5: *Annually review partner(s) performance.*
Status: Ongoing.

Milestone 6: *Annually establish Staff Training plan and budget.*
Status: Rena J. Kudrin worked on the third quarter financials with Jason Lee at Altman, Rogers & Co. in October. Patience Mercurief completed her internship with American Seafoods, June 30, 2002.

Milestone 7: *Periodically review Strategic Plan and Five-Year Financial Forecast*
Status: Ongoing.

Milestone 8: *Participate in NPFMC, IPHC, ABOF and other appropriate policy making forums.*

Status: CBSFA President, Phillip Lestenkof and Quota Manager, Patience Mercurief attended the NPFMC meetings, held in Anchorage, October 2002.
CBSFA President Phillip Lestenkof and Quota Manager, Patience Mercurief attended the NPFMC meetings, held in Anchorage, December 2002.
CBSFA President, Phillip Lestenkof attended the World Wildlife Fund Meeting in Anchorage, November 2002.

Milestone 9: *Annually establish Community Program plan and budget.*

Status: CBSFA conducted a community survey in May 2002, and was determined that vessel engine repair and maintenance was needed. As a result, CBSFA facilitated engine repair and maintenance project by bring an engine mechanic from Costal Maine Engine to St. Paul, to work on local vessels prior to the fishing season.

B. OUTREACH

In place of the 4th quarter newsletter CBSFA completed and distributed “Report to the Community,” November 2002.

CBSFA held its Annual Membership Meeting November 15, 2002.

CBSFA funded the St. Paul Junior Achievement for the 2002-2003 school year.

CBSFA funded a member to go through a substance abuse treatment center.

CBSFA sent one application to American Seafoods Company for employment during the Pollock A/B Season.

CBSFA made a donation to the St. Paul Island High School Boy’s Basketball Team.

C. EMPLOYMENT

1. CBSFA 2002 4th Quarter Employment Data Form

	4 th Quarter		Year-to-Date		Year-to Date
	Postion/People	Wages	Postion/People	Wages	People
Management/Administrative	4	53,221.09	4	150,771.51	4
CDQ Pollock Related					
A/B Season	None		None		
C/D Season	None		None		
Other Fishing	1	5,554.35	106	837,328.33	106
Other Employment	9	5,932.00	19	20,341.75	19
Internships			1	10,225.60	1
Total	14	64,707.44	130	1,018,667.20	130

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 Office Assistant.

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

Other fishing: CBSFA's 2002 CDQ Halibut fisheries opened June 17, 2002. Twenty (20) fishing vessels are participating as of June 30, 2002. The last delivery for 2002 CDQ Halibut Fisheries to Trident was October 2, 2002.

Other employment: For the security of the floating docks and the mooring of the local fleet, two local persons were hired by CBSFA as security personnel. A crane operator is employed on an as-needed basis. The retrieval of the floating docks was completed on October 6, 2002. CBSFA hired on 7 local persons to complete the job.

Internships: Patience P. Mercurief, Quota Manager, completed the Management Training internship with American Seafoods, in Seattle, WA on June 30, 2002.

D. Training

1. CBSFA 2002 4th Quarter Training Data Form

	4 th Quarter		Year-to-Date	
	People	Expenditure	People	Expenditure
Scholarships				
Postsecondary	0	0	24	68,800
Vocational	0	0		
Voch-tech Classes				
Basic	0	0		
Advanced	0	0		
Other Training				
Fisheries related	0	0		
Student Loans	0	0	5	12,450
CDQ Staff/Board	0	0		
Other	0	0		
Other Expenditures				
To Educational Institutes	0	0		
Educational Endowment Funds				
Other	0	0		
Total	0	0	29	81,250

2. Summary

Scholarships: The deadline for the Spring 2003 semester is December 15, 2002. A total of nine students applied for scholarships. The Loan Committee is scheduled to meet in January to review applications.

Vocational/Technical Grants: One student applied for the Spring semester training.

