

## I. QUARTERLY HIGHLIGHTS

- NSEDC's standing committees held their 1999 fourth quarter meetings in Nome on February 2<sup>nd</sup>.
- NSEDC's Board of Directors held their 1999 fourth quarter meetings in Nome on February 2<sup>nd</sup> & 3<sup>rd</sup>.
- NSEDC Staff attended a staff retreat on January 12<sup>th</sup> and 13<sup>th</sup> to continue with the process of building a stronger organization.
- Glacier Fish Company held their quarterly managers meeting on March 13<sup>th</sup>.
- Norton Sound Fund Directors met on January 3<sup>rd</sup> to discuss the disbursement of funds.
- NSEDC Board of Directors passed a motion to approve \$15,000 for the matching funds with BLM to aid in the salmon restoration at Salmon Lake.
- NSEDC Board of Directors passed a motion to move ahead with the Norton Sound Seafood Center and fund the project as presented in the financial forecasts for the project.
- NSEDC President attended the Unalakleet Census Celebration on January 19<sup>th</sup>.
- NSEDC President attended the World Trade Mission in Europe from February 9<sup>th</sup> – February 19<sup>th</sup>.
- NSEDC Staff traveled to St. Michael (02/29), Stebbins (03/01), Unalakleet (03/01), Koyuk (03/02), Shaktoolik (03/03), Diomedes (03/10), Golovin (03/20), White Mountain (03/20), Elim (03/21), Gambell (03/21) and Savoonga (03/22) to hold community outreach meetings.
- NSEDC Sponsored an entry-level seafood processing class of 18 residents at the Alaska Vocational Technical Center in Seward on February 28<sup>th</sup> – March 10<sup>th</sup>.
- NSEDC Awarded \$42,000 in Post-Secondary Scholarships the first quarter of 2000.
- NSEDC Awarded \$6,000 in Vocational Education Scholarships in the first quarter of 2000.
- NSEDC Sponsored a Global Positioning System course for 15 residents at Golovin, Alaska.

## **II. COMMUNITY DEVELOPMENT**

### **A. Progress Toward Goals, Objectives, Milestones**

#### **Administrative**

**MILESTONE: NSEDC BOARD OF DIRECTORS WILL HOLD REGULARLY SCHEDULED MEETINGS DURING EACH QUARTER IN 2000**

Activity: NSEDC Board of Directors held their fourth quarter meetings in Nome on February 2<sup>nd</sup> & 3<sup>rd</sup>.

**MILESTONE: NSEDC'S FIVE ADVISORY COMMITTEES WILL HOLD REGULARLY SCHEDULED MEETINGS DURING EACH QUARTER IN 2000**

Activity: All five advisory committees held their third quarter meetings on February 2<sup>nd</sup>.

**MILESTONE: NSEDC WILL HAVE AN ANNUAL AUDIT PERFORMED BY A NATIONAL ACCOUNTING FIRM, TO BE COMPLETED BEFORE MAY 31, 2000**

Activity: The 1999 audit for NSEDC began on March 20<sup>th</sup>.

**MILESTONE: NSEDC WILL PREPARE A CORPORATE ANNUAL REPORT FOR ITS MEMBERS, AND MAIL IT TO RESIDENTS IN THE FIFTEEN MEMBER COMMUNITIES BY THE THIRD QUARTER 2000.**

Activity: No activity this quarter.

**MILESTONE: NSEDC WILL FILE QUARTERLY REPORTS TO THE STATE OF ALASKA WITHIN THIRTY DAYS OF THE END OF EACH CALENDAR QUARTER**

Activity: Quarterly reports for the fourth quarter of 1999 were filed on January 31, 2000.

**MILESTONE: NSEDC WILL FILE AN ANNUAL REPORT TO THE STATE OF ALASKA BY MAY 31 OF EACH YEAR.**

Activity: No activity this quarter.

**MILESTONE: NSEDC WILL ACCOUNT FOR UNSPENT AMOUNTS IN EACH OF THE PROGRAMS AS OF THE END OF THE PRECEDING CALENDAR YEAR, BY THE END OF THE SECOND QUARTER 2000.**

Activity: No activity this quarter.

## **Other Income-Producing Investments**

**MILESTONE: NSEDC WILL PROVIDE INVESTMENT OVERSIGHT AND MONITORING OF ALL INCOME-PRODUCING INVESTMENTS DURING EACH QUARTER OF 1999 AND 2000.**

Activity: Done by staff regularly, and the financial advisory committee provides additional oversight and monitoring each quarter at the quarterly board meetings.

