

January 31, 2000

Deborah Sedwick, Commissioner
State of Alaska Dept. of Community & Economic Development
P.O. Box 110800
Juneau, Alaska 99800-2100

Dear Ms. Sedwick:

CBSFA respectfully submits its fourth 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: DCED Quarterly Reports
Board of Directors
File

CBSFA

Central Bering Sea Fishermen's Association

Community Development Plan (CDP) for
1998-2000 Multi-Species Community Development Quota (CDQ) Program
Fourth Quarter 1999 Report

Prepared for:
State of Alaska

January 31, 2000

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Central Bering Sea Fishermen's Association

I. Quarterly Highlights – 4th Quarter

- Sally Bibb, NMFS CDQ Program Coordinator, and Bryce Edgmon visited St. Paul in October.
- Two Management Trainees began working for CBSFA during this quarter.
- CBSFA is planning for the *C. opilio* crab revenue loss. Actions include revising budgets, developing a One-Year Business Plan, and developing a Five-Year Financial Forecasting Model.
- In cooperation with other local entities CBSFA began laying groundwork for a disaster relief request. CBSFA is participating in PEDRO disaster relief meetings and State coordination meetings.
- Attended several crab industry rationalization meetings with NPFMC and industry members.
- CBSFA renegotiated an improved harvesting contract with a fishing partner.
- CBSFA began due diligence on a significant investment.
- CBSFA coordinated St. Paul's first multi-entity marketing effort at the Fish Expo in Seattle. TDX, the City of St. Paul, NMFS and other entities all participated in the CBSFA sponsored booth.
- Two substantial amendments were submitted. One amendment was approved and one is pending. Six technical amendments were submitted, all were approved.
- Throughout 1999 CBSFC granted thirty-nine scholarships and twenty-three loans to students attending college. Four grants were awarded to students attending vocational/technical classes.

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.

Completed: 4th Quarter

CBSFA invited Sally Bibb, NMFS CDQ Program Coordinator, to St. Paul Island to provide board effectiveness training. Sally Bibb and Bryce Edgmon, State CDQ Manager, remained on St. Paul Island October 27th through October 29, 1999. On October 28th Sally Bibb provided a broad overview of the CDQ Program, NMFS Regulation governing the CDQ Program, and her role as NMFS CDQ Program Coordinator for the Alaska region. Bryce Edgmon, CDQ Manager, introduced himself to the Board and gave a brief presentation.

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

Completed: Activity occurred in every quarter.

During the 4th quarter CBSFA legal council completed draft amendments to the CBSFA bylaws.

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

Completed: 1st and 3rd Quarters

GOAL I, OBJECTIVE 2. Maintain financial accountability.

MILESTONE A: Annually secure independent financial and performance audits.

Completed: 2nd Quarter

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

Completed: 4th Quarter

A thorough review of American Seafood's Company was conducted. There was a partners meeting for the Zolotoi Partnership in October, which led to several additional meetings concerning 1999 harvesting agreements and 2000 business plans. CBSFA negotiated a higher royalty agreement with one of its CDQ harvesting/processing partners.

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.

Completed: Activity occurred in every quarter.

Following the September 1999 CDQ Pollock Allocation Process, CBSFA revised its 2000 CDP Budget. At a CBSFA Board of Directors meeting held on October 7, 1999, the Board approved the revised CDP budget and it was submitted to the State of Alaska.

In December, the Board reviewed CBSFA's financial performance, made revisions, and approved Substantial Amendment 99-11 (Amended CBSFA 1999 Budget).

At the same December meeting, a draft CY 2000 budget was presented to the Board.

Throughout the 4th Quarter of 1999 CBSFA Management continued work on a One-Year Business Plan for 2000 and the development of a Five-Year Financial Forecasting Model.

MILESTONE D: Annually review Investment Fund policies and procedures.

Completed: 2nd Quarter; Activity also occurred in other quarters.