Other Training: None

Student Loans: One student applied for the Spring semester 2003 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 02-01: Transfer Atka mackerel and POP for combined fishing
TA 02-02: Add F/V Lili Ann to prosecute P. Cod
SA 02-03: CBSFA to purchase a 60-ton crane

Quarter 2: TA 02-04: C. Opilio and BBKC Harvesting Agreements
TA 02-05: Transfer quota from NSR to Other Species
TA 02-06: Transfer C. Opilio for completion of fishery

Quarter 3: TA 02-07: Add F/V Deep Pacific to prosecute Pacific Cod
TA 02-08: Transfer Other Species from YDFDA
TA 02-09: Add F/V Zolotoi as a groundfish harvester
TA 02-10: Transfer Atka Mackerel and POP to APICDA
TA 02-11: Complete alternative fishing plans for cod vessels
SA 02-12: Transfer AI Other Rockfish to CVRF

Quarter 4: SA 02-13: Add a crab harvesting partner to the CDP
TA 02-14: Transfer Pollock to CBSFA from CVRF (FAILED)
SA 02-15: Transfer BS Sablefish to YDFDA from CBSFA
SA 02-16: Add a new project to the CDP (Essential Fish Habitat)
TA 02-17: Transfer Other Species to CBSFA from YDFDA

D. Other Issues

IV. HARVESTING REPORT for Quarter 4 Year 2002

A. Target Fishery Harvest Activities

1. Pollock Harvesting Activities for 2002 Quarter 4

SPECIES	POLLOCK						
	CDQ Allocation	Metric Tons Harvested					Target Fishery Information
Year 2002	Metric Tons Allocated	1st Qtr.	2 nd Qtr.	3rd Qtr.	4th Qtr.	YTD Harvest	% of Target Harvest
Total Pollock	5935.622	2365.605	0	2326.338	1272.906	5964.849	100.49%
"A/B" Season	2374.249	2365.605	0.000			2365.605	99.64%
"C/D" Season	3561.373			2326.338	1272.906	3599.244	101.06%
BYCATCH							
Pacific Cod	16.170	11.170	0.000	1.286	2.534	14.990	
Atka Mackerel, Eastern	3.040	0.000	0.000	0.010	2.395	2.405	
Greenland Turbot BS	1.000	0.013	0.000	0.378	0.156	0.547	
Yellowfin sole	5.000	0.081	0.000	0.000		0.081	
Alaska plaice	10.000	0.017	0.000	0.000		0.017	
Other Flats	5.000	0.038	0.000	1.892	2.780	4.710	
Rock Sole	20.000	7.651	0.000	0.056	0.373	8.080	
Flathead Sole	20.000	2.688	0.000	2.566	4.196	9.450	
Arrowtooth	10.000	0.217	0.000	2.013	5.145	7.375	
Other Species	10.000	3.673	0.000	0.323	5.735	9.731	
Other Rockfish - BS	0.891	0.000	0.000	0.022		0.022	
Other Red Rockfish - BS	0.050	0.002	0.000	0.000	0.005	0.007	
Ture POP - BS	10.000	0.000	0.000	0.676	0.085	0.761	
Sablefish, Trawl - BS	1.000	0.005	0.000	0.062	0.035	0.102	
TOTAL HARVEST	6047.773	2391.160	0.000	2335.622	1296.345	6023.127	
PROHIBITED SPECIES							
Halibut Mortality (MT)	5.000	0.233	0.000	1.972	0.200	2.405	
Chinook Salmon (EA)	111.000	81.319	0.000	3.585	80.217	165.121	
Non-Chinook Salmon (EA)	158.000	5.069	0.000	24.493	18.838	48.400	

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

American Seafoods Company harvested 100.49% of the 2002 Pollock allocation through the fourth quarter. American Seafoods unintentionally exceeded CBSFA's allocation by 29.227 metric tons in the final pollock tow of 2002.

b. Summary of by-catch in Pollock fishery

American Seafoods vessel caught more of the Chinook Salmon than allocated during the 4th quarter.