## **CDQ Harvest Management**

**MILESTONE: BY THE END OF THE THIRD QUARTER OF THE YEAR 2000 NEGOTIATE NEW HARVEST AGREEMENTS FOR ALL MULTISPECIES CDQ.**

Activity: No activity this quarter

**MILESTONE: NSEDC AND GFC WILL HARVEST ITS CDQ POLLOCK ALLOCATION, AS MUCH AS PRACTICABLE WITHOUT OVER-HARVEST, BY THE END OF THE FISHING SEASON IN 2000.**

Activity: NSEDC & GFC harvested 10,000.66 mt of CDQ pollock during the "A" season this quarter.

**MILESTONE: NSEDC AND ITS HARVEST PARTNERS FOR CRAB WILL HARVEST ITS CDQ ALLOCATIONS, AS CLOSE AS REASONABLE POSSIBLE WITHOUT OVER-HARVEST, OF CRAB BY THE END OF THE FISHING SEASON IN 2000.**

Activity: No activity this quarter.

**MILESTONE: NSEDC AND ITS HARVESTING PARTNER FOR ROCK SOLE WILL HARVEST ITS CDQ ALLOCATION, AS MUCH AS PRACTICABLE WITHOUT OVER-HARVEST, BY THE END OF THE FISHING SEASON IN 2000.**

Activity: No activity this quarter.

**MILESTONE: NSEDC AND ITS HARVESTING PARTNER FOR ATKA MACKEREL WILL HARVEST ITS CDQ ALLOCATION, AS MUCH AS PRACTICABLE WITHOUT OVER-HARVEST, BY THE END OF THE FISHING SEASON IN 2000.**

Activity: No activity this quarter.

**MILESTONE: NSEDC STAFF WILL ATTEND NORTH PACIFIC FISHERIES MANAGEMENT COUNCIL MEETINGS DURING 2000.**

Activity: NSEDC's key personnel were in attendance at the NPFMC first quarter meetings held the week of February 7<sup>th</sup>.

### **Funding for Purchase of Equity Interest in the Fishing Industry**

**MILESTONE: NSEDC WILL EVALUATE THE POTENTIAL FOR EQUITY INVESTMENT IN BARANOF FISHERIES AND COURAGEOUS SEAFOODS AND/OR OTHER FISHING COMPANIES BY DECEMBER 31, 2000.**

Activity: No activity this quarter.

### **Funding for Harvesting and Tendering Vessel**

**MILESTONE: NSEDC WILL EVALUATE THE POTENTIAL FOR ACQUISITION AND OPERATION OF A CRAB HARVESTING VESSEL (S) BY JUNE 30, 2000.**

Activity: No activity this quarter

**MILESTONE: BY THE END OF THE THIRD QUARTER, 2000 EVALUATE THE POSSIBILITY OF BORROWING MONEY UNDER THE CDQ LOAN PROGRAM ESTABLISHED IN THE AMERICAN FISHERIES ACT IN ORDER TO ASSIST IN THE ACQUISITION OF A POLLOCK-RELATED VESSEL OR ANOTHER ACQUISITION PERMITTED IN THE PROGRAM UNDER FEDERAL LAW**

Activity: No activity this quarter.

**MILESTONE: NSEDC WILL EVALUATE THE POTENTIAL FOR ACQUISITION OF A SECOND FREEZER LONGLINER BY JANUARY 1, 2000.**

Activity: NSEDC and GFC Management agreed at their fourth quarter management meeting in December of 1999, that GFC will pursue the concept of building a new state-of-the-art combination longliner with meal plant capable of using both pot and longline gear for cod, black cod and turbot. At the first quarter management meeting in March of 2000, it was decided that GFC would pursue investigations into other vessels for sale.

**MILESTONE: NSEDC WILL EVALUATE THE POTENTIAL FOR ACQUISITION AND OPERATION OF AN H&G TRAWL VESSEL BY JANUARY 1, 2000**

Activity: No activity this quarter.

### **Education, Employment and Training Program – Education & Training Component**

**MILESTONE: NSEDC WILL HAVE PROVIDED FISHERIES SKILLS TRAINING UNDER THIS CDP FOR 45 RESIDENTS OF THE REGION OR OF NEARBY COMMUNITIES OF WHICH AT LEAST FIVE TRAINING SLOTS WILL BE MADE AVAILABLE TO RESIDENTS OF NEARBY COMMUNITIES, BY THE END OF THE FOURTH QUARTER 2000.**

Activity: See Table 2, Training Data Form and Training Summary of this report.