Throughout the 4th Quarter, the President of CBSFA worked with our investment houses to review investment accounts and investment alternatives. An additional account was opened for the Small Boat Harbor set-aside funds.

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.

Completed: 3rd Quarter; Activity also occurred in other quarters.

In response to the *C. Opilio* crisis and specific investment opportunities, CBSFA Management worked throughout the 4th Quarter to significantly revise our current strategic plan. This effort has already resulted in renegotiated partnership contract, the development of a CY 2000 Business Plan, the development of a Five-Year Financial Forecasting Model, reorganization of certain investment accounts, and several other strategic activities.

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

Completed: 3rd Quarter

Review and amendments to the budget are continuing due to the crash of *C. Opilio* stocks and its impact on the operating budget.

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.

Completed: Activity occurred in every quarter

October 8 – 18th: Phillip Lestenkof, Robert Melovidov, Dick Tremaine, and Steve Minor attended a NPFMC meeting in Seattle.

November 15 – 21st: Phillip Lestenkof, Robert Melovidov, Rena Kudrin, Dick Tremaine, and Steve Minor attended the FishExpo in Seattle.

December 6 – 12th: Phillip Lestenkof, Steve Minor, Dick Tremaine, Patience Mercurief, and Tara Bourdukofsky attended the NPFMC meeting in Anchorage.

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

Completed: Activity occurred in every quarter

October 19th: Phillip Lestenkof, Robert Melovidov, and Patience Mercurief attended the first C. Opal Crisis Meeting in Anchorage.

November: Steve Minor attended the first Crab Industry Reorganization meetings in Seattle. Also, we met with Dave Fluharty (NPFMC), Kevin O' Leary (NPFMC), and several members of the crab industry regarding co-ops and buy-backs.

December 6-12:

At the NPFMC meeting Phillip Lestenkof and Steve Minor met with the following: several major seafood processors; several Council and Industry members regarding Crab Industry Reorganization; PSPA and At Sea Processors Association. At the Council, CBSFA also coordinated with the City of St. Paul to address Subsistence Halibut alternatives.

Phillip Lestenkof, Steve Minor, Patience Mercurief, and Tara Bourdukofsky, attended the Crab Industry Reorganization meetings held concurrent with NPFMC.

Phillip Lestenkof, Steve Minor, and Patience Mercurief met with Natural Resource Consultants (NRC) to review and discuss Bering Sea Crab Impact study and specific CBSFA issues. This report will become scientific basis for Disaster Relief request.

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.

Completed: 3rd and 4th quarters.

In the 4th Quarter a review of performance of all investments took place as part of the crab crisis and developing a Five-Year Financial Forecast. A Zolotoi Partnership meeting took place.

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 *C. Opilio* crab.

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.

Completed in 1998. Created Misty Islands Seafood's (MIS).

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

Completed. Recommended against due to a 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.

Postponed. CBSFA BOD moved to approve review of freezer long-liner investment proposal and approved management's commencement of due diligence after a 60 day grace period.

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

Completed: 2nd quarter. CBSFC invested in F/V Ocean Cape.

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

Ongoing. During the 4th quarter CBSFA began due diligence.

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 significant activity occurred this quarter.

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

General discussions are ongoing.

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 significant activity occurred this quarter. Hair Crab stocks are declining and quota has been reduced in 1998 and 1999.

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.

Completed: 3rd quarter

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.

Completed. These goals were successfully met in 1997/8.

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

Completed. Milestone accomplished in 1998. CBSFA uses SeaState.

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.

Completed. 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.

Expired. Although this milestone expired CBSFA participated in a local job fair at the St. Paul School on December 2, 1999. CBSFA sponsored a booth staffed by Patience Mercurief.

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.

No action required this quarter. CBSFA board revised the employment programs in the 2000 CDP. These changes are effective January 1, 2000.

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.

Completed. 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 increase St. Paul resident participation in the job training and career development program.

Completed: Action occurred in every quarter.

To increase awareness of CBSFA's job training and career development, Patience Mercurief staffed a CBSFA booth during the St. Paul School Education and Career fair on December 2, 1999.

During the 4th quarter our scholarships and loans helped support 14 college students as they pursued their studies. In December, Jay Stepetin, graduated with a BS in construction Engineering from Montana State University and Alexander Kushin received a certificate as a heavy equipment oiler from the Alaska Vocational Technical Center (AVTC).

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

Ongoing. St. Paul resident Nicholas Philemonoff was hired by the Zolotoi partnership to be a crewmember on the F/V Zolotoi. The F/V Zolotoi is partially owned by CBSFC. During the 4th Quarter the fishing vessel participated in the hair crab fishery surrounding St. Paul Island, in addition to the Pacific Cod fishery in the Aleutian Islands.

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.

Completed: 1st and 3rd Quarters. The CY 2000 CDP was significantly revised 3rd Quarter 1999. New CDP Goals have been submitted in the revised CDP.

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

Completed: 1st, 2nd, and 4th quarter. For 4th quarter, refer to answer in Goal 4, Objective 1, Milestone C.

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.

Completed. Accomplished January 1998. CBSFA coordinates the program with Aleutian/Pribilof Island Association - Pribilof Counseling Center, on St. Paul Island. One CBSFA member participated during the 4th Quarter.

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

Completed: 3rd Quarter

GOAL IV, OBJECTIVE 3. Maintain local fleet facilities.

MILESTONE A: Annually maintain small vessel mooring dock.

Completed: 2nd and 3rd Quarters

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.

No significant activity occurred this quarter. New milestones for this project will go into effect January 1, 2000 under the 2000 CDP.

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).

Completed: 3rd and 4th Quarters

In the 4th Quarter, December 21, 1999, Rena Kudrin, CBSFA Executive Office Manager, gave a report on the Boat, Gear, and IFQ loan status to the CBSFA Loan Committee.

The accounting for CBSFC's vessel and gear loans was transferred over to NBA's Escrow Accounts from in-house accounting. CBSFC still manages all other administrative duties of the loan program.

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: 1st and 4th Quarters

During the 4th Quarter CBSFA funded Junior Achievement at the St. Paul School again. Activities will occur during the first quarter of the year 2000.

In addition to Junior Achievement in the first quarter of each year, CBSFA is working with the Pribilof School District School to Work program. During the 3rd and 4th Quarters CBSFA had one student interning at the office for two hours a day.

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

Completed: 1st and 2nd Quarters

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.

Completed: 3rd Quarter

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.

Completed: Activity occurred in every quarter. Coordination meetings between CBSFA and community organizations are ongoing.

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

Completed: 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.

Completed: 2nd, 3rd, and 4th Quarters

Since CBSFA established a set-aside account with Dean Witter for the small boat harbor, approximately \$975,830 has been deposited into the account.

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

Ongoing. This project has been revised in the 2000 CDP. Currently, we are working with the City of St. Paul, State Government, Federal Government, and the Corps of Engineers to maintain this project in light of the *C. Opilio* crisis.

GOAL V, OBJECTIVE 3. Construct small boat harbor.

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

No action required this quarter.

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

No action required this quarter.

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

No action required this quarter.

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

No action required this quarter.

B. OUTREACH

In preparation for the 2000 Pollock CDP Application the management and Board of CBSFA reviewed and revised several CDP projects including the Outreach project. The changes in this program, including a new newsletter, will become effective on January 1, 2000.