2. Pacific Cod Harvesting Activities for 2002 Quarter 4

SPECIES	Pacific Cod						Target Fishery
	CDQ Allocation	Metric Tons Harvested					
Year 2002	Metric Tons Allocated	1st Qtr.	2 nd Qtr.	3rd Qtr.	4th Qtr.	YTD Harvest	% of Target Harvest
Pacific Cod	1500.000	545.887	308.708	447.618	152.476	1454.689	96.98%
A Season	900.000	545.887	308.708			854.595	94.96%
B Season	600.000			447.618	152.476	600.094	100.02%
BYCATCH							
Pollock -Non quota - BS	N/A	14.426	15.164	32.294	16.066	77.950	
Greenland Turbot BS	8.000	0.025	0.073	3.085	0.038	3.221	
Sablefish H+L Bering	4.740	0.000	0.000	1.217	0.000	1.217	
Yellowfin sole	16.000	0.109	0.006	4.785	0.731	5.631	
Alaska plaice	10.000	0.023	0.000	0.012	0.000	0.035	
Other flats	5.000	0.795	0.210	0.397	0.000	1.402	
Rock Sole	5.000	0.218	0.043	0.480	0.027	0.768	
Flathead Sole	10.000	1.432	0.368	2.143	1.019	4.962	
Arrowtooth	10.000	0.894	0.131	5.701	1.570	8.296	
Other Species	310.000	110.671	69.913	63.056	56.509	300.149	
Other Rockfish - BS	0.790	0.107	0.000	0.000	0.043	0.150	
Other Red Rockfish - BS	0.400	0.066	0.000	0.000	0.029	0.095	
TOTAL HARVEST	1879.930	674.653	394.616	560.788	228.508	1858.565	
PROHIBITED SPECIES							
Halibut mortality (mt)	15.000	0.825	0.292	9.962	0.549	11.628	
Non-Chinook Salmon	10.000	0.000	0.000	2.943	0.000	2.943	
Zone 1 Red King Crab	1000.000	0.000	8.106	34.334	110.601	153.041	
Opilio Tanner Crab	5000.000	96.324	119.562	154.367	381.626	751.879	
Zone 2 Bairdi Tanner Crab	2000.000	5.211	7.604	33.976	41.242	88.033	

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

CBSFA's P. Cod harvesting partners harvested 96.98% of the 2002 Pacific Cod allocation through the fourth quarter.

b. Summary of by-catch in Pacific Cod fishery

No by-catch caught exceeded allocations. By-catch of 'Other Species' continued to be high. In order to harvest CBSFA's allocation of P. Cod CBSFA needed to transfer in 40mt of 'Other Species' from another CDQ group.

3. C. Opilio Harvesting Activities for 2002 Quarter 4

SPECIES	C. Opilio (Snow Crab)						
	CDQ Allocation	Pounds Harvested					Target Fishery Information
SEASON	Pounds Allocated	1st Qtr.	2 nd Qtr.	3rd Qtr.	4th Qtr.	YTD Harvest	% of Target Harvest
C. Opilio	467,127	199,339	221,456	0	0	420,795	90.08%

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

The above numbers reflect only the actual amounts harvested. The year 2002 Opilio season was unusual in that it began in March but was not completed until early June. The C. Opilio stocks are not as abundant as in the past. The F/V Ocean Cape harvested 42.67% of CBSFA's C. Opilio allocation during the first quarter. The F/V Ocean Cape stopped fishing, due to other obligations, prior to the completion of the CDQ fishery. Therefore, CBSFA transferred 121,517 pounds to NSEDC to be caught by the F/V Alaska Beauty and F/V Ocean Olympic. The vessels harvested 75,185 of the transferred pounds.

b. Summary of by-catch in the C. Opilio fishery

N/A

4. Bristol Bay King Crab Harvesting Activities for 2002 Quarter 4

SPECIES	2002 Bristol Bay King Crab						
	CDQ Allocation	Pounds Harvested					Target Fishery Information
SEASON	Pounds Allocated	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	YTD Harvest	% of Target Harvest
Bristol Bay King Crab	71,536	0	0	0	71,397	71,397	99.81%