**MILESTONE: NSEDC WILL AWARD AT LEAST \$120,000 IN SCHOLARSHIPS TO STUDENTS BY THE END OF THE FOURTH QUARTER 2000.**

Activity: See Table 2, Training Data Form and Training summary of this report.

**MILESTONE: NSEDC WILL MAKE OUTREACH VISITS FOR THIS PROGRAM TO AT LEAST FIVE COMMUNITIES IN THE REGION AND TO AT LEAST TWO COMMUNITIES OUTSIDE THE REGION BY THE END OF THE FOURTH QUARTER 2000.**

Activity: During the first quarter of 2000, the EET Coordinator made outreach trips to St. Michael (02/29), Stebbins (03/01), Unalakleet (03/01), Koyuk (03/02), Shaktoolik (03/03), Golovin (03/20), White Mountain (03/20), Elim (03/21) Gambell (03/21), and Savoonga (03/22) during the first quarter of 2000.

### **Education Employment & Training Program – Employment Component**

**MILESTONE: NSEDC AND NSSP WILL FACILITATE THE EMPLOYMENT OF 110 RESIDENTS OF THE REGION OR OF NEARBY COMMUNITIES ONTO FACTORY TRAWLERS, OTHER OFFSHORE FISHING VESSELS, NEAR-SHORE PROCESSORS AND FISHING VESSELS, AND IN SHORESIDE PROCESSING PLANTS BY THE END OF THE FOURTH QUARTER 2000.**

Activity: See Table 1, Employment Data Form and Employment Summary of this report.

**MILESTONE: NSEDC WILL MAKE OUTREACH VISITS FOR THIS PROGRAM TO AT LEAST FIVE COMMUNITIES IN THE REGION AND TO AT LEAST TWO COMMUNITIES OUTSIDE THE REGION BY THE END OF THE FOURTH QUARTER 2000.**

Activity: During the first quarter of 2000, the EET Coordinator made outreach trips to St. Michael (02/29), Stebbins (03/01), Unalakleet (03/01), Koyuk (03/02), Shaktoolik (03/03), Golovin (03/20), White Mountain (03/20), Elim (03/21) Gambell (03/21), and Savoonga (03/22) during the first quarter of 2000.

**MILESTONE: NSEDC WILL PLACE AT LEAST TWO INTERNSHIPS IN OFFICE OR FIELD SETTINGS BY THE END OF THE FOURTH QUARTER EACH YEAR.**

Activity: A total of three interns were placed at NSEDC's main office and NSEDC's partners offices during the first quarter of 2000. Rebecca Derendoff of huslia was placed in Icicle Seafoods Seattle office, and Virginia Nashalook of Unalakleet and Simon Kinneen of Nome were both placed at NSEDC's main office in Anchorage.

## **Education Endowment**

**MILESTONE: NSEDC WILL CONTRIBUTE ADDITIONAL FUNDS TO THE EDUCATION, TRAINING, AND SCHOLARSHIP ENDOWMENT FROM CDQ REVENUES UNDER THIS CDP BY THE END THE FOURTH QUARTER 2000.**

Activity: Funding will be contributed before the 4<sup>th</sup> quarter of 2000.

**MILESTONE: NSEDC FINANCIAL ADVISORY COMMITTEE WILL REVIEW INVESTMENT PERFORMANCE AND ASSET ALLOCATION AT LEAST ONCE EACH QUARTER.**

Activity: The Financial Advisory Committee did their quarterly review on February 2, 2000.

## **Revolving Loan Program**

**MILESTONE: NSEDC WILL MAKE AT LEAST ONE LOAN PROGRAM OUTREACH VISIT TO EACH NSEDC COMMUNITY BY THE END OF THE 4<sup>TH</sup> QUARTER EACH YEAR.**

Activity: The Acting Revolving Loan Officer made outreach trips to St. Michael (02/29), Stebbins (03/01), Unalakleet (03/01), Koyuk (03/02), Shaktoolik (03/03), Diomedede (03/10), Golovin (03/20), White Mountain (03/20), Elim (03/21) Gambell (03/21), and Savoonga (03/22) during the first quarter of 2000.

**MILESTONE: NSEDC WILL CONDUCT ANNUAL REVIEWS OF THE REVOLVING LOAN PROGRAM BY THE END OF THE 4<sup>TH</sup> QUARTER EACH YEAR.**

Activity: No activity this quarter.

**MILESTONE: NSEDC FINANCIAL COMMITTEE WILL REVIEW THE REVOLVING LOAN PROGRAM PORTFOLIO QUARTERLY.**

Activity: The Financial Advisory Committee reviewed the Revolving Loan Program at their fourth quarter meeting on February 2, 2000.

**MILESTONE: THE REVOLVING LOAN PROGRAM MANAGER WILL REVIEW THE NATIONAL BANK OF ALASKA LOAN DOCUMENTATION CONTRACT BY THE END OF THE 4<sup>TH</sup> QUARTER EACH YEAR.**

Activity: Reviewed at the 1999 4<sup>th</sup> quarter board meeting on February 2, 2000.

## **Fund for IFQ Purchases**

**MILESTONE: NSEDC WILL PURCHASE QUOTA SHARE FOR USE BY THE F/V NORTON SOUND OR OTHER VESSELS OWNED BY NSEDC BY THE END OF THE FOURTH QUARTER 2000.**

Activity: NSEDC & GFC Management have retained an IFQ contractor/consultant to examine the market for potential sellers of IFQ's, and to update Management regularly on his progress.

### **Fisheries Development Program**

**MILESTONE: NSEDC WILL PREPARE A DETAILED PLAN TO CONDUCT FISHERIES DEVELOPMENT ACTIVITIES BY THE END OF THE SECOND QUARTER EACH YEAR.**

Activity: Ongoing planning at the 2000 1<sup>st</sup> quarter meeting.

**MILESTONE: NSEDC WILL FUND AT LEAST ONE FISHERY DEVELOPMENT PROJECT BY THE END OF THE FOURTH QUARTER EACH YEAR.**

Activity: Ongoing planning at the 2000 1<sup>st</sup> quarter meeting.

### **Salmon Rehabilitation and Enhancement Program**

**MILESTONE: NSEDC WILL PREPARE A DETAILED PLAN TO FUND SALMON REHABILITATION AND ENHANCEMENT PROJECTS BY THE END OF THE SECOND QUARTER 2000.**

Activity: Ongoing planning at the 2000 1<sup>st</sup> quarter meeting.

**MILESTONE: NSEDC WILL FUND AT LEAST ONE SALMON REHABILITATION AND ENHANCEMENT PROJECT BY THE END OF THE FOURTH QUARTER 2000.**

Activity: NSEDC Board of Directors passed a motion to approve \$15,000 for the matching funds with BLM to aid in the salmon restoration at Salmon Lake.

### **Shoreside Infrastructure Improvements Program – For Profit**

**MILESTONE: A DEVELOPMENT PLAN WILL BE COMPLETED AND APPROVED BY THE NSEDC BOARD OF DIRECTORS FOR THE NOME HARBOR LEASHOLD BY THE END OF THE FIRST QUARTER 2000.**

Activity: NSEDC Board of Directors at the fourth quarter Board of Directors meeting on February 2<sup>nd</sup> & 3<sup>rd</sup>, passed a motion to move ahead with the Norton Sound Seafood Center and fund the project as presented in the financial forecasts for the project.

**MILESTONE: NSEDC WILL EVALUATE POTENTIAL SITE-SPECIFIC PROJECTS IN WHICH TO INVEST AT REGULARLY SCHEDULED MEETINGS OF THE FISHERIES DEVELOPMENT COMMITTEE AND BOARD OF DIRECTORS.**

Activity: After an initial evaluation by NSEDC Staff into the development of a multi-use facility in Unalakleet, the NSEDC Board of Directors at the fourth quarter board meeting on February 2<sup>nd</sup> & 3<sup>rd</sup>, put the project on hold till further evaluation/investigation was performed.

### **Shoreside Infrastructure Improvements Program – Non Profit**

**MILESTONE: A LEASE AGREEMENT WITH THE UNALAKLEET IRA REGARDING THE UNALAKLEET PLANT WILL BE SIGNED BY JANUARY 1, 2000, OR ALTERNATIVE ARRANGEMENTS MADE.**

Activity: Alternative Arrangements were made by NSEDC, the City of Unalakleet, and the Unalakleet IRA to continue communication and have the lease agreement signed by the end of the 2<sup>nd</sup> quarter of 2000.

### **CDQ Fees**

**MILESTONE: NSEDC WILL MAKE ANY REQUIRED PAYMENTS OF CDQ FEES WITHIN 60 DAYS OF THE END OF THE QUARTER IN WHICH THEY ARE DETERMINABLE**

Activity: Waiting for legislative approval on House Bill 418.

### **Norton Sound Seafood Products**

**MILESTONE: NORTON SOUND SEAFOOD PRODUCTS WILL EVALUATE THEIR CAPABILITIES FOR ASSUMING THE MARKETING OF EACH SPECIE OF CDQ CRAB ALLOCATED TO NSEDC BY JANUARY 1, 2000, AND EVALUATE OPERATIONS FOR FISHERIES IN THE REGION INCLUDING HERRING, SALMON, CRAB, AND HALIBUT BY THE END OF THE SECOND QUARTER, 2000.**

Activity: Ongoing planning at the 2000 1<sup>st</sup> quarter meeting.

**MILESTONE: NSEDC BOARD WILL ACT UPON THE RECOMMENDATIONS OF NSSP NO LATER THAN THE END OF THE SECOND QUARTER EACH YEAR.**

Activity: At the fourth quarter meeting in February the Fisheries Development Committee recommended that the herring, salmon, crab, halibut, GFC pinks, and kelp operations be researched and brought to the full board at the first quarter meeting in April.

**MILESTONE: NSEDC OR AN NSEDC SUBSIDIARY WILL ASSUME THE MARKETING OF AT LEAST 50% (BY WEIGHT) OF THE CDQ CRAB ALLOCATED TO NSEDC BY THE END OF THE FOURTH QUARTER 2000.**

Activity: No activity this quarter.

### **Small Business Development and Assistance**

**MILESTONE: THE NSEDC BOARD WILL ACT UPON THE RECOMMENDATIONS FOR IMPLEMENTATION OF THE SMALL BUSINESS DEVELOPMENT AND ASSISTANCE PROGRAM NOT LATER THAN THE FIRST QUARTER BOARD MEETING 2000.**

Activity: No Activity this quarter, the first quarter board meeting will be held after the submittal of this report.

### **Norton Sound Vessel Management Company**

**MILESTONE: NORTON SOUND VESSEL MANAGEMENT COMPANY WILL EVALUATE OPERATIONS IN THE REGION INCLUDING SUPPORT TO THE HERRING, SALMON, CRAB AND HALIBUT FISHERIES BY THE END OF THE SECOND QUARTER 2000.**

Activity: Ongoing planning at the 2000 1<sup>st</sup> quarter meeting.

**MILESTONE: NSEDC BOARD WILL ACT UPON THE RECOMMENDATIONS OF NORTON SOUND VESSEL MANAGEMENT COMPANY NO LATER THAN THE END OF THE SECOND QUARTER EACH YEAR.**

Activity: Ongoing planning at the 2000 1<sup>st</sup> quarter meeting.

### **Glacier Fish Company**

#### **Business Management and Investment**

**MILESTONE: HOLD QUARTERLY MEETINGS AMONG THE THREE OWNERS TO REVIEW FINANCIAL PERFORMANCE, BUDGETS, OPERATION PLANS, AND OTHER TIMELY BUSINESS ISSUES.**

Activity: Quarterly owner meetings held on December 14-15, 1999 and on March 13, 2000.

**MILESTONE: CONTINUE TO SUCCESSFULLY MARKET CDQ CRAB PRODUCTION FOR NSEDC.**

Activity: 1999 season CDQ King Crab sent for reprocessing and grading into standard US market grades. Sales made to end-users, wholesalers and distributors. Remaining inventory at end of the first quarter approximately 39,000 lbs. GFC has developed a marketing strategy for 2000 Opilio production and is now grading accordingly.

**MILESTONE\*: CONTINUE TO PAY DOWN LONG TERM DEBT, PARTIALLY GUARANTEED BY NSEDC (50%), IN A TIMELY MANNER CONSISTENT WITH LOAN AGREEMENTS ENTERED INTO IN CONNECTION WITH NSEDC'S ACQUISITION OF GFC AS APPROVED BY THE STATE OF ALASKA ON OCTOBER 10, 1997 AND UNITED STATES DEPARTMENT OF COMMERCE ON NOVEMBER 6, 1997 (DEBT SERVICE IN 2000 ON THE PORTION OF LONG TERM DEBT GUARANTEED BY NSEDC WILL BE APPROXIMATELY \$1,863,000).**

Activity: All debt service (principal and interest) paid on a timely basis in accordance with terms of loan agreements.

**MILESTONE\*: BY THE END OF THE FOURTH QUARTER 2000 GFC WILL HAVE MADE IMPROVEMENTS OF UP TO.**

- (A) \$2.5 MILLION TO ITS VESSELS,
- (B) \$1.5 MILLION IN PRODUCT RECOVERY TECHNOLOGY & EQUIPMENT, &
- (C) \$100,000 TO ITS COD DRYING FACILITY

Activity: \$153,000 in vessel capital improvements incurred in Q I.

**MILESTONE\*: MAKE ANNUAