

COASTAL VILLAGES REGION FUND CDQ QUARTERLY REPORT

OCTOBER 1 THROUGH DECEMBER 31, 2002



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Insert map of CVRF region here

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I. Quarterly Highlights

The Quarterly Highlights section contains an overview of the activities and projects that CVRF had during the 4th Quarter. These highlights will provide the reader with a general understanding of the progress being undertaken by CVRF to accomplish the goals and programs contained within our 2001-2002 Multi-Species CDP.

- CVRF provided airfare for twenty UAF Rural Development students to travel to Quinhagak to experience rural life and to meet with local elders, participate in a community potluck and tour the CVS processing facilities.
- Louie Johnson of Quinhagak was hired as administrative intern for the Anchorage office.
- The executive committee and members of the staff attended the NPFMC meeting in Anchorage.
- CVRF staff attended the CDQ 10 year Anniversary Symposium in Anchorage.
- Members of the staff participated in a KYUK radio talk show, Yuk to Yuk. Topics of discussion included the 4- SITE and youth programs.
- Elections for Board representatives took place in seven communities – Quinhagak, Platinum, Napaskiak, Tuntutuliak, Tununak, Newtok and Kwigillingok. Three communities elected new members to the Board.
- Certificates for the recognition of service were given to three retiring board members at the November annual meeting.
- CVRF management attended a management training with the Alaska Growth Capital Company in October.
- Greg Slats and Verla Mojin hosted a radio segment about CVRF programs on KYUK in October.
- Bobby Williams, Selma Davis and Valerie Maxie met with the American Seafoods Human Resources staff to discuss Outreach improvement needs.
- CVRF and American Seafoods held a booth at the Alaska Native Professional Association Job Fair during the Alaska Federation of Natives Convention in October.
- The Scholarship Committee met in October to discuss an increase in the scholarship budget and improvements in the application guidelines.
- Verla Mojin and the Administrative Program Assistant Intern attended a Human Resources training seminar in October.
- Janet George attended an Outstanding Receptionist training seminar in October.
- The CVRF Rural Recruiter, Employment Coordinator and Community Liaison recruited in CVRF member communities and surrounding communities for the 2003 A Season.
- The Administrative Program Assistant Intern attended an OSHA training seminar in October.
- Janet George and Cheryl Dahl attended a People Skills training in October.
- Verla Mojin and Haidee Canete attended the CDQ HR meeting in November.
- The Scholarship Committee met in November for award determinations for the Spring 2003 semester.
- The Loan Committee met in November to determine the new loan recipients for the first round of 2003.
- The annual Board meeting was held in Bethel in November.
- Selma Davis and Verla Mojin met with the Alaska National Insurance representative in November and December to discuss the planning of the CVS, LLC Safety Video.
- Morgen Crow, Rudy Tsukada, Selma Davis, and several Executive Board Members attended the Mekoryuk Reindeer Festival in December.
- The CVRF staff held a Celebration Staff Gathering for their hard work done in 2002. The Alaska Growth Company also presented a half-day session on team building during that time.
- The CVRF Rural Recruiter, Community Program Managers and Community Liaisons conducted Drug Testing in December for the 2003 A Season.

- The CVRF newsletter was distributed in October.
- Newspaper ads were put in the Delta Discovery and Tundra Drums for the Louis Bunyan Memorial Scholarship and Loan Program deadlines, recruitment for Community Liaison positions in CVRF member communities, and recruitment for the 2003 A Season.
- A Business Development Specialist was hired in November.
- Community Program Managers traveled to CVRF member communities to recruit for Community Liaisons.
- CVRF participated in the Junior Achievement Fund Raiser Bowlathon in November.
- The Administrative Program Assistant intern completed his internship in December.
- Staff attended the American Seafoods board meeting in Seattle in October.
- Staff attended the Prowler annual meeting in Petersburg in October.
- Staff attended the American Seafoods annual meeting in New York City in December.
- The CVRF investment team has been performing due diligence on two new investments, one in crab and one in Pacific cod/crab. A draft partnership agreement has been drafted for investment in crab and a letter of intent has been drafted for potential investment in Pacific cod/crab.
- The CVRF Anchorage office was expanded and remodeled in November and December in order to accommodate the growing staff.
- Staff began planning for the 2003 herring, salmon, and halibut seasons.
- CVRF loaned money to Rebecca Ann Fisheries Inc. (RAFI) in order to facilitate the American Seafoods buyout of the lease for the fishing rights.
- The Board approved KPMG as the auditors for the 2002 financial and milestone audits.
- CVRF signed its 2003 pollock and sablefish royalty contracts in December, and entered into a partnership with BBEDC, CBSFA, YDFDA, and US Seafoods for the harvesting of other multispecies.
- The Board approved the 2003 operating budgets. The budgets were submitted to the State by the December 15 deadline.
- The Board approved the new 2003 management contracts between CVRF and its subsidiaries.
- CVRF worked in conjunction with Northern Management and the Native Village of Kwinhagak in researching the feasibility of an airport expansion in Kwinhagak and in applying for a grant for the project. The airport expansion is anticipated to cut CVS fish freight costs. CVRF has committed to making a matching payment for the grant if it is received.
- CVRF made plans to loan money to the Native Village of Mekoryuk in 2003 to support local efforts to improve fisheries-related village infrastructure and reduce CVS electricity costs.
- CVRF made plans to contribute start-up money to Alaska TechNet in 2003 to support local efforts to improve communities' access to various communications technologies and reduce CVS and CVRF communication costs.
- Morgen Crow testified to the U.S. Commission on Ocean Policy in August.
- CVRF transferred 29mt of CVRF pollock quota to Central Bering Sea Fishermen Association (CBSFA) in an attempt to correct a pending enforcement action against CBSFA.

II. Community Development

A. Progress toward goals, objectives, milestones

2001/2002 Offshore Harvesting, Processing, and Investment Program

2001/2002 Groundfish Vessel Investments – Proposed

1. Investigate vessels or vessel owning companies in the freezer-longlining category.

During the 3rd Quarter, Coastal Villages invested in a 20% ownership of the Prowler, LLC, which owes two freezer longline vessels, the F/V Prowler and the F/V Bering Prowler. Additionally, CVRF continued to investigate investment opportunities in the Pacific cod fixed gear sector during the 4th Quarter.

2. Complete financial analysis of investment opportunities.

CVRF completed the financial analysis associated with the Prowler and Bering Prowler, and submitted it as part of the 2001-2002 CDP Amendment 02-05CV. CVRF has also begun its financial analysis of three vessels currently participating in the freezer-longliner category of the BSAI Pacific cod fishery.

3. Evaluate resource issues involving the species targeted, regulatory environment, biological status, allocative situation, and commercial value.

As part of the due diligence process, CVRF completed its evaluation of resource issues, regulatory environment, biological status, allocative situation, and commercial value related to the Prowler and the Bering Prowler investment, and submitted it as part of the 2001-2002 CDP Amendment 02-05CV.

4. Monitor investments in offshore harvesting vessels on weekly and quarterly basis.

CVRF monitors activities of the F/V Bering Prowler and Prowler through daily and/or weekly communication with the vessels' manager. CVRF also receives quarterly reports on the operations of the vessels and financial condition of the company.

CVRF will monitor investments in offshore harvesting vessels as necessary if any of our internal analysis (see above) results in any additional investments.

2001/2002 Groundfish Vessel Investments – Proposed (New – was not included in original CDP)

5. Investigate vessels or vessel owning companies in the groundfish sector, not including freezer-longlining vessels.

CVRF completed its investigation into the H&G sector and, through its 100% owned subsidiary Coastal Villages Groundfish LLC, purchased an interest in Cape Horn Fisheries LP effective June 1, 2001. This limited partnership owns the F/V Cape Horn, which participates in the flatfish and Pacific cod fisheries.

6. Complete financial analysis of investment opportunities.

CVRF completed the financial analysis associated with the Cape Horn, and submitted it as part of CDP 2001-2 Amendment 01-06CV.

7. Evaluate resource issues involving the species targeted, regulatory environment, biological status, allocative situation, and commercial value.

CVRF completed its evaluation of resource issues, regulatory environment, biological status, allocative situation, and commercial value related to the Cape Horn investment, and submitted it as part of CDP 2001-2 Amendment 01-06CV.

8. Monitor investments in offshore harvesting vessels on weekly and quarterly basis.

CVRF received monthly reports from the Cape Horn's vessel manager in 2002. This vessel is not set up for CDQ harvesting activities. CVRF has determined that the cash outlays required to certify and equip the vessel for harvesting community development quota are significant at this stage of the fishery. Iquique and CVRF have determined to use the *Unimak* or the *Arica* to conduct initial harvests of CDQ at this time.

2001/2002 Crab Vessel Investments - Proposed

9. Make an investment in a second crab vessel.

During the 4th Quarter of 2002, CVRF continued to identify vessels for possible investment. CVRF initiated talks with two additional crab vessel owners in the 2nd Quarter and has begun its financial analysis of seven crab vessels. A letter of intent has been accepted and negotiations are in progress to acquire two crab vessels. The transaction should be completed in January 2003.

10. Maintain two crewmembers on vessel during CDQ fishing and at least one crew member during open access fishing.

CVRF has not invested in an additional crab boat. See above.

11. Participate in opilio crab, Bristol Bay king crab, and St. Matthew king crab open access and CDQ fisheries.

CVRF has not invested in an additional crab boat. See above.

12. Achieve minimum rate of return.

CVRF has not invested in an additional crab boat. See above.

13. Prepare financial statements and tax returns for new LLC.

CVRF has not invested in an additional crab boat. See above.

14. Monitor investments in offshore harvesting vessels on weekly and quarterly basis.

CVRF has not invested in an additional crab boat. See above.

2001/2002 Inshore Harvesting, Processing, and Investment Program

2001/2002 Shoreside Processing Development –(Proposed)

15. Expand halibut buying operations in one additional community - Hooper Bay.

Construction of two new halibut plants in Kipnuk and Hooper Bay began in June and were completed in August. CVRF Board members and staff traveled to the communities for grand opening ceremonies on August 19th. The plants were open for several weeks after completion. However, only a minimal

amount of halibut was harvested at Kipnuk and none at Hooper Bay due to late summer weather conditions.

16. Purchase at least 200,000 pounds of halibut.

This milestone applies to all of the halibut plants, including the amount that will be purchased at Kipnuk and Hooper Bay. The total amount available to all of the plants this year was 419,160 pounds. Approximately 240,000 pounds of halibut were harvested by CVRF region fishermen and purchased by the CVS-operated plants during the 2002 season.

17. Operate using local work force only.

CVS hired plant managers for the Hooper Bay and Kipnuk plants, who reside in these communities. Both were provided on-the-job training at other existing plants during the 2002 salmon and halibut season prior to the operation of the Kipnuk and Hooper Bay plants. Once the plants became operational, crewmembers were hired locally.

18. Have each plant operational by June 1.

The two new plants became operational on August 19th due to barge schedules and other logistic problems relating to construction in rural Alaska. The new plants were never intended to be operational by June 1 during the year of construction.

19. Operate professionally, including proper accounting, efficient employment and crew replacement, efficient decision-making, successful marketing, and good communications.

CVRF currently supports CVS with employment and recruitment services for efficient employment and crew training for every salmon and halibut plant. CVRF provided training at the Quinhagak plant for the new Hooper Bay halibut plant manager in 2002. He was also involved in additional training along with the new plant manager for the Kipnuk plant at Toksook Bay. CVS also received a STEP grant in 2002 to continue its training program in 2003.

During the 4th Quarter of 2002, CVS met with all of their customers for 2002 to discuss areas of potential improvement for 2003. Also, CVS has started to review all past buyers as well as potential new buyers.

2001/2002 Commercial Fisheries Support Businesses - Proposed

20. Purchase one or more tender vessels to support the shoreside processing projects.

Two small tender vessels were purchased in 2001 and outfitted for the summer. The 32 and 26 foot vessels are used to transfer totes from the larger tender when it is unable to reach the Quinhagak dock during low tides and to provide support to the fishing fleet by delivering ice to individual boats during openings.

CVS conducted an extensive search for a medium sized tender vessel prior to the start of the 2001 salmon season. A suitable tender to purchase was not found and a vessel was chartered to support the Kuskokwim Bay salmon fishery.

21. Start up one or more businesses that support the Inshore Program - potential businesses include gear suppliers, construction contractors, repair services.

CVRF continues to provide services that support the Inshore Program through our wholly owned subsidiary Coastal Villages Seafoods LLC (CVS). In 2002, CVS provided gear loans, gear and other fishing supplies to fishermen, construction mobilization, management and demobilization services, equipment and facility repair services, governmental relations and grant preparation advice. As the

Inshore Program continues to succeed, and the fisheries develop, decisions will continue to be made as to whether or not the local activity and economy will support a stand-alone, ongoing entity or business.

22. Provide training for local residents to operate small businesses. As well as provide funds for fishermen to purchase supplies, indirectly helping to keep local stores in business.

CVRF continues to provide training necessary to operate small businesses through our wholly owned subsidiary Coastal Villages Seafoods LLC (CVS). On-the-job training specific to small business operations was provided to the Hooper Bay and Kipnuk plant managers and alternate/assistant managers in preparation for the opening of their local halibut plants. General knowledge necessary to operate small businesses was obtained by all 259 employees who worked at CVS in the year 2002.

Additional training in fisheries-related finance and personal finance is provided to local residents as part of the CVRF fisherman equipment loan program.

2001/2002 Infrastructure Development Program

2001/2002 Infrastructure Development - Proposed

23. Provide technical assistance and organizational support during planning stages of the Regional Port Facility.

During 2001, the port facility was determined to be unsustainable under current economic conditions, and work on the Port has been discontinued.

24. Provide matching funds for the project as it develops through the U.S. Army Corps of Engineers process.

CVRF provided \$25,000 in matching funds for the Regional Port Study.

25. Support infrastructure projects identified through the “Ciunerkam Tangruarutii” process.

CVRF continues to meet with village leaders to communicate ideas to support fisheries-related projects in the region.

2001/2002 4-SITE Program

2001/2002 4-SITE Project and Support Services

26. 25-35 scholarships are awarded for academic or vocational training related to careers in the fishing industry.

The LBMS committee met in October to discuss a budget increase for the scholarship program and improvements to application criteria. The committee also met in November to review 60 applications for the spring 2003 semester. The committee awarded \$73,567 to 53 applicants for the spring 2003 semester.

For 2002, CVRF has disbursed \$87,658 to 38 qualified applicants.

27. 2-4 interns/ 4-6 apprentices are placed in CVRF affiliated CDQ business partners.

An HR/Travel intern from Scammon Bay completed her 3-month internship in April and is now working in her hometown. Three accounting clerk interns from Mekoryuk, Kipnuk, and Hooper Bay completed their 3-month internships in August. One intern from Quinhagak completed a 3-month Administrative Program Assistant internship in December. Icicle Seafoods hired two engineering apprentices at the Petersburg plant in May 2002 from Goodnews Bay and Tununak. An office intern

from Hooper Bay was placed with Icicle Seafoods on the Arctic Star, an engineering apprentice from Tununak was placed with Icicle Seafoods on the Northern Victor, an Administrative Assistant intern from Chevak was placed with Icicle Seafoods at their Seward location, and a QA apprentice from Hooper Bay was placed with Icicle Seafoods at their Seward location. American Seafoods hired a quality assurance apprentice from Goodnews Bay.

28. 10-12 CVRF residents are trained in technical skills related to careers in the fishing industry.

Eleven residents completed the quality control/quality assurance training and twelve residents completed the fillet processing training organized by Coastal Villages Seafoods and held at Indian Valley International at the end of the 1st Quarter.

A Hooper Bay resident was provided with on-the-job training at the CVS, LLC Quinhagak plant to be the Hooper Bay plant manager. Two individuals from Hooper Bay attended a HACCP training in Kenai in May. John Heinz of Kipnuk, Albert John of Kipnuk, and Lester Wilde of Hooper Bay were trained for three weeks at the Toksook Bay plant by the CVS, LLC superintendent on processing halibut.

Continue implementation of the Employment facilitation program with the following milestones:

29. 2-4 new employers join CVRF's employment facilitation network for CVRF residents' training and job placement.

CVRF continues to advertise for employment opportunities through the Department of Labor, radio announcements, newspaper ads, and flyers at all CVRF member villages and other surrounding communities.

Throughout the entire year, the CVRF recruiter and Community Liaison's traveled to member communities and surrounding villages to recruit for employment opportunities with industry partners.

30. Recruitment, selection, management, and training of 2-4 recruiters and 15 administrative/management.

CVRF hired a staff accountant, CDQ manager, travel coordinator, finance secretary, employment coordinator, administrative assistant, community development specialist, account clerk, business development specialist, business development director, and 4 CVS intern clerks.

CVRF advertised and recruited for Community Liaisons for CVRF member communities.

31. Develop and conduct Business Plan Development and Operations Management training for subsidiary employees and village partner organizations.

Two newly hired CVS, LLC plant managers from Hooper Bay and Kipnuk were provided with on-the-job training at the CVS, LLC Quinhagak salmon and halibut plant and the Toksook Bay halibut plant prior to the operation of their halibut plants. Two residents from Mekoryuk were sent to a payroll seminar at the University of Alaska Anchorage in June. Residents from ten CVRF communities participated in the annual Y-K Regional Economic Development Conference in April, which included sessions on the development and implementation of business plans. CVRF worked in cooperation with the LKEDC and KuC in planning for the conference.

During the 4th Quarter, CVS was approved for a STEP Grant for 2003 for training on HACCP, fillet processing, refrigeration and quality control.

32. Annual recruitment and placement of following crew: 12 crab, 14 crab processing, 40 bottom trawling, 12 Pacific cod, 6 sablefish/halibut, 115 Pollock, 99 halibut processing, 118 salmon processing, 14 value-added, 50 non-CDQ processing.

During the 1st Quarter, CVRF placed 2 crab, 3 crab processing, 3 cod processor, 1 sablefish/halibut processor, 17 pollock processors, and 9 non-CDQ pollock processors.

The following were placed in the 2nd Quarter of 2002: 17 pollock, 3 crab processing, 3 crab, 2 sablefish/halibut, 71 halibut processing, 111 salmon processing, and 27 value-added.

The following were placed in the 3rd Quarter of 2002: 5 pollock, 1 crab processing, 1 crab, 1 Pacific cod, 3 sablefish/halibut, 2 non-CDQ pollock processors, 99 halibut processing, 118 salmon processing, and 40 value-added.

The following were placed in the 4th Quarter of 2002: 4 pollock, 1 crab processing, 1 Pacific cod, 2 crab, and 2 sablefish/halibut.

33. Participate in 8-12 Local Advisory Council (State Workforce Investment Board) meetings to create active network of job referral and placements.

CVRF has not attended any Local Advisory Council meetings. However, we have been working with the local Department of Labor job center in Bethel in creating an active network of job referrals and placements.

34. CVRF sponsors Junior Achievement of Alaska in member villages and facilitates expansion of program throughout YK Delta.

- Community Liaisons continued to meet with teachers to schedule JA classes.
- Community Liaisons taught and completed 14 kits. (Scammon Bay – 2, Chevak – 3, Hooper Bay – 4, Mekoryuk – 3, Toksook Bay – 2)
- CVRF sponsored \$25,000 for 2002 for Junior Achievement of Alaska, Inc. to support CVRF's twenty communities.

In addition to the information stated above, there were several other activities associated with the Junior Achievement program that occurred during the first three quarters of 2002.

35. Initiate and maintain Coastal Villages Youth Leadership Program (CVYLP) in 16-20 villages.

Mekoryuk:

- The Community Liaison has been meeting with the Mekoryuk Youth Leadership Program on a semi-monthly basis.
- Community Liaison, along with several youth from member communities, attended the AFN Elder and Youth Conference.
- In November, the MYLP reorganized and elected new officers.
- Participated in the planning of the Reindeer Festival.
- Helped out during the Reindeer Festival.
- Practiced and participated in Native dancing during the Reindeer Festival.
- Applied for membership with United National Indian Tribal Youth, Inc.
- Volunteered in hauling luggage from the airport to the Village of Mekoryuk for guests that were attending the Reindeer Festival, which is about 4 miles from town.
- Assisted in cooking for guests during the Reindeer Festival.
- Cleaned/set up each night for the Native dances.

Scammon Bay:

- Two youths selected to participate in the Kingulemta Ciunerkaat meeting in Hooper Bay.
- Community Program Manager chaperoned Mr. Gabriel Wilson to the AFN Elders and Youth Conference.
- Supported the traditional council by fundraising and helping out with the Christmas games.
- Through fundraising activities, were able to raise \$358 for Christmas game prizes.

Chefornak:

- Darlene Mathew, a volunteer tribal council clerk, has been meeting with the Youth on a weekly basis since the resignation of our Community Liaison.
- Darlene Mathew chaperoned Ms. Carmen Chagulak to the AFN Elders and Youth Conference.

Toksook Bay:

- The Community Liaison has been meeting with the youth council on a monthly basis.
- Community Liaison chaperoned Monica Abraham to the AFN Elders and Youth conference.
- Helped out with the Native Youth Olympics.
- Supported the Christmas tournament by fundraising, planning, and helping out with activities.

Hooper Bay:

- Held monthly youth council meetings.
- Participated in several joint youth council meetings with Chevak.
- YOC has had 30 youths job shadowing office positions around the community.
- 13 youths volunteered as natural helpers when counseling peer to peer.
- 5 youths were enrolled in academic education.
- Participated in Native Youth Olympics.
- 6 youths helped the elderly by assisting with the chores.

Chevak:

- Two youths selected to participate in the Kingulemta Ciunerkaat meeting in Hooper Bay.
- Participated in several joint youth council meetings with Hooper Bay.
- Held a meeting with AVCP President Arthur Lake.
- Community Program Manager and youth sponsored the Halloween costume contest.
- Community Liaison traveled to Bethel with Thecla Tuluk for the Kinulemta Ciunerkaat meeting.
- Sponsored sober dances in the community.
- Helped with the funding of the Thanksgiving potlatch.
- Chevak Youth participated in the Christmas school play regarding alcohol use.

Other Villages:

- Community Liaison openings are being advertised and interviewed in the other sixteen villages where CVRF does not have a community liaison position.

In addition to the information stated above, there were several other activities associated with the Youth Leadership program that occurred during the first three quarters of 2002.

36. Initiate and maintain Rural Sobriety Project (“RSP”) services in 16-20 villages.

CVRF continues to work with the local regional health organizations and non-profit professionals to provide referrals for CVRF and its subsidiary employees for alcohol and drug screening. CVRF

community liaisons continue to sponsor and participate in alcohol and drug-free activities for the youth and community-wide events.

37. Initiate and maintain Rural Education Adult Development (READ) program for village residents.

The Rural Education Adult Development (READ) mission is to promote employment opportunities in the fishing industry by raising the educational skill levels of the CVRF community residents. The READ program targets high school drop-outs (16 + years in age) with village-based service to help them get their GED diploma.

Yukon-Kuskokwim Delta Jobs Center contacts the village staff to give Test of Adult Basic Education (TABE) to individuals who applied for training programs. YK Delta Jobs Center will work with CVRF village staff if any of the applicants need to upgrade their skills in certain areas like math, English, and writing.

CVRF village staff continues the excellent working relationship with Kuskokwim Campus in providing adult education services to the region.

Chevak – Students were given assignments to take home and work on at their own pace. CVRF staff members provided on site tutoring to students at their request. During the 4th Quarter, one student earned his GED diploma. Moses Tulim is the first Alaska Native GED Examiner in Chevak.

Hooper Bay – CVRF sponsored Mr. William Naneng, Sea Lion Corporate Manager, in the GED Examiners training with KuC. He is the first Alaska Native GED Examiner in Hooper Bay. Community Liaison registered sixteen students from the village of Hooper Bay. He holds weekly classes Monday through Friday from 4:00 pm to 6:00 pm. Three students earned their GED diplomas.