C. EMPLOYMENT

EMPLOYMENT DATA 1999 QUARTER 4

1. Data Form

	Quarter 4		Year-to-Date		Year-to-Date
	Position/Trips	Wages	Position/Trips	Wages	People
Management	4	31,260	7	117,594	7
Anchorage Clerical	None	None	4	20,483	4
CDQ Pollock Related	None	None	None	None	None
A Season					
B Season					
Multi-species Related					
Crabbing	1	Unknown	1	Unknown	1
Groundfish	1	Unknown	1	Unknown	1
Other Fishing					
CDQ Halibut	0	0	122	1,095,000	122
Other Employment	4	2,580	14	12,858	14
CBSFC	1	5,817	2	26,164	2
St. Paul Clerical	None	None	None	None	None
Misty Islands Seafood's					
Management	1	8,076	3	44,193	3
Production Staff	8	5,127	23	20,649	23
Internships	None	None	None	None	None

Total	20	52,860	177	1,336,941	177
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2. Summary

Patience Mercurief and Tara Bourdukofsky joined CBSFA as Management Trainee's during the 4th Quarter. One St. Paul high school student interned with CBSFA through the St. Paul School District School to Work Program. Our CDQ halibut fishery continues to be the largest source of employment annually. In 1999 our halibut CDQ fishery grossed \$1,095,000 and employed approximately 122 individuals

D. TRAINING AND EDUCATION

1. Data Form

TRAINING/SCHOLARSHIP/STUDENT LOAN					
1999 QUARTER 4					
		Quarter 4		Year-to-Date 4	
		People	Expenditure	People	Expenditure
<u>Scholarships</u>					
	Postsecondary	0 awarded, 14 continuing	0	39	74,253.00
	Vocational	0	0	0	0
<u>Voc-tech Classes</u>					
	Basic	0	0	0	0
	Advanced	0	0	4	10,663
<u>Other Training</u>					
	Fisheries related	0	0	8	96,424
	Student Loans	0 awarded 9 continuing	0	23	51,768
	CDQ Staff/Board	0	0	0	0
	Other (Board Training)	0	0	0	0
<u>Other Expenditures</u>					
	To Educational Institutes		0	0	0
	Educational Endowment Funds		0	0	0
	Other		0	0	0
Total		0	0	74	233,108

2. Summary

The 3rd Quarter data shows 16 scholarships awarded. However, 2 students elected not to attend school, therefore, the actual number is 14 scholarships. The true 3rd quarter expenditure was 33, 550. The year-to-date numbers reflect this correction.

In December scholarship/loan recipient, Jay Stepetin, graduated with a BS in Construction Engineering from Montana State University and grant recipient Alexander Kushin received a certificate as a heavy equipment oiler from the Alaska Vocational Technical Center (AVTC).

III. ADMINISTRATION

A. BOARD ACTIVITIES

CBSFA held a special meeting of the Board on October 7, 1999. Action taken by the board to approve CBSFA revised 2000 budget and transfer funds to CBSFC for the operations of Misty Island Seafoods.

CBSFC held a special meeting of the Board on October 11, 1999. Action taken by the board to transfer funds to MIS for the 1999 operations.

CBSFA held a training session for the Board of Directors on October 28, 1999, to update the board on the NMFS CDQ regulations. Management invited Sally Bibb from NMFS, Alaska Region to conduct our annual board effectiveness training.

CBSFA held a special meeting of the Board on November 5, 1999. Action taken by the board to commence due diligence on pollock investment. Commence due diligence on the freezer long liner investment.

CBSFA held a special meeting of the Board on November 14, 1999. Action taken by the board to approve the substantial amendment of CBSFA's 1999 Budget.

CBSFA held a special meeting of the Board on December 17, 1999. Management reported to the board CDQ 2000 Opilio Crab, Tom Crandell contract, review of MIS operations, and due diligence on the pollock investment.

B. CDP AMENDMENT STATUS

Two substantial amendments and six technical amendments were submitted to the State of Alaska and NMFS this quarter.

<i>Description</i>	<i>Tech- nical</i>	<i>Sub- stantial</i>	<i>Date Submitted</i>	<i>State Approved</i>	<i>NMFS Approved</i>
Transfer 65mt of BSAI Pacific Cod to NSEDE for 1999.	X		10/28/99	Yes	Yes
Quota Transfer from YDFDA of Sharpchin/Northern AI 5.076 MT, Shortraker/Rougheye 1.375	X		11/5/99	Yes	Yes
Quota Transfer to YDFDA of BS Other Rockfish 1.0 MT, BS Other Red Rockfish 1.0 MT	X		11/10/99	Yes	Yes
Quota Transfer from YDFDA of Sharpchin/Northern AI 6.345 MT	X		11/10/99	Yes	Yes
Amendment to provide for an alternative catch accounting procedure for long-line catcher/processers targeting cod.		X	11/12/99	Pending	Pending

Amended CBSFA 1999 Budget		X	11/15/99	Yes	Yes
Addition of F/V Zolotoi & F/V Ocean Cape to catch cod. Addition of Adak Seafoods as a shore-side processor.	X		11/17/99	Yes	Yes
Quota Transfer from NSEDC of Pacific Cod 23 MT.	X		11/30/99	Yes	Yes

C. Other Issues

CBSFA hired Tom Crandall to: develop a One-Year and Three Year Business Outlook; develop a CY 2000 Cash Flow/Cash Management projection; provide recommendations regarding the financial structure of a proposed investment in a seafood venture. This contract became effective on December 4th and expired on December 31, 1999.

IV. HARVESTING REPORT

A. Pollock Harvest Activities

Total annual pollock harvest during the fourth quarter consisted of a small cleanup fishery of 19 mt by the American Triumph. Total pollock harvests to date along with associated bycatch amounts are presented in the attached table. CBSFA in conjunction with American Seafoods harvested all but 13 mt of its directed pollock allocation.

B. Reporting Compliance

We are in compliance with all reporting requirements.

C. Pollock Fishing Bycatch and Discards

Total annual pollock harvest to date along with total harvest of all species is shown in the attached table.

D. Other Fishing Issues/Activities

Crab CDQ fishing

No activity this quarter.

Multi-species groundfish fishing

We had CDQ harvests in two other fisheries during the quarter. Jubilee Seafoods used their freezer/longliners Kjevolija and Zenith in a directed cod fishery and US Seafoods used the trawl catcher/processor Seafreeze to harvest mackerel. All of Jubilee's longline activity on behalf of CBSFA occurred during the fourth quarter. Jubilee harvested 1,025 mt of cod, including CDQ harvests during the late open access fishery, to fulfill their contract with CBSFA. The Seafreeze harvested only a portion of CBSFA's mackerel due primarily to low catch rates and high bycatch of rockfish species. Annual catch by company and vessel are presented in the attached table.

Halibut CDQ Fishing

No CDQ directed halibut fishing occurred during the fourth quarter. Overall, local St. Paul fishermen using their small boats took over 99% of our area 4C halibut allocation.

Misty Islands Seafoods

No harvest activity this quarter. Misty Islands bought approximately 5,000 lbs of Bristol Bay red king crab for the live market. Due to high ex-vessel prices it was difficult to sell even this little amount of crab. Weakened crab were cooked and frozen as sections and several whole. At the end of the year there were still several hundred pounds of frozen product in the freezer.

Zolotoi

Zolotoi participated in the following fisheries during the quarter:

- late season open access Pacific cod fishery.
- Bristol Bay red king crab fishery.
- Pribilof hair crab fishery.

V. CONFIDENTIAL ISSUES

A. Financial Statements

To be inserted

B. Budget Summary

To be inserted

C. Board Minutes

The minutes for the following board meetings are attached:

- October 07, 1999 Special Meeting of the Board of Directors
- October 28, 1999 CBSFA Board Training
- November 05, 1999 Special Board of Directors Meeting of CBSFA
- November 14, 1999 Special Meeting of CBSFA Board of Directors
- December 17, 1999 Special, Board of Directors of CBSFA
- January 06, 1999 Special, Board of Directors of CBSFA
- January 23, 1999 Special, Board of Directors of CBSFA