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

CBSFA partnered with the F/V Ramblin' Rose to harvest the 2002 Bristol Bay King Crab. The F/V Ramblin' Rose successfully harvested 99.81% of CBSFA BBKC allocation. Harvesting activities were completed on November 07, 2002.

b. Summary of by-catch in the BBKC fishery

N/A

5. Halibut Harvesting Activities for 2002 Quarter 4

SPECIES	Halibut						Target Fishery Information
	CDQ Allocation	Pounds Harvested					
Year 2002	Pounds Allocated	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	YTD Harvest	% of Target Harvest
Halibut	913,500	0	116,419	493,148	3,590	613,157	67.12%

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

Halibut harvesting commenced June 17, 2002. For unknown reasons halibut fishing surrounding the Pribilof Islands did not meet historical catch rates during the year 2002. Bering Sea weather conditions unsuitable for small vessels caused the CBSFA CDQ halibut fishery to cease on October 2, 2002.

b. Summary of by-catch in the Halibut fishery

N/A. All halibut will be caught on vessels under 60 feet.

6. Sablefish (Black Cod) Harvesting Activities for 2002 Quarter 4

SPECIES	Sablefish						Target Fishery
	CDQ Allocation	Metric Tons Harvested					
Year 2002	Metric Tons Allocated	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	YTD Harvest	% of Target Harvest
Sablefish (Black Cod)	30.000	0.000	0.000	1.432	0.000	1.432	4.77%
BYCATCH							
Greenland Turbot BS	24.000	0.000	0.000	0.375	0.000	0.375	
Arrowtooth	1.257	0.000	0.000	1.257	0.000	1.257	
Other Rockfish - BS	0.700	0.000	0.000	0.029	0.000	0.029	
Other Red Rockfish - BS	0.014	0.000	0.000	0.014	0.000	0.014	
TOTAL HARVEST	25.971	0.000	0.000	1.675	0.000	1.675	

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

With newly developed pots the F/V Zolotoi attempted a longline pot fishery for CDQ Sablefish. It was determined that the longline blackcod pots in use were ineffective and adjustments needed to be made.

b. Summary of by-catch in the Halibut fishery

Relative to the amount of sablefish caught a large amount of arrowtooth was caught. None of CBSFA NMFS allocations were exceeded.

7. CDQ Transfers for 2002 Quarter 4

Target: Atka Mackerel

Species	MT	Transfer	Transfer Harvested					
	Allocated	In (out)	Q1	Q2	Q3	Q4	YTD MT	%
WAI Atka Mackerel	118.240	(118.000)	0.000	97.433	15.552	0	112.985	96%
CAI Atka Mackerel	142.800	(142.400)	0.000	77.536	58.096	0	135.632	95%
EAI/BS Atka Mackerel	33.040	(30.000)	26.492	0.000	0.000	0	26.492	88%
WAI POP	34.000	(33.600)	0.000	17.353	14.072	0	31.425	94%
CAI POP	18.400	(18.000)	0.000	3.078	12.009	0	15.087	84%
EAI POP	20.800	(18.000)	7.363	4.988	3.405	0	15.756	88%
Pacific Cod	1500.000	(22.000)	0.435	10.305	2.638	0	13.378	61%
Greenland Turbot AI	9.900	(1.000)	0.000	0.000	0.601	0	0.601	60%
Arrowtooth Flounder	108.000	(2.000)	0.367	0.524	0.407	0	1.298	65%
AI Northern	40.480	(24.000)	0.721	16.758	5.320	0	22.799	95%
AI Shortraker/Rougheye	4.760	(0.760)	0.006	0.415	0.282	0	0.703	93%
AI Other Rockfish	3.570	(0.500)	0.220	0.079	0.046	0	0.345	69%

a. Summary

- Atka Mackerel, POP, and associated by-catch were transferred to APICDA so that several CDQ groups could pursue a combined fishery. All harvest of Atka Mackerel and POP occurred in quarter one through quarter three, 2002.

CDQ Transfers for 2002 Quarter 4

Target: Transfers completed to support other target fisheries

Species	MT	Transfer	Transfer Harvested					
	Allocated	In (out)	Q1	Q2	Q3	Q4	YTD MT	%
Other Species		40.000					0.000	0%
AI Other Rockfish		(2.000)					0.000	0%

- CBSFA transferred in 20.00 mt of Other Species to support the P. Cod fishery in August.
- CBSFA transferred out 2.00 mt of AI Other Rockfish to assist another CDQ group in September.
- CBSFA transferred in an additional 20 mt of Other Species in order to complete the P. Cod fishery in December.

7. CDQ Transfers for 2002 Quarter 4 (continued)

Target: C. Opilio (Snow Crab)

Species	LBS	Transfer In (out)	Transfer Harvested					YTD LBS	%
	Allocated		Q1	Q2	Q3	Q4			
C. Opilio (Snow Crab)	467,127	(121,517)		75,185			75,185	62%	

- Because the F/V Ocean Cape had other obligations the F/V Alaska Beauty and F/V Ocean Olympic (NSEDC's harvesting partners) completed the 2002 C. Opilio fishery for CBSFA.

Target: Sablefish (Black Cod)

Species	MT	Transfer In (out)	Transfer Harvested				YTD MT	%
	Allocated		Q1	Q2	Q3	Q4		
BS FG Sablefish		(20.000)					0.000	0%

- CBSFA transferred 20 MT of Sablefish to YDFDA. The transfer was approved on the 13th of November and BS FG Sablefish closed on the 18th of November. However, no fishing occurred by YDFDA's harvester between the 13th and 18th of November, therefore none of the transferred quota was harvested.

D. CDQ Harvest by Quarter and Year-to-Date for 2002 Quarter 4

Species	02 CDQ	XFR	XFR	2002	Quarter				Harvest	
	Allocation	In	Out	CDQ	1st	2nd	3rd	4th	YTD	%
BS Pollock - total	5940.00		4.38	5935.62	2365.61	0.00	2326.34	1272.91	5964.85	100.5%
A/B season (40%)	2376.00		1.75	2374.25	2365.61	0.00	0.00	0.00	2365.61	99.6%
C/D season (60%)	3564.00		2.63	3561.37	0.00	0.00	2326.34	1272.91	3599.24	101.1%
AI Pollock	4.00			4.00					0.00	0.0%
Pollock-Non quota-BS	N/A			N/A	14.43	15.16	32.29	16.07	77.95	
Pacific Cod	1500.00		22.00	1478.00	557.05	308.71	448.90	155.01	1469.67	99.4%
A season (60%)	900.00		22.00	878.00	557.05	0.00	0.00		557.05	63.4%
B season (40%)	600.00			600.00	0.00	0.00	448.90	155.01	603.91	100.7%
BS FG Sablefish	34.74		20.00	14.74	0.00	0.00	2.65	0.00	2.65	18.0%
AI FG Sablefish	0.00			0.00						
BS Sablefish	7.20			7.20	0.01	0.00	0.06	0.04	0.10	1.4%
AI Sablefish	4.32			4.32					0.00	0.0%
WAI Atka Mackerel	118.24		115.00	3.24					0.00	0.0%
CAI Atka Mackerel	142.80		140.00	2.80					0.00	0.0%
EAI/BS Atka Mackerel	33.04		30.00	3.04	0.00	0.00	0.01	2.41	2.42	79.4%
Yellowfin Sole	516.00			516.00	0.19	0.01	4.79	0.73	5.71	1.1%
Rock Sole	324.00			324.00	7.87	0.04	0.54	0.40	8.85	2.7%
BS Greenland Turbot	28.14			28.14	0.04	1.07	3.84	2.43	7.38	26.2%
AI Greenland Turbot	9.90		1.00	8.90					0.00	0.0%
Arrowtooth Flounder	108.00		56.00	52.00	1.11	0.13	8.97	6.72	16.93	32.6%
Flathead Sole	187.50			187.50	4.12	0.37	4.71	5.22	14.41	7.7%
Other Flatfish	20.25			20.25	0.83	0.21	0.40	2.78	4.22	20.8%
Alaska Plaice (NEW)	81.00			81.00	0.04	0.00	0.01	0.00	0.05	0.1%
BS Pacific Ocean Perch	13.79			13.79	0.00	0.00	0.68	0.09	0.76	5.5%
WAI Pacific Ocean Perch	34.00		32.00	2.00					0.00	0.0%
CAI Pacific Ocean Perch	18.40		17.00	1.40					0.00	0.0%
EAI Pacific Ocean Perch	20.80		18.00	2.80					0.00	0.0%
BS Other Red Rockfish	0.80			0.80	0.07	0.00	0.01	0.03	0.12	14.5%
AI Northern	40.48		24.00	16.48					0.00	0.0%
AI Shortraker/Rougheye	4.76		0.76	4.00					0.00	0.0%
BS Other Rockfish	1.89			1.89	0.11	0.00	0.05	0.04	0.20	10.6%
AI Other Rockfish	3.57		2.50	1.07					0.00	0.0%
Other Species	231.20	128.68	34.68	325.20	114.34	69.91	63.38	62.24	309.88	95.3%
Prohibited Species										
Zone 1 Red King Crab	582.00			582	0	8	34	111	153.04	26.3%
Zone 1 Bairdi Tanner Crab	5880.00			5880					0.00	0.0%
Zone 2 Bairdi Tanner Crab	20048.00			20048	5	8	34	41	88.03	0.4%
Opilio Tanner Crab	29363.00			29363	96	120	154	382	751.88	2.6%
Pacific Halibut (mortality)	30.87			31	1	0	12	1	14.03	45.5%
Chinook Salmon	111.00			111	81	0	4	80	165.12	148.8%
Non-Chinook Salmon	158.00			158	5	0	27	19	51.34	32.5%
Quota after NSR										
Arrowtooth Flounder	54.00			54						
Other Species	196.52	88.68		285						
Non-Specific Reserve	88.68		88.68	0						
	325.20			325						
C. Opilio (Snow) Crab	467,127			467,127	199,399	221,456	0	0	420,855	90.1%
Bristol Bay King Crab	71,536			71,536	0	0	0	71,397	71,397	99.8%
Halibut 4C	913,500			913,500	0	116,419	493,148	3,590	613,157	67.1%

C. Compliance / Enforcement Issues

- The F/V Deep Pacific (Pacific Longline Association, Inc.) begin harvesting CBSFA CDQ Pacific Cod before the vessel was included in CBSFA's 2001-2002 CDP. The F/V Deep Pacific is a sister ship to the F/V North Cape and the F/V Lilli Ann, which are authorized harvesters in CBSFA's 2001-2002 CDP. Immediately upon becoming aware of the situation CBSFA notified Pacific Longline Association and the F/V Deep Pacific. The vessel then immediately ceased fishing. The vessel resumed fishing once the paperwork adding it to CBSFA's CDP was complete with the State of Alaska and NMFS.
- American Seafoods unintentionally exceeded CBSFA's allocation by 29.227 metric tons in the final pollock tow of 2002.

D. Other Fishing Issues/Activities

Pollock

There are no other fishing issues / activities to report.

Pacific Cod

There are no other fishing issues / activities to report.

Crab CDQ fishing

There are no other fishing issues / activities to report.

Multi-species groundfish fishing

There are no other fishing issues / activities to report.

Halibut CDQ Fishing

There are no other fishing issues / activities to report.

V. CONFIDENTIAL ISSUES

A. Financial Statements

B. Tax Issues

None

C. Imminent Major Investments

No immediate investment changes.

D. Other

1. Board Minutes

The minutes for the following board meetings are attached:

- CBSFA October 18, 2002
- CBSFA November 13, 2002
- CBSFA Annual Membership, November 15, 2002
- CBSFA Annual Board Meeting, November 22, 2002
- CBSFC Annual Board Meeting, December 31, 2002