Mekoryuk – Three students were enrolled in Mekoryuk this past summer. Classes were held three times a week with the Community Liaison. Two students were referred to the Bethel Alternative Boarding School and one was accepted.

Scammon Bay – The Community Program Manager registered five new students. One student is currently taking his GED test.

Toksook Bay- During the 4th Quarter, the Community Liaison registered one student.

In addition to the information stated above, there were several other activities associated with the READ program that occurred during the first three quarters of 2002.

38. Outgoing new crewmembers are invited to participate in the Coastal Villages' "Orientation for Success."

In April, American Seafoods, Westward Seafoods and the CVRF recruiter collaborated with the Alaska State Seafood Employment Coordinator in Bethel to conduct a presentation about careers in the fishing industry. The presentations were conducted at the Bethel High School, the Cultural Center and the local radio station to outreach all CVRF communities.

The CVRF "Orientation for Success" is under review for implementation for the 2003 A season, which will be held in January 2003.

39. 16-20 Unity Councils are initiated for the village youth.

Five active Youth Councils (Hooper Bay, Chevak, Mekoryuk, Scammon Bay and Toksook Bay) are in the process of becoming UNITY Council members.

Additional Youth Councils will apply for membership to the U UNITY Council.

2001/2002 *Offshore Harvesting, Processing, and Investment Program*

2001/2002 *Groundfish Vessel Investments - Active*

40. Kokopelli will employ three people from the region by the end of the season. The new crewmember will receive training in longlining needed to achieve full crewmember status.

Kokopelli employed and trained two CVRF members from Hooper Bay in longlining during the 1st and 2nd Quarters.

Kokopelli employed three CVRF member residents from Hooper Bay, Napaskiak and Newtok in the 3rd Quarter.

Kokopelli employed two CVRF member residents from Hooper Bay and Scammon Bay in the 4th Quarter.

41. Kokopelli and CVL will provide an analysis prior to the season outlining the maximum capacity of the Ocean Harvester to harvest target species. Goal setting plans to reach these quotas will be made and, if necessary, additional quota investments will be considered to round out the fishing year.

CVL and Kokopelli (F/V *Ocean Harvester*) completed an analysis outlining the maximum capacity of the vessel and a harvesting plan for the 2002 season in the 1st Quarter, and compared actual results to the plan during the 3rd Quarter. No additional quota investments were necessary to round out the fishing year.

42. Preseason financial goals will be set including no additional capital infusion and rate of return for fishing season.

Preseason goals were set with the managing partner in the 1st Quarter. No additional capital infusions, beyond a small short-term operating loan, were needed for 2002. Return on investment should be consistent with performance in 2000 and 2001.

43. A CVRF region crewmember will be identified for long term commitment to work on an iceboat with IFQs and CDQ and a plan laid out for the individual's investment in the Ocean Harvester or similar type vessel.

CVRF continues to work with a fisherman interested in expanding his IFQ holdings and investing in a longline vessel. During 2001, the board approved a loan for the purchase of 20,990 pounds of halibut IFQ in Area 3A. This purchase was completed during the 1st Quarter 2002. The individual was able to fish his quota and paid off more than the minimum payment in 2002. There was no activity in the 4th Quarter.

44. Monitor investments in offshore harvesting vessels on weekly and quarterly basis.

CVRF receives daily and/or weekly reports during harvesting and quarterly financial information from Kokopelli.

45. Ocean Prowler will employ four people from the region by the end of the season. The new crewmember will receive training in longlining needed to achieve full crewmember status.

Ocean Prowler employed 3 people from the region in the 1st Quarter.

Ocean Prowler did not fish in the 2nd Quarter.

Ocean Prowler employed one person from Mekoryuk during the 3rd Quarter.

Ocean Prowler employed two CVRF member residents from Mekoryuk and Hooper Bay during the 4th Quarter. The resident from Hooper Bay was sent home from Dutch Harbor and Anchorage due to medical problems.

46. Ocean Prowler and CVL LLC will provide an analysis prior to the season outlining the maximum capacity of the Ocean Prowler to harvest target species. Goal setting plans to reach these quotas will be made and, if necessary, additional quota investments will be considered to round out the fishing year.

Prior to the 2002 season, the fish plan indicated that the F/V *Ocean Prowler* had the capacity to harvest all of CVRF's CDQ Pacific cod not allocated as bycatch in other target fisheries. No additional quota investments are considered necessary to round out the fishing year.

47. Preseason financial goals will be set including no additional capital infusion and rate of return for fishing season.

2002 preseason financial goals were set. During the October annual meeting, plans were made to acquire an additional fishing license that resulted in an additional capital outlay by each partner. Return on investment should be consistent with performance in 2000 and 2001.

48. Monitor investments in offshore harvesting vessels on weekly and quarterly basis.

CVRF monitors activities of the F/V *Ocean Prowler* through daily and/or weekly communication with the vessel's manager during harvesting activities. CVRF also receives quarterly reports on the operations of the vessel and financial condition of the company.

2001/2002 Crab Vessel Investments -Active

49. Maintain two crewmembers on vessel during CDQ fishing and at least one crewmember during open access fishing.

During the 1st Quarter, Silver Spray employed 2 members from the region.

Three processors/crew members were on the Silver Spray in the 2nd Quarter .

The Silver Spray employed one person from Hooper Bay during the 3rd Quarter.

The crab crewmembers hired in the 4th Quarter completed their contracts. The Silver Spray hired one cod processor, one crab crewmember, and placed one crab crewmember on the F/V *Atlantico*.

50. Monitor investments in offshore harvesting vessels on weekly and quarterly basis.

CVRF monitors F/V *Silver Spray*'s operations through daily and/or weekly communication with the vessel's manager during harvesting activities, and quarterly financial information.

2001/2002 Pollock Vessel Investments – Active

51. Analyze and, if determined beneficial, increase ownership interest in American Seafoods above the 20% level.

CVP increased its ownership in American Seafoods above the 20% level in 2000. The increase from 20% to 21.883% has proven to be beneficial to CVP. During the 2nd Quarter 2002, American Seafoods went through a recapitalization process. From this process, CVP received a large distribution but was also diluted to 18.18% due to warrants and vesting management options. During the 3rd Quarter, CVP acquired an additional 131,629 units of American Seafoods that resulted in an increase in ownership to 31.4%. During the 4th Quarter, CVP acquired an additional 14,172 units of American Seafoods and American Seafoods retired 151,703 units that resulted in an increase in ownership to 39.11%. Currently, CVP owns 38.95% of American Seafoods (decrease due to various warrants and options).

52. American Seafoods will offer employment to in excess of 50 people in all aspects of the American Seafoods businesses.

57 potential A/B pollock processor applications were processed in the 1st Quarter. 18 residents were hired and 21 did not pass due to failed urine analyses/no show/no longer interested.

American Seafoods offered 20 processor positions to individuals from the CVRF region in the 2nd Quarter.

American Seafoods offered 36 processor positions to individuals from the CVRF region in the 3rd Quarter.

American Seafoods offered 20 processor positions to individuals from the CVRF region in the 4th Quarter for the 2003 A season.

53. CVP will participate on the American Seafoods board to further the purposes of the company and to further the goals of the CDQ program for the Coastal Villages region.

CVP has had active participation on the American Seafoods board since the completion of the investment. During 2002, the Executive Director has participated in every American Seafoods board meeting. Also during 2002 the Finance Director attended the American Seafoods' board meeting as an observer. During the 3rd Quarter, CVP expanded its investment in American Seafoods and negotiated the right to obtain two board seats. Both seats attended the 3rd and 4th Quarter board meetings.

54. Preseason financial goals will be set including no additional capital infusion and rate of return for the fishing season.

American Seafoods has met and surpassed its preseason financial goals. No additional capital has been contributed.

55. Monitor investments in offshore harvesting vessels on weekly and quarterly basis.

CVRF monitors activities of American Seafoods through daily and/or weekly communication with management. CVRF also attends board meetings and receives monthly reports on the operations and financial conditions of the company.

CDQ harvesting is monitored on a daily basis. American Seafoods successfully completed the harvest of CVRF's 2002 CDQ pollock quota for the year.

2001/2002 Inshore Harvesting, Processing, and Investment Program

2001/2002 Shoreside Processing Facilities - Active

For Kuskokwim salmon:

56. Make determination about expansion of Kuskokwim salmon program into the mainstream of the river.

The mainstem of the Kuskokwim River was closed during June and July this year, but did open in August for the Coho season. CVS participated in the Kuskokwim River fishery during August. During the openings, CVS had either one or two tender vessels purchasing salmon in various parts of the river. For some openings, but for CVS participation, ADF&G would not have been able to open the river due to a shortage of processing capacity. CVS purchased fish at Eek Island, Tuntutuliak, the Johnson River, Bethel, and at the "Y" by Kwethluk. CVS also participated in each of the meetings of the Kuskokwim River Salmon Working Group.

Insert picture here

57. Based upon the expansion decision, purchase salmon in all Kuskokwim fishing districts.

CVS purchased salmon in each of the Kuskokwim River subdistricts that were open to fishing during the summer of 2002.

58. Expand quality control program.

At the Quinhagak plant, CVS instituted what it believes to be the only mandatory slush ice program in Alaska. Fishermen were required to slush ice their fish from the time they came out of the water until delivery. Fishermen must sign up for ice at the start of the period in order to ensure that fish is not just iced prior to landing. CVS also used its small tender boats to deliver ice to the fishermen on the fishing grounds, especially on the hot days when ice melted quickly. Once the fish is received at the dock, it is placed into slush ice totes for delivery to the plant. CVS has instituted a chlorine dioxide sanitation and ice program at the plant to ensure that the product is only of the best quality. Despite warm temperatures in Alaska this year, CVS received reports of superior quality, good temperatures, and outstanding presentation of the Quinhagak product.

59. Capital investment in ownership in facilities operating salmon processing business.

For 2002, CVS made improvements to its water system, increased its ability to freeze and hold salmon products, instituted a skinning and mince program, increased the amount of housing available in Quinhagak, and constructed a workshop to maintain and repair equipment.

60. Expand value-added production.

CVS expanded its value-added production at least three times over what was accomplished in 2001. CVS produced over 133,000 pounds of fresh and frozen fillets and over 38,000 pounds of mince. The mince will provide the raw product for other value-added products (e.g., salmon jerky, baby food, etc.). Throughout the season, CVS operated its fillet/mince line approximately 16 hours a day, when fish was available. A second blast freezer was constructed to handle the extra production.

61. Conduct successful employment and training program, including filling all available positions with local hire, up to 3 internships, and on-the-job training.

For the 2002 season, CVS employed 276 individuals at the Quinhagak plant. All but five of the crew were recruited from the CVRF and surrounding region. CVS hired a permanent Human Resource/Recruiter to ensure that there is efficient employment and crew replacement for the Quinhagak salmon and halibut operation. During the 1st Quarter, CVS conducted two training programs in Quality Control/Quality Assurance and in fillet and mince production. A follow up program was conducted during the 2nd Quarter. In addition, two crewmembers attended a HACCP training course in Kenai and two others a forklift-training program conducted on site in Quinhagak. CVS region residents filled three internships in the Anchorage office to support the financial reporting system set up for the salmon and halibut operations. Finally, on-the-job training was provided to all crewmembers in Quinhagak, with special emphasis on fillet and mince production and the maintenance of equipment.

One individual from Hooper Bay also attended a one week QA apprenticeship training with Icicle Seafoods at their Seward operation in May prior to going to work at the Quinhagak salmon and halibut plant for the 2002 season. The manager of the Hooper Bay halibut plant also received training at Quinhagak in preparation for taking on his responsibilities in Hooper Bay.

No activity in the 4th Quarter.

62. Obtain loyalty of 75% of Goodnews Bay fisherman and 60% of other region fisherman.

During 2002, all fish harvested by Goodnews Bay and Quinhagak fishermen was purchased by CVS.

63. Operate professionally, including proper accounting, efficient employment and crew replacement, efficient decision-making, successful marketing and good communications.

Major improvements have been made to the operations of the Quinhagak plant. A much more structured organizational approach resulted in the processing of 100% of the product. Reports from the marketplace indicated wide acceptance of the product, based upon its superior quality. In fact, reports have been received that state that this is the best fish the buyers have ever seen. Much of the credit for this improvement goes to the management hierarchy at the plant as well as to the quality programs that have been instituted throughout the fishing and processing procedures. In terms of the crew, the bunkhouses were full throughout the season, indicating satisfaction in the work and in working conditions. There were few complaints about the accommodations and the food. Finally, the community of Quinhagak appeared very supportive of the changes that they saw in the plant's operations this season.

CVS hired a permanent Human Resource/Recruiter to ensure that there is efficient employment and crew replacement for the Quinhagak salmon and halibut operation. The CVRF employment staff also provides support for the CVS employment and crew replacement needs.

For Area 4E halibut project:

64. Purchase at least 200,000 pounds of halibut.

CVS fishermen harvested approximately 240,000 pounds of halibut this season.

65. Operate with local workforce only.

CVS halibut plant managers and key crewmembers from Mekoryuk, Tununak, Toksook Bay, and Chefornak began working in late April in preparation for the 2002 season. The halibut plants recruited local hire of residents of nearby communities and began their operations in June.

66. Have each plant operational by June 1.

Each of the halibut plants was open prior to the beginning of June. Fishermen did not start fishing until the first week of June primarily due to their participation in the herring fisheries. See milestone number 18 for information regarding the new plants in Kipnuk and Hooper Bay.

67. Operate professionally, including proper accounting, efficient employment and crew replacement, efficient decision-making, successful marketing and good communications.

The halibut plants ran smoothly during 2002. The plant managers and superintendent operated with little oversight from CVS management. The Hooper Bay manager received training in CVS operations at the Quinhagak plant during June and early July. Both the new Hooper Bay and Kipnuk plant managers received training in halibut operations during the 3rd Quarter so that they were prepared once the plants became operational.

CVRF Rural Recruiter and Employment Coordinator provided support for CVS, LLC employment and crew replacement needs throughout the season.

For Bering Sea herring:

68. Offer technical assistance to the regional herring associations.

CVS instituted its price-incentive program for herring fishermen for the 2002 season. The program was highly successful. The results were that each of the herring districts had a buyer, which was in question during the winter, and CVS was able to get over \$80,000 in additional value from the fishery that would not have been available without its participation. The process of improving the roe recoveries and therefore the value of the fishery has begun. Fishermen are becoming more aware of the benefits of larger mesh and the difference that it makes in overall roe recoveries. For the first time in several years, a herring fishery took place in the Nunivak Island district. There is still much that needs to be done to save the herring fishery. However, the efforts made in 2002 show that there can be a future for the fishery.

69. Support efforts of the regional herring associations and fishermen in ways agreed to by CVRF and the fishermen.

CVS worked with the herring associations in creating the price-incentive program.

For Coastal Villages Seafoods:

70. Develop at least one additional village-based community development project.

New halibut plants were constructed in Hooper Bay and Kipnuk. The projects were completed in August 2002.

71. Monitor investments in inshore fisheries on a weekly and quarterly basis.

CVS management is involved directly in all aspects of the inshore fisheries projects on a daily basis.

2001/2002 Sportfish Guiding Service

72. Manage Arolik River LLC to agreed standards of success.

Despite the lower bookings caused by September 11 and a slower than usual king run, Arolik worked hard to fill all open weeks and did an excellent job of filling the majority of available weeks for the summer. As partners, CVA will continue to manage to the agreed standards of success as we approach and plan for the 2003 season.

73. Establish human resources development goals identified for CVA and region.

Completed during the 1st Quarter in 2001.

74. Explore possible expansion of guiding service to other rivers within region.

After due diligence completed in 2001, Coastal Villages decided that the offer to allow CVA to buy interest in the Alaska West partnership exceeded Coastal Villages' valuation of that interest. After communicating this to the partnership, it became clear that an understanding to facilitate a deal would not be arrived at, and CVA discontinued its investment negotiations with the Alaska West. CVA will investigate other potential interests that may arise in the future.

2001/2002 Loan Programs

2001/2002 Fisheries Retention Project

NOTE: CVIF no longer administers these programs or activities. CVIF is in the process of being dissolved. CVRF will administer these programs and activities.

75. Establish CVIF/CVRF loan program serving needs of fisheries-related businesses in region.

CVRF has established loan programs to help serve needs of fisheries-related businesses in the region. In 2002, \$650,528 was disbursed to vendors for the purchase of boats, equipment, gear, fuel, IFQ's, and licenses for local fishermen to participate in in-region commercial fisheries. Also in 2002, \$148,882 in equipment loans were approved, and will be disbursed in 2003.

76. Assist fishermen in the purchase of additional halibut and sablefish Quota Shares.

During 2002, CVRF assisted a local fisherman in the purchase of additional IFQ's to participate in the Gulf of Alaska commercial fisheries. No other fishermen requested assistance during the rest of 2002.

77. Provide a loan to one additional aluminum welding business and other fisheries-related businesses.

During 2002, loan requests were received for a welding business/boat storage building, a salmon fisherman looking to convert a Bristol Bay seiner to a halibut longliner, and an electricity generator. One loan was approved, while the others continue to be evaluated.

78. Provide loan criteria, policies, and procedures.

CVRF provides loan criteria, policies, and procedures to its member villages on an on-going basis through our newsletter, website, local newspaper advertisements and individual mail-outs.

79. Conduct a major outreach initiative to promote the loan program through local newspapers and CVRF Quarterly newsletters.

This outreach initiative is continuing by providing ads in the local newspapers (The Tundra Drums and Delta Discovery), the CVRF website, and articles in the quarterly CVRF newsletter.

80. Loan committee to meet quarterly to discuss loan program, review applications, and address areas needing modification.

During 2002, the CVRF loan committee met during the 1st, 3rd and 4th Quarters to discuss the loan program, review applications, and address areas needing modification. CVRF disbursed a total of \$257,650 in loans for the 2nd loan cycle of 2001 and 1st loan cycle of 2002. In November the committee approved \$148,882 in loans to be disbursed in 2003.

2001/2002 Tax and Permit Assistance Program

2001/2002 Fisheries Support and Development Project

81. Support VITA program in at least six villages during the tax-filing season.

As reported in the 1st Quarter of 2002, CVRF collaborated with the Alaska Business Development Center Inc.'s Volunteer Tax and Loan Program (VTLP) to provide tax services to nine communities (Chevak, Hooper Bay, Kwigillingok, Mekoryuk, Napaskiak, Quinhagak, Toksook Bay, Kipnuk and Chefornak) in February and March. All the villages contributed with lodging and meals as well. CVRF paid for the airfare for the ABDC Volunteers in all the village trips. Volunteers assisted in the completion of 926 tax returns with more than \$902,000 in tax refunds and \$107,000 in tax obligations determined for our community residents.

In the 3rd Quarter, CVRF continued to work to expand the program and add three more communities for the 2003 season. CVRF's goal is to provide support in this area to all member villages by 2005 or sooner.

ABDC VTLP established the travel schedule to the CVRF member villages in the 4th Quarter as follows:

<u>Village</u>	<u>Travel Dates</u>	<u># of Tax Preparers</u>
1 Napaskiak	February 14-15, 2003	4
2 Chefornak	February 14-16, 2003	4
3 Quinhagak	February 14-15, 2003	4
4 Kipnuk	March 7, 2003	4
5 Kwigillingok	March 8-9, 2003	4
6 Mekoryuk	March 7-9, 2003	5
7 Toksook Bay	March 21-22, 2003	5
8 Chevak	March 23-24, 2003	5
9 Hooper Bay	March 25-28, 2003	5
10 Goodnews Bay	TBA	
11 Newtok	TBA	
12 Scammon Bay	TBA	

82. Assist taxpayers who are in danger of losing their permits.

Please see above.

83. Obtain permits for fishermen from the CVRF region.

CVRF assisted individual fishermen in obtaining halibut permits prior to the start of the fishing season. This quarter, over 700 permit cards were made available to region fishermen. No permits for limited fisheries were requested.

CVRF is in the process of preparing to assist individuals in obtaining halibut permits for the 2003 fishing season.

2001/2002 *CVRF Development Project*

2001/2002 *CVRF Development Project*

84. Conduct on-going analysis of capabilities of staff, board, resources in the region, and performance.

The staff receives annual evaluations to help management analyze their capabilities and performance. CVRF employs a rural recruiter, employment coordinator, and community liaisons who recruit in the region for employment opportunities with CVRF and industry partners.

Board handbook updates were made following the 2002 elections and changes to the Board of Directors. Preparations began for a new board member orientation and the Board of Directors retreat for January 2003.

85. Maintain “Standards of Leadership” for Board of Directors.

All Board members are held accountable to the Standards of Leadership. Any behavior by a Board member acting in conflict with those standards is addressed through the Board’s formal disciplinary process. All new Board members have received copies of the Standards of Leadership and other Board policies pertaining to their service on the CVRF Board.

86. Develop system of 360-degree performance feedback for senior management.

A 360 Degree performance evaluation was selected in 2001. The 360 Degree performance evaluation happens each November for the Executive Director. Senior management participated in the evaluation of the Executive Director in October. After the evaluation was completed, the Executive Board of Directors reviewed the results and recommended a change in the format of the evaluation to reflect on the Executive Director’s knowledge of the company, industry, business, etc. The Human Resource Management Specialist combined previous formats used, and the Executive Board conducted the Executive Director’s performance evaluation using the new evaluation format. The CVRF full board reviewed the results of the evaluation at the annual full board meeting in November.

87. Develop and maintain Continuous Improvement (CI) Model for Board, Management and 4-SITE Program activities.

Two staff members conducted a CI presentation to board members on the service and 4-SITE programs in February.

During the 2nd Quarter, Board members were presented with training focusing on “Rules and Roles for Board Members”. Board meeting evaluations and board member self-evaluations were implemented as part of the Continuous Improvement program. The board members also received an updated board of director handbook during the 2nd Quarter.

During the 3rd Quarter the Community Program Managers, Community Development Specialists, and 4-site staff met in August to review CVRF programs for continuous improvement. The community liaisons also met in August for community liaison training.

An executive member calendar is maintained and is used when scheduling CVRF business meetings to avoid conflicting schedules of individuals. The use of a calendar allows administration to know where the seven executive members are and allows for better communication.

CVRF management attended a management training with the Alaska Growth Capital Company in October.

The board will be provided updates to Board of Director Handbook during the 4th Quarter.

The CVRF staff met in December for a celebration of hard work done in 2002. During that time the staff also conducted a Continuous Improvement session on the CVRF programs and the Outreach initiatives.

Updates to the board of director handbook were made during the 4th Quarter. Distribution of these updates will occur at a new board member orientation planned for January 2003.

88. Conduct an annual Board retreat.

A two-day training session took place on May 2-3, 2002 in Anchorage. Training topics included board roles and rules.

In the 4th Quarter, plans were made for a new board member orientation in January 2003.

89. Meet outreach goals, including notices to communities, newsletters, and newspaper articles.

Throughout the year, radio announcements were made on KYUK, KCUK, and KNBA. Newspaper ads were placed in the Delta Discovery and Tundra Drums on the LBMS and Loan Program deadlines. Flyers to box holders, magazine ads, and the CVRF website were also forms of outreach to the CVRF programs. The CVRF employment team, industry recruiting partners, and Community Liaisons traveled to member communities and surrounding villages to recruit for CVS, LLC and industry partners.

2001-2002 *Outreach Plan*

2001-2002 *Outreach Project*

90. Host monthly 30 minute "Alaska Rural Development 2000" program on ARCS.

No activity during the 4th Quarter.

During the 3rd Quarter CVRF aired a show on employment on Heartbeat Alaska. CVRF shot raw footage with several scholarship recipients on Higher Education, which will air in January 2003.

91. Quarterly newsletter publication continues.

During the 1st Quarter, a CVRF newsletter was published. The newsletters were distributed in March to all member community residents. During the 2nd Quarter a newsletter was not distributed. In place of a quarterly newsletter, the 2001 annual report was designed and written by staff members and was distributed to every box holder of CVRF's member communities and partners/other organizations in the 3rd Quarter. Another newsletter publication was also distributed in October 2002.

92. Sponsor Native News and Weather on KYUK.

During 2002, CVRF sponsored Bethel Broadcasting & KCUK for the entire year. CVRF also advertised on Delta Discovery and Alaska Newspapers, Inc. for its loan program.

93. 6-8 village potlatches are sponsored.

During the 1st Quarter, a potluck was sponsored in Napaskiak. CVRF donated food for this potluck. CVRF and CVS donated fish for a potluck that was held in Kwigillingok in April for an ICWA conference. Fish was donated in May to the Hooper Bay Youth Song Contest potluck, and CVRF also donated money for booth space. Fish was donated to the community of Chefornek for the tragedy that occurred in their community.

CVRF and CVS donated fish and other goods for a potluck celebration of a plant opening at Kipnuk and Hooper Bay during the 3rd Quarter.

CVRF, CVS, American Seafoods, and Icicle Seafoods donated fish and other goods for a potluck celebration in Mekoryuk in December.

94. Website of all CVRF affiliated organizations is designed and made accessible via the internet.

The website was designed in 2001 and can be found at www.coastalvillages.org. CVRF continues to monitor the website and update it when necessary.

95. Initiate Emerging Leaders Program, conduct pilot project for 10-20 participants from villages.

Due to the extensive amount of resources required to initiate the project, the Emerging Leaders Program was not implemented. Resources earmarked for this project will be shifted to other new initiatives and on-going fisheries-related community projects.

96. 5-6 bi-monthly informational articles are submitted to the Tundra Drums for publication.

The Tundra Drums insisted on charging CVRF the advertisement rates to print articles. CVRF decided that this was not a prudent use of funds and so did not submit any articles in 2002. CVRF will look into this situation for 2003 and work on reducing the price for these articles. CVRF will also look for other options and consider expanding our newsletter. Though they are not articles, CVRF does place informational ads in the Delta Discovery and Tundra Drums on CVRF programs.

97. CVRF sponsors Junior Achievement of Alaska in member villages and facilitates expansion of program throughout YK Delta.

CVRF is sponsoring the Junior Achievement program in member villages and is facilitating expansion of the program throughout the Yukon-Kuskokwim Delta. CVRF Community Liaisons continued to work in seven communities to bring Junior Achievement to their village schools. Thus far CVRF has completed 55 kits (a kit equals a grade).

For additional information please refer to milestone #34.

98. CVRF participates in development of inter-organizational committee for regional training initiatives.

CVRF continues to participate on an inter-organizational committee, the Yuut Elitnaurviat (Peoples Learning Center) committee. The committee members include: CVRF, Yukon-Kuskokwim Health Corporation, Lower Kuskokwim School District, UAF Kuskokwim Campus, the Alaska National Guard, the Association of Village Council Presidents (AVCP), AVCP Regional Housing Authority, and the City of Bethel.

The regional learning center will provide learning services to both youth and adults needing additional skills to enter high-skilled, high-wage jobs, and to further baccalaureate or graduate programs.

99. CVRF interns design and complete village-based improvement projects that support or compliment a goal identified in CVRF's CDP.

CVRF's HR/Travel intern created a brief orientation tool for new employees/interns which describes each position within CVRF so that new employees/interns will understand what each positions' role within the company is. One accounting clerk intern submitted a CDP on a CSED database for CVS, LLC. One accounting clerk intern submitted a CDP on an updated and improved CVRF orientation manual. One administrative program assistant intern worked on a CDP on job descriptions for CVS, LLC.

100. CVRF works with industry HR Coalition to establish FishNet, an interactive, computer-based school-to-work curriculum.

The HR Coalition has been disbanded. CVRF does intend to do research to see if another industry can help make this curriculum work. No activity during the 4th Quarter.

2001/2002 *Administration*

2001/2002 *Administration*

101. Adopt an annual budget and submit to the State by December 15.

CVRF prepared the 2002 budget and the board approved it in November of 2001. The budget was submitted to the State by the December 15 deadline. The 2002 budget revision was approved by the board at the August meeting, and substantial amendment #2002-10CV was submitted to the State in September.

CVRF prepared the 2003 budget and the board approved it in November of 2002. The budget was submitted to the State by the December 15 deadline.

102. Maintain spending at levels authorized by budget and submit amendments to cover unexpected expenses.

CVRF submits monthly budget-to-actual reports to the board Treasurer. CVRF also provides quarterly budget-to-actual reports to the full board. The 2002 budget revision was approved by the board at the August meeting, and substantial amendment #2002-10CV was submitted to the State in September.

103. Maintain existing levels of office staffing and only expand staff where a recognized need has been identified.

CVRF maintained the required staffing levels and only expanded when needed. During the year, CVRF filled the position of staff accountant, CDQ manager, travel coordinator, finance secretary, employment coordinator, administrative assistant, community development specialist, account clerk, business development specialist, business development director, and 4 CVS intern clerks.

CVRF advertised and recruited for Community Liaisons for CVRF member communities.

104. Maintain office equipment and supplies in top condition.

CVRF conducted an office equipment inventory during the 1st Quarter of 2002. All equipment and supplies have been accounted for and are maintained in top condition. CVRF intends to conduct its equipment inventory at least annually in order to maintain accountability for the equipment. Currently,

CVRF is awaiting final completion of the office renovation before completing the next equipment inventory.

105. Provide services to the projects sponsored by CVRF and its subsidiary companies.

CVRF provides all human resource, management, and accounting services to its subsidiary companies. In addition, CVRF provides marketing and logistical support for salmon, halibut, and herring programs run through CVS, financial reporting support to Silver Spray Seafoods, LLC, and monitoring and managing support to its other partner companies.

106. Complete evaluations of staff in a timely manner.

CVRF maintains records of evaluation due dates at the corporate headquarters. The supervisors are notified when staff evaluations are due. Evaluations are completed annually for all staff and kept in their personnel files.

107. Conduct quarterly meetings of the board of directors and monthly meetings of the Executive Committee.

An executive committee meeting was held in Anchorage in January and the 1st Quarter Board of Directors meeting was held in February in Bethel. Additional meetings in January occurred in Anchorage for Coastal Villages Pollock, LLC and Coastal Villages Longline, LLC.

During the 2nd Quarter the CVRF Board met in May and June 2002. The Executive committee met in April and June.

During the 3rd Quarter the CVRF Board met in August. The Executive committee met in July, August and September.

During the 4th Quarter the CVRF Board met in November. The Executive committee met in October.

108. Submit quarterly and annual reports, financial audits, and meet other regulatory deadlines.

The 1st, 2nd, and 3rd Quarter CDP reports were submitted on time for 2002. The 2001 annual audit and agreed upon procedures audit were started in March 2002 and completed in April 2002. The 2002 annual audit is scheduled to begin in March 2003 and be completed in April. Coastal Villages has met all regulatory deadlines.

109. Prepare and submit application for the 2003 CDQ allocation process in a timely manner.

The 2003-2005 community development plan was prepared in-house and submitted to the state by the June 30th deadline.

2001/2002 CVIF

NOTE: CVIF no longer administers these programs or activities as this company is in the process of being dissolved. CVRF will administer these programs and activities.

110. Ensure that CVIF receives its credit as receivable under the Alaska Landing Tax Credit program from its partners.

CVRF no longer receives the landing tax credit.

111. Begin enforcing policies and procedures as designed in the recently established CVIF Grant Program.

CVRF has discontinued its grant program pending outcome of Council action on non-fisheries, economic development projects.

112. Perform a region-wide advertisement regarding the newly established grant guidelines and application procedures.

Please see response to #111.

113. Conduct quarterly meetings to review grants submitted by eligible grantees for approval and discuss areas needing program administrative adjustment.

Please see response to #111.

114. Perform assurance tests on grantees to identify fiscal and administrative capabilities of applicants.

Please see response to #111.

115. Monitor performance of grants and assure compliance of grant reporting requirements.

Please see response to #111.

116. Approve no less than 4 feasible proposals that meet the funds criteria established under the Alaska Landing Tax Credit program statute and regulations.

CVRF no longer is eligible for the Alaska Landing Tax Credit, and therefore has discontinued the solicitation of proposals.

117. Provide technical assistance to denied applicants by making referrals to outside agencies capable of meeting their programmatic needs.

CVRF had no denied applicants, as this grant program is currently suspended pending the rulemaking process currently underway at NMFS regarding non-fisheries related projects. CVRF continues to refer queries from member villages to appropriate funding sources and service agencies.

2001/2002 Passive Investments

118. All investments are to be made in compliance with CVRF investment policy.

Coastal Villages opened an investment account with Wells Fargo for Coastal Villages Pollock, LLC in April 2002. This account was established to hold monies from the refinancing distribution from American Seafoods, received in April, and has also been designated as a collateral account for the loan with Wells Fargo. In July 2002, a trust account was opened with First National Bank of Alaska to further diversify investment holdings. Coastal Villages also opened three managed money accounts with Morgan Stanley in April 2002 to hold excess cash and adequately diversify those holdings. All new investment accounts invest in corporate and government bonds with maturities of one to five years, and are achieving a reasonable rate of return with respect to the current market. CVRF is in compliance with its investment policy.

119. All cash and cash equivalents earn a 4% rate of return for short-term holdings.

Liquid cash not needed for operations is held partly in money markets and partly in corporate and government bonds. The money market rate during 2002 was less than one percent. The return on the long term investments in corporate and government bonds was approximately 4.5 percent. The current

market will not allow for short-term investments to have a return of over 4%, and Coastal Villages feels it has done well in earning the above stated returns with respect to current market conditions.

120. All cash and cash equivalents earn an 8% rate of return for investments of more than one year.

Liquid cash not needed for operations is held partly in money markets and partly in corporate and government bonds. The money market rate during 2002 was less than one percent. The return on the long term investments in corporate and government bonds was approximately 4.5 percent. The current market will not allow for long-term investments to have a return of over 8%, and Coastal Villages feels it has done well in earning the above stated returns with respect to current market conditions.

121. Budgeted revenues and budgeted expenses analyzed to manage cash flow and cash needs.

Cash flow needs are analyzed on an on-going basis. CVRF prepares monthly cash flow projections, which are based off from the approved budget, and compares them to actual results for the month. CVRF also prepares quarterly budget to actual reports and analyzes any material discrepancies. CVRF has revised the cash flow projections to compensate for actual results and changes in the 2002 budget. See also discussions on the budget in numbers 101 and 102 above.

122. Cash in balanced portfolio consistent with investment policy.

CVRF is in compliance with its investment policy. Please see also the discussions above in numbers 118 through 120.

2001/2002 CDQ Contract Management

123. Ensure that each royalty contract with harvesting partners is in full force and effect.

CVRF has enforceable royalty contracts with each of its harvesting partners. All contracts were in full force and effect during 2002.

124. Obtain approvals for amendments to the royalty contracts as necessary and appropriate.

In 2002, CVRF obtained approvals for amendments to royalty contracts as necessary and appropriate.

125. Monitor performance of harvesting partners and inform them of compliance issues.

CVRF monitored CDQ harvesting partners and informed them of compliance issues as needed.

126. Ensure that royalty payments are being made according to contract terms.

Royalty payments have been received according to terms.

127. Negotiate contracts for the 2003 – allocation period.

Contracts for the 2003-2005 allocation period have been negotiated, or are currently being negotiated.

2001/2002 CDQ Quota Management

128. Monitor pollock and multi-species allocations.

CDQ harvests are monitored daily utilizing the Sea State website and reports.

129. Prepare CDQ harvest activity and status reports.

CDQ harvest activity and status reports were prepared as needed for external and internal reporting. Raw data for these reports is obtained and prepared by Sea State under contract with CVRF.

130. Ensure that CVRF is in compliance with Federal, State, local regulatory and legal requirements.

Each of CVRF's harvesting partners is under a contractual obligation to be in compliance with regulatory and legal requirements. CVRF is in constant contact with the vessel managers to ensure that they have the latest information concerning CDQ harvests, regulatory requirements, and compliance issues.

B. Outreach

Outreach activities in the 4th Quarter of 2002:

- Greg Slats and Verla Mojin hosted a CVRF segment of the CVRF Programs on KYUK in October of 2002.
- Bobby Williams, Selma Davis and Valerie Maxie met with the American Seafoods Human Resources staff to discuss Outreach improvement needs.
- CVRF and American Seafoods held a booth at the Alaska Native Professional Association Job Fair during the Alaska Federation of Natives Convention in October of 2002.
- The CVRF Rural Recruiter, Employment Coordinator and Community Liaison recruited at CVRF member communities and surrounding communities for the 2003 A Season.
- Verla Mojin and Haidee Canete attended the CDQ HR meeting in November.
- The Scholarship Committee met in November for award determinations for the Spring 2003 semester.
- Morgen Crow, Rudy Tsukada, Selma Davis, and several Executive Board Members attended the Mekoryuk Reindeer Festival in December of 2002.
- The CVRF Newsletter was distributed in October of 2002.
- Newspaper ads were put in the Delta Discovery and Tundra Drums on the Louis Bunyan Memorial Scholarship and Loan Program deadlines, recruitment ad for Community Liaison position at CVRF member communities, and recruitment ads for the 2003 A Season.
- Community Program Managers traveled to CVRF member communities to recruit for Community Liaisons.
- CVRF participated in a Bowl-a-thon to help fund raise for Junior Achievement.

Insert Picture Here

C. Employment

1. Data Form

	<u>1st Quarter</u>		<u>2nd Quarter</u>		<u>3rd Quarter</u>		<u>4th Quarter</u>		<u>Year-to-date</u>	
	<u>People</u>	<u>Wages</u>	<u>People</u>	<u>Wages</u>	<u>People</u>	<u>Wages</u>	<u>People</u>	<u>Wages</u>	<u>People</u>	<u>Wages</u>
CVRF:										
Program, General & Administrative	30	\$ 301,306	29	\$ 297,471	26	\$ 279,529	27	\$ 328,054	40	1,206,359
CVS:										
Onshore (Fishermen-Halibut)	-	-	115	58,171	139	186,167	2	111	169	244,449
Onshore (Fishermen-Salmon)	-	-	104	49,704	259	184,432	4	307	276	234,443
Onshore (Fishermen-Herring) ¹	-	-	191	211,125	-	-	-	-	191	211,125
Salmon & Halibut (CVS Mgmt.)	6	50,207	16	120,786	17	161,242	8	57,312	19	389,548
Processors & Misc. Jobs (CVS)	-	-	195	205,874	259	554,959	60	4,875	293	765,708
CDQ Pollock Related:										
American	17	30,453	17	147,373	4	4,129	4	36,193	20	218,148
Westward (non CDQ)	9	29,660	-	-	2	2,704	-	-	11	32,364
Highland Light	-	-	-	-	-	-	-	-	-	-
Icicle	-	-	-	-	1	7,536	-	-	1	7,536
Other Fishing:										
Sablefish/Halibut (Ocean Harvester)	1	427	2	7,078	3	11,851	2	9,475	7	28,832
Hake (American)	-	-	-	-	-	-	-	-	-	-
Crab, Cod, Sea Urchin & Other (Icicle)	3	13,006	3	5,172	1	2,064	1	2,161	4	22,403
Crab, Cod & Sea Urchin (Silver Spray)	2	12,833	3	7,980	1	0	2	12,912	6	33,725
Crab, Cod & Sea Urchin (Prowler Fisheries)	3	2,854	-	-	1	0	1	4,147	3	7,001
Other Employment:										
CVRF (contract)	-	-	-	-	-	-	-	-	-	-
Plant Operations (Westward)	1	-	1	10,461	1	14,198	1	13,493	1	38,152
Internships:										
CVRF	1	2,758	4	7,623	3	7,962	1	3,966	5	22,308
CVS	-	-	1	7,000	-	-	-	-	1	7,000
Westward	-	-	-	-	-	-	-	-	-	-
Icicle	3	9,018	6	13,030	2	15,067	-	-	6	37,115
American	<u>1</u>	<u>6,346</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>6,346</u>
TOTAL	<u>77</u>	<u>\$ 458,869</u>	<u>687</u>	<u>\$ 1,148,848</u>	<u>719</u>	<u>\$ 1,431,840</u>	<u>113</u>	<u>\$ 473,005</u>	<u>1,054</u>	<u>\$ 3,512,562</u>

¹ Herring and herring roe payments include cash payments from the herring processors. There would have been no herring processors operating in the CVRF region without Coastal's participation in the program.

C. Employment, continued

2. Summary

CVS RELATED

Onshore (fisherman – Halibut) – Earnings are reported as paid to 2 fishermen in the 4th Quarter.

Onshore (fisherman – Salmon) – Earnings are reported as paid to 4 fishermen in the 4th Quarter.

Salmon and Halibut (CVS Management) – Earnings are reported as paid. There were 8 management positions included the Chief Operating Officer, Senior Advisor, and the Plant Managers from Quinhagak, Toksook Bay, Tununak, Mekoryuk, Kipnuk and Hooper Bay in the 4th Quarter.

Processing (CVS) – Earnings are reported as paid. There were 9 halibut processors and 50 salmon processors in the 4th Quarter.

CDQ POLLOCK RELATED

American Seafoods Company – Earnings are reported as paid to 4 CVRF residents from Napakiak, Hooper Bay, and 2 from Scammon Bay.

OTHER FISHING

Offshore (OH) – Kokopelli employed and trained 2 CVRF members from Hooper Bay and Scammon Bay in long lining during the 4th Quarter.

Crab, Cod & Sea Urchin (Icicle) – Earnings are reported as paid to 1 BBEDC resident recruited out of Bethel and included in the 4th Quarter report.

Crab, Cod & Sea Urchin (Silver Spray) – Earnings are reported as paid to 2 CVRF crewmembers in the 4th Quarter.

Crab, Cod and Sea Urching (Prowler Fisheries) – Earnings are reported as paid to 1 CVRF crewmember in the 4th Quarter.

OTHER EMPLOYMENT

Westward Seafoods, Incorporated – Earnings are reported as paid to 1 individual from Mekoryuk and employed as Assistant Operations Manager.

INTERNSHIPS

CVRF – 1 Administrative Program Assistant completed an internship at the Anchorage Corporate Office.

C. Employment, continued

3. Summary of employment for the period ending December 31, 2002

	<u>Employees</u>		<u>Fisherman</u>		<u>Herring²</u>	
	<u>Wages</u>	<u>Number</u>	<u>Payments</u>	<u>Number</u>	<u>Payments</u>	<u>Number</u>
CVS:						
CDQ - CVRF region	\$ 768,917	273	\$ 443,209	335	\$ 210,504	188
CDQ - other regions	40,746	15	1,706	2		
Alaska - neighboring communities	22,217	9	33,792	107	414	2
Alaska - other	198,716	9	185	1	207	1
Non-Alaska	<u>124,660</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>1,155,256</u>	<u>312</u>	<u>478,892</u>	<u>445</u>	<u>211,125</u>	<u>191</u>
CVRF ¹ :						
CDQ - CVRF region	549,049	23				
CDQ - other regions	7,548	1				
Alaska - neighboring communities	323,088	6				
Alaska - other	<u>326,674</u>	<u>10</u>				
Total	<u>1,206,359</u>	<u>40</u>				
Off-shore:						
CDQ - CVRF region	329,053	44				
CDQ - other regions	<u>59,108</u>	<u>9</u>				
Total	<u>388,161</u>	<u>53</u>				
Interns-						
CDQ - CVRF region	<u>72,769</u>	<u>13</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL	<u>\$ 2,822,545</u>	<u>418</u>	<u>\$ 478,892</u>	<u>445</u>	<u>\$ 211,125</u>	<u>191</u>

1 Note: CVRF staff includes residents from the communities working in the Anchorage office.

2 Herring and herring roe payments include cash payments from the herring processors. There would have been no herring processors operating in the CVRF region without Coastal's participation in the program.

D. Training

1. Data form	<u>1st Quarter</u>		<u>2nd Quarter</u>		<u>3rd Quarter</u>		<u>4th Quarter</u>		<u>Year-to-date</u>	
	<u>People</u>	<u>Expenditures</u>	<u>People</u>	<u>Expenditures</u>	<u>People</u>	<u>Expenditures</u>	<u>People</u>	<u>Expenditures</u>	<u>People</u>	<u>Expenditures</u>
Scholarships										
Postsecondary	17	\$ 25,887	-	\$ -	18	\$ 32,805	-	\$ -	28	\$ 58,692
Vocational	4	14,094	-	-	8	14,872	-	-	10	28,966
		-								
Voc-Tech Classes										
Basic	-	-	-	-	-	-	-	-	-	-
Advanced	-	-	-	-	-	-	-	-	-	-
Other Training										
Fisheries related	-	-	7	8,842	3	0	-	-	9	8,842
Student Loans	-	-	-	-	-	-	-	-	-	-
CDQ Staff/Board/Interns	37	63,236	39	49,766	15	8,348	21	16,597	91	137,947
Other	-	-	-	-	1	667	1	550	2	1,217
						-				
Other Expenditures										
To Educational Institutions	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-
Educational Endowment Funds	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-
Other	<u>N/A</u>	<u>-</u>	<u>N/A</u>	<u>-</u>	<u>N/A</u>	<u>-</u>	<u>N/A</u>	<u>-</u>	<u>N/A</u>	<u>-</u>
TOTAL	<u>58</u>	<u>\$ 103,217</u>	<u>46</u>	<u>\$ 58,608</u>	<u>45</u>	<u>\$ 56,692</u>	<u>22</u>	<u>\$ 17,147</u>	<u>140</u>	<u>235,664</u>

D. Training, continued

2. Summary

OTHER TRAINING

CDQ Staff/Board/Interns

- CVRF management attended management training with the Alaska Growth Capital in October.
- The CVRF staff held a celebration for staff gathering in December. The Alaska Growth Company presented a session on team building during that time.
- Employment Coordinator and Administrative Program Assistant Intern attended a Human Resources Training Seminar end of October.
- The receptionist attended an Outstanding Receptionist training seminar in October.
- The Finance Secretary attended a Microsoft Word/Intermediate Training in October.
- The Administrative Program Assistant Intern attended an OSHA training seminar in October.
- 2 staff members attended People Skills training in October.
- 3 staff members attended a Business Grammar Writing Skills Training seminar in November.
- 1 CVRF member from Hooper Bay attended a GED Exam Training in November.

E. Other Issues

None noted.

III. Administration

A. State of Alaska Reporting Compliance

1. Board Member Changes:

The following board members were elected by their communities for a three-year term:

James James, Tununak
Gabriel Olick, Tuntutuliak
Oscar Evon, Kwigillingok

The Executive Committee was elected as follows:

Howard Amos, President
Simeon John, Vice President
Helen Kaganak, Secretary
Tim Samson, Treasurer
Paul Tulik, At Large, Sergeant At Arms
Wassilie Bavilla, At Large
Oscar Evon, At Large

In the 4th Quarter two communities filled vacant seats – Napakiak and Oscarville and one community received a resignation from its member – Hooper Bay.

2. Decisions.

See confidential section.

3. Minutes from any meetings.

See confidential section.

B. State of Alaska Reporting Compliance

CVRF submitted its 1st through 3rd Quarter 2002 reports in a timely manner. Additionally, CVRF submitted amendments as required under state and federal regulations.

C. Amendment Status

Several amendments were pending at the end of the 4th Quarter 2002.

Transfer of Atka Mackerel allocation to APIDCA:

During February 2002 CVRF submitted amendment #2002-01CV for approval requesting the transfer of CVRF's Atka Mackerel allocation to APIDCA. This amendment was approved.

Annual Housekeeping:

During February 2002 CVRF submitted amendment #2002-02CV for the annual housekeeping. This amendment highlights the changes in the board membership, changes in key staff, changes in subsidiaries, and changes to harvesting contracts. The amendment was approved.

Opilio Crab:

During May 2002 CVRF submitted amendment #2002-03CV requesting the transfer of approximately 18,000 pounds of CVRF's Opilio crab allocation to NSEDC. This amendment was approved.

American Seafoods:

During June 2002, CVRF submitted amendment #2002-04CV requesting the approval for additional investment in American Seafoods. This amendment was approved.

Prowler Partnership:

During July 2002, CVRF submitted amendment #2002-05CV requesting the approval for investment in 20% of Prowler, LLC. This amendment was approved.

Revision of Amendment #2002-01CV:

During August 2002, CVRF submitted amendment #2002-06CV requesting for approval a revision to amendment #2002-01CV. This amendment was approved.

Transfer of Other Species from APICDA:

During August 2002, CVRF submitted amendment #2002-07CV for approval requesting a transfer of approximately 5 metric tons of APICDA's other species allocation to CVRF. This amendment was approved.

Transfer of Other Rockfish from CBSFA:

During August 2002, CVRF submitted amendment #2002-08CV for approval requesting a transfer of approximately 2 metric tons of CBSFA's other rockfish allocation to CVRF. This amendment was approved.

BBRK Fish Plan:

During October 2002, CVRF submitted amendment #2002-09CV requesting approval to add the F/V Nordic Viking to the 2002 Bristol Bay Red King Crab fish plan. This amendment was approved.

2002 Budget Revision:

During September 2002, CVRF submitted amendment #2002-10CV requesting approval for a revision to the 2002 operating budgets. This amendment was approved.

Transfer of Various Species from CVRF to NSEDC:

In September 2002, CVRF submitted amendment #2002-11CV requesting approval to transfer the following portions of CVRF's allocations to NSEDC:

- 15 metric tons AI Greenland turbot
- 2.5 metric tons arrowtooth
- 2 metric tons other species
- 0.3 metric tons shortraker/rougheye

This amendment has been approved.

American Seafoods:

During September 2002, CVRF submitted amendment #2002-12CV requesting approval for additional investment in American Seafoods of 1.52%. This amendment was approved.

Transfer of Pollock from BBEDC:

In October 2002, CVRF submitted amendment #2002-13CV requesting approval to transfer BBEDC's remaining pollock allocation to CVRF. This amendment was approved.

Transfer of Pollock from YDFDA:

In October 2002, CVRF submitted amendment #2002-14CV requesting approval to transfer YDFDA's remaining pollock allocation to CVRF. This amendment was approved.

Transfer of Pollock to CBSFA:

In October 2002, CVRF submitted amendment #2002-15CV requesting approval to transfer 30 metric tons of pollock allocation to CBSFA. This amendment was not approved due to the fact that the transfer was to cover an overage.

Pacific Cod Fish Plan:

During November 2002, CVRF submitted amendment #2002-16CV requesting approval to add the F/V Deep Pacific to the 2002 Pacific cod fish plan. This amendment was approved.

Pacific Cod Fish Plan:

During November 2002, CVRF submitted amendment #2002-17CV requesting approval to add the F/V Blue Gadus to the 2002 Pacific cod fish plan. This amendment was approved.

Arrowtooth and Other Species:

In December 2002, CVRF submitted amendment #2002-18CV requesting approval to transfer CVRF's non-specific reserve allocation to CVRF's Arrowtooth and other species allocation. This amendment was approved.

Transfer of Pacific cod to YDFDA:

In December 2002, CVRF submitted amendment #2002-19CV requesting approval to transfer 100 metric tons of Pacific cod to YDFDA. This amendment was approved.

D. Other Issues

None noted.

IV. Harvesting Report

A. Pollock & Multi-species CDQ Harvest Activities by Target Fishery

1. Tables of Data.

TARGET SPECIES – POLLOCK (mt)	CDQ Allocation	Metric Tons Harvested					Target Fishery Information
Season	Metric Tons Allocated	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	YTD Harvest	% of Target Harvest
“A/B”	14,256.000	14,373.344	-	-	-	14,373.344	100.82 %
“C/D”	21,384.000	-	399.865	19,129.292	1,704.431	21,233.588	99.76 %
BYCATCH (mt):							
Pacific cod		77.800	23.019	37.468	5.571	143.858	
BS Sablefish		0.163	-	4.050	0.009	4.222	
Atka Mackerel – EAI 541		0.003	0.009	0.053	0.293	0.358	
Yellowfin sole		64.617	-	0.845	-	65.462	
Rock sole		88.004	0.089	3.274	0.200	91.567	
BS Greenland Turbot		1.043	0.006	1.975	0.718	3.742	
Arrowtooth flounder		1.909	0.289	17.773	5.205	25.176	
Flathead sole		43.946	0.112	48.284	4.692	97.034	
Other flatfish		1.237	0.013	10.794	1.130	13.174	
Alaska plaice		2.343	0.002	0.033	-	2.378	
BS Pacific Ocean Perch		0.032	0.504	2.135	0.152	2.823	
Other red rockfish – BS		0.063	0.011	0.070	0.007	0.151	
Other rockfish – BS		0.485	0.010	0.057	-	0.552	
Other species		34.923	5.576	24.856	2.326	67.681	
PROHIBITED SPECIES:							
Zone 1 Bairdi Tanner Crab (ea)		7	-	1	-	8	
Zone 2 Bairdi Tanner Crab (ea)		2	-	1	-	3	
Opilio Tanner crab (ea)		65	-	154	-	219	
Pacific Halibut (mt mortality)		2.054	0.093	5.296	0.143	7.586	
Chinook salmon (ea)		321	-	47	28	396	
Non-Chinook salmon (ea)		7	2	150	19	178	

TARGET SPECIES – PACIFIC COD (mt)	CDQ Allocation	Metric Tons Harvested					Target Fishery Information
Season	Metric Tons Allocated	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	YTD Harvest	% of Target Harvest
“A” – January 1 thru June 10	1,530.000	599.878	336.423	-	-	936.301	61.20%
“B” – June 11 thru December 31	1,020.000	-	-	387.968	425.466	813.434	79.75%
BYCATCH (mt):							
Pollock – BS (non-quota)		6.752	1.617	11.092	31.53	50.991	
Sablefish – BS		-	-	0.002	0.149	0.151	
Yellowfin sole		0.001	-	0.193	0.528	0.722	
Rock sole		0.113	0.105	0.124	0.049	0.391	
BS Greenland Turbot		0.015	0.011	2.562	-	2.588	
Arrowtooth flounder		0.232	0.165	17.419	2.058	19.874	
Flathead sole		1.133	0.657	1.669	2.044	5.503	
Other flatfish		0.005	-	0.007	0.105	0.117	
BS Pacific Ocean Perch		-	-	0.009	0.004	0.013	
Other red rockfish – BS		0.062	-	0.044	0.156	0.262	
Other rockfish – BS		0.225	-	0.010	0.117	0.352	
Other species		70.811	44.176	68.335	84.126	267.448	
PROHIBITED SPECIES:							
Halibut (mt mortality)		0.654	0.283	2.973	4.193	8.103	

TARGET SPECIES – FG SABLEFISH–AI (mt)	CDQ Allocation	Metric Tons Harvested					Target Fishery Information
	Metric Tons Allocated	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	YTD Harvest	% of Target Harvest
FG Sablefish – AI	114.900	-	21.491	5.079	8.588	35.158	30.60%
BYCATCH (mt):							
Pacific cod		-	2.579	1.889	1.954	6.422	
Atka Mackerel – WAI 541		-	0.005	-	-	0.005	
Rock sole		-	0.001	0.015	0.015	0.031	
AI Greenland Turbot		-	5.762	2.297	1.431	9.490	
Arrowtooth flounder		-	1.575	0.372	0.503	2.450	
Northern – AI		-	0.543	-	-	0.543	
Shorthaker/rougheye - AI		-	1.100	1.288	0.063	2.451	
Other rockfish – AI		-	4.751	3.358	1.449	9.558	
Other species		-	1.338	1.540	0.701	3.579	
PROHIBITED SPECIES:							
Halibut (mt mortality)		-	-	-	-	-	

TARGET SPECIES – Area 4D HALIBUT	CDQ Allocation	Harvested					Target Fishery Information
	Pounds Allocated	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	YTD Harvest	% of Target Harvest
Area 4D Halibut (lbs)	146,160	-	-	146,160	-	146,160	100.00%
BYCATCH (mt):							
Pacific cod		-	-	1.856	-	1.856	
Rock sole		-	-	0.015	-	0.015	
AI Greenland Turbot		-	-	-	-	-	
Arrowtooth flounder		-	-	-	-	-	
Northern – AI		-	-	-	-	-	
Shortraker/rougheye		-	-	-	-	-	
Other rockfish – AI		-	-	-	-	-	
Other species		-	-	0.008	-	0.008	
PROHIBITED SPECIES:							
Halibut (mt mortality)		-	-	-	-	-	

TARGET SPECIES – Area 4E HALIBUT (lbs)	CDQ Allocation	Harvested					Target Fishery Information
	Pounds Allocated	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	YTD Harvest	% of Target Harvest
Area 4E Halibut	273,000	-	72,941	167,966	-	240,907	88.24%

TARGET SPECIES - SNOW/TANNER CRAB (OPILIO) (lbs)	CDQ Allocation	Pounds Harvested					Target Fishery Information
	Pounds Allocated	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	YTD Harvest	% of Target Harvest
BS Snow/Tanner Crab (Opilio)	417,956	-	400,441	-	-	400,441	95.81%

TARGET SPECIES – BRISTOL BAY RED KING CRAB (lbs)	CDQ Allocation	Pounds Harvested					Target Fishery Information
	Pounds Allocated	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	YTD Harvest	% of Target Harvest
BB Red King Crab	-	-	-	-	-	128,359	99.68%

TARGET SPECIES – FLATHEAD SOLE (mt)	CDQ Allocation	Metric Tons Harvested					Target Fishery Information
	Metric Tons Allocated	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	YTD Harvest	% of Target Harvest
Flathead Sole	200.000	-	46.227	2.062	-	48.289	24.14 %
BYCATCH (mt):							
Pacific cod		-	48.850	-	-	48.850	
BS Sablefish		-	-	2.261	-	2.261	
Yellowfin sole		-	32.651	-	-	32.651	
Rock sole		-	34.075	-	-	34.075	
BS Greenland Turbot		-	0.115	8.020	-	8.135	
Arrowtooth flounder		-	7.720	6.505	-	14.225	
Other flatfish		-	0.018	1.538	-	1.556	
Alaska plaice		-	6.562	-	-	6.562	
BS Pacific Ocean Perch		-	-	-	-	-	
Other red rockfish – BS		-	-	-	-	-	
Other rockfish – BS		-	-	-	-	-	
Other species		-	9.559	0.011	-	9.570	
PROHIBITED SPECIES:							
Zone 1 Bairdi Tanner Crab (ea)		-	-	-	-	-	
Zone 2 Bairdi Tanner Crab (ea)		-	1,856	-	-	1,856	
Opilio Tanner crab (ea)		-	2,768	-	-	2,768	
Pacific Halibut (mt mortality)		-	10.489	0.083	-	10.572	

TARGET SPECIES – ATKA MACKEREL & PACIFIC OCEAN PERCH (mt)	CDQ Allocation	Metric Tons Harvested					Target Fishery Information
Harvested cooperatively under the auspices of APICDA		1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	YTD Harvest	% of Target Harvest
Atka Mackerel – EAI/BS 541	61.950	50.115	-	-	-	50.115	80.90%
Atka Mackerel – CAI 542	267.750	-	147.179	107.722	-	254.901	95.20%
Atka Mackerel – WAI 543	221.700	-	186.183	26.516	-	212.699	95.94%
Pacific Ocean Perch – EAI 541	39.000	15.135	10.252	7.000	-	32.388	83.05%
Pacific Ocean Perch – CAI 542	34.500	-	5.974	22.757	-	28.731	83.28%
Pacific Ocean Perch – WAI 543	63.750	-	34.163	26.275	-	60.438	94.80%
BYCATCH (mt):							
Pacific cod		0.816	19.322	4.945	-	25.084	
AI Greenland Turbot		-	-	0.601	-	0.601	
Arrowtooth flounder		0.550	0.787	0.611	-	1.947	
Northern – AI		1.395	32.819	10.419	-	44.632	
Shorthead/rougheye - AI		-	0.793	1.113	-	1.906	

A. Summary

Pollock – The C/Ps American Triumph, Northern Eagle, Northern Jaeger, Ocean Rover and Northern Hawk continued to harvest CVRF's 'C/D' season pollock in the 4th Quarter. There were no unusual bycatch issues associated with this fishery.

Pacific cod – The F/V Prowler, F/V Lilli Ann and F/V Blue Gadus continued to harvest CVRF's 'B' season Pacific cod in the 4th Quarter. There were no unusual bycatch issues associated with this fishery.

FG Sablefish-AI – The F/V Ocean Harvester continued to harvest CVRF's AI sablefish allocation in the 4th Quarter. There were no unusual bycatch issues associated with this fishery.

Halibut – Area 4D – The F/V Ocean Harvester harvested 100% of CVRF's 4D Halibut in the 3rd Quarter. There were no unusual bycatch issues associated with this fishery.

Halibut – Area 4E – CVRF region resident fishermen harvested 88.26% of CVRF's 4E Halibut during 2002.

Atka Mackerel/POP – The F/V Sea Fisher harvested 92.83% CVRF's Atka mackerel and Pacific ocean perch (POP) targeted quota in 2002. There were no unusual bycatch issues associated with this fishery.

Flathead/Rock/Yellowfin Sole – The F/V Arica did not harvest any of CVRF's flathead, rock and yellowfin sole in the 4th Quarter. There were no unusual bycatch issues associated with this fishery.

Snow/Tanner Crab (*Opilio*) – No activity in the 4th Quarter.

Bristol Bay Red King Crab – The F/V Nordic Viking harvested 128,359 pounds (99.68%) of CVRF's Bristol Bay red king crab in the 4th Quarter. There were no unusual deadloss issues with this fishery.

B. CDQ Harvest by Quarter and Year-to-Date

1. CVRF 2002 CDQ Harvests by Quarter and Year-to-date Total

Groundfish CDQ Species (mt)	2002 CDQ Allocation	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Y-T-D Harvest	Percent of Allocation Harvested
BS Pollock - total	35,640.000	14,373.344	399.865	19,129.292	1,704.431	35,606.932	99.91%
A/B season (40%)	14,256.000	14,373.344	-	-	-	14,373.344	100.82%
C/D season (60%)	21,384.000	-	399.865	19,129.292	1,704.431	21,233.588	99.30%
AI Pollock	24.000	-	-	-	-	-	-
Bogoslof Pollock	2.400	-	-	-	-	-	-
Pacific Cod	2,550.000	678.494	430.193	432.269	432.991	1,973.947	77.41%
BS FG Sablefish	-	-	-	-	-	-	-
AI FG Sablefish	114.900	-	21.491	5.080	8.588	35.159	30.60%
BS Sablefish	12.240	0.163	-	6.331	0.158	6.652	54.35%
AI Sablefish	4.800	-	-	-	-	-	-
WAI Atka Mackerel	221.700	-	186.188	26.516	-	212.704	95.94%
CAI Atka Mackerel	267.750	-	147.179	107.722	-	254.901	95.20%
EAI/BS Atka Mackerel	61.950	50.118	0.009	0.053	0.293	50.473	81.47%
Yellowfin Sole	387.000	64.618	32.651	1.038	0.528	98.835	25.54%
Rock Sole	445.500	88.117	34.270	3.413	0.264	126.064	28.30%
BS Greenland Turbot	60.300	1.058	0.132	12.557	0.718	14.465	23.99%
AI Greenland Turbot	41.580	-	5.762	2.899	1.431	10.092	24.27%
Arrowtooth Flounder	132.000	2.691	10.536	42.680	7.766	63.673	48.24%
Flathead Sole	281.250	45.076	46.996	52.017	6.736	150.825	53.63%
Other Flatfish	22.500	1.242	0.031	12.339	1.235	14.847	65.99%
Alaska Plaice (NEW)	90.000	2.343	6.564	0.033	-	8.940	9.93%
BS Pacific Ocean Perch	35.460	0.032	0.504	2.144	0.156	2.836	8.00%
WAI Pacific Ocean Perch	63.750	-	34.163	26.275	-	60.438	94.80%
CAI Pacific Ocean Perch	34.500	-	5.974	22.757	-	28.731	83.28%
EAI Pacific Ocean Perch	39.000	15.135	10.252	7.000	-	32.387	83.04%
BS Other Red Rockfish	1.600	0.125	0.011	0.114	0.163	0.413	25.81%
AI Northern	75.900	1.395	33.362	10.419	-	45.176	59.52%
AI Shortraker/Rougheye	12.240	-	1.893	2.549	0.063	4.505	36.81%
BS Other Rockfish	3.240	0.710	0.010	0.067	0.117	0.904	27.90%
AI Other Rockfish	9.180	-	4.751	3.358	1.449	9.558	104.12%
Other Species	369.920	105.734	60.649	89.165	87.153	342.701	92.64%
Non-specific reserve	121.488	-	-	-	-	-	-
Prohibited Species:							
Zone 1 Red King Crab (ea)	509	-	-	-	-	-	0.00%
Zone 1 Bairdi Tanner Crab (ea)	5,880	7	-	1	-	8	0.14%
Zone 2 Bairdi Tanner Crab (ea)	26,730	2	1,856	1	-	1,859	6.95%
Opilio Tanner Crab (ea)	35,888	65	2,768	154	-	2,987	8.32%
Pacific Halibut (mt mort.)	41.160	2.704	10.865	8.352	4.336	26.257	63.79%
Chinook Salmon (ea)	638	321	-	47	28	396	62.03%
Non-Chinook Salmon (ea)	725	7	2	150	19	178	24.48%
Halibut: (lbs)							
Halibut 4B	-	-	-	-	-	-	-
Halibut 4C	-	-	-	-	-	-	-
Halibut 4D	146,160	-	-	146,160	-	146,160	100.00%
Halibut 4E	273,000	-	72,941	167,996	-	240,937	88.26%
Crab: (lbs)							
Bristol Bay Red King	128,766	-	-	-	128,359	128,359	99.68%
Norton Sound Red King	-	-	-	-	-	-	-
Pribilof Red & Blue King	-	-	-	-	-	-	-
St. Matthew Blue King	-	-	-	-	-	-	-
Bering Sea C. <i>Opilio</i> Tanner	417,956	-	400,441	-	-	400,441	95.81%
Bering Sea C. <i>Bairdi</i> Tanner	-	-	-	-	-	-	-

NOTE: Y-T-D Harvest includes Atka Mackerel and POP allocation harvested under the auspices of APICDA

2. CVRF 2002 CDQ Harvests/Transfers - Year-to-date							
Groundfish CDQ Species (mt)	2002 CDQ Allocation	Transfers In	2002 CDQ Allocation & Transfers In	Transfers Out	Y-T-D Harvest	2002 CDQ Harvest & Transfers Out	Percent of Allocation Harvested or Transferred
BS Pollock - total	35,640.000	52.500	35,692.500	-	35,606.932	35,606.932	99.76%
A/B season (40%)	14,256.000	-	14,256.000	-	14,373.344	14,373.344	100.82%
C/D season (60%)	21,384.000	52.500	21,436.500	-	21,233.588	21,233.588	99.05%
AI Pollock	24.000	-	24.000	-	-	-	-
Bogoslof Pollock	2.400	-	2.400	-	-	-	-
Pacific Cod	2,550.000	-	2,550.000	145.000	1,948.864	2,093.864	82.11%
BS FG Sablefish	-	-	-	-	-	-	-
AI FG Sablefish	114.900	-	114.900	-	35.159	35.159	30.60%
BS Sablefish	12.240	-	12.240	-	6.652	6.652	54.35%
AI Sablefish	4.800	-	4.800	-	-	-	-
WAI Atka Mackerel	221.700	-	221.700	221.250	0.005	221.255	99.80%
CAI Atka Mackerel	267.750	-	267.750	267.450	-	267.450	99.89%
EAI/BS Atka Mackerel	61.950	-	61.950	56.750	0.358	57.108	92.18%
Yellowfin Sole	387.000	-	387.000	-	98.835	98.835	25.54%
Rock Sole	445.500	-	445.500	-	126.064	126.064	28.30%
BS Greenland Turbot	60.300	-	60.300	-	14.465	14.465	23.99%
AI Greenland Turbot	41.580	-	41.580	16.000	9.491	25.491	61.31%
Arrowtooth Flounder	132.000	15.000	147.000	5.500	61.725	67.225	45.73%
Flathead Sole	281.250	-	281.250	-	150.825	150.825	53.63%
Other Flatfish	22.500	-	22.500	-	14.847	14.847	65.99%
Alaska Plaice (NEW)	90.000	-	90.000	-	8.940	8.940	9.93%
BS Pacific Ocean Perch	35.460	-	35.460	-	2.836	2.836	8.00%
WAI Pacific Ocean Perch	63.750	-	63.750	63.500	-	63.500	99.61%
CAI Pacific Ocean Perch	34.500	-	34.500	34.250	-	34.250	99.28%
EAI Pacific Ocean Perch	39.000	-	39.000	37.000	-	37.000	94.87%
BS Other Red Rockfish	1.600	-	1.600	-	0.413	0.413	25.81%
AI Northern	75.900	-	75.900	47.000	0.543	47.543	62.64%
AI Shortraker/Rougheye	12.240	-	12.240	3.300	2.599	5.899	48.19%
BS Other Rockfish	3.240	-	3.240	-	0.904	0.904	27.90%
AI Other Rockfish	9.180	2.000	11.180	-	9.558	9.558	85.49%
Other Species	369.920	111.488	481.408	2.000	342.701	344.701	71.60%
Non-specific reserve	121.488	-	121.488	121.488	-	121.488	100.00%
Prohibited Species:							
Zone 1 Red King Crab(ea)	509	-	509	-	-	-	-
Zone 1 Bairdi Tanner Crab(ea)	5,880	-	5,880	-	8	8	0.14%
Zone 2 Bairdi Tanner Crab(ea)	26,730	-	26,730	-	1,859	1,859	6.95%
Opilio Tanner Crab(ea)	35,888	-	35,888	-	2,987	2,987	8.32%
Pacific Halibut (mt mort.)	41.160	-	41.160	-	26.257	26.257	63.79%
Chinook Salmon(ea)	638	-	638	-	396	396	62.03%
Non-Chinook Salmon(ea)	725	-	725	-	178	178	24.48%
Halibut: (lbs)							
Halibut 4B	-	-	-	-	-	-	-
Halibut 4C	-	-	-	-	-	-	-
Halibut 4D	146,160	-	146,160	-	146,160	146,160	100.00%
Halibut 4E	273,000	-	273,000	-	240,937	240,937	88.26%
Crab: (lbs)							
Bristol Bay Red King	-	-	-	-	128,359	128,359	-
Norton Sound Red King	-	-	-	-	-	-	-
Pribilof Red & Blue King	-	-	-	-	-	-	-
St. Matthew Blue King	-	-	-	-	-	-	-
Bering Sea C. <i>Opilio</i> Tanner	417,956	-	417,956	17,515	400,441	417,956	100.00%
Bering Sea C. <i>Bairdi</i> Tanner	-	-	-	-	-	-	-

NOTE: Y-T-D Harvest does not include Atka Mackerel and POP allocation harvested under the auspices of APICDA

C. Compliance

No other compliance issues arose during the 4th Quarter.

D. Other Fishing Issues/Activities

None Noted.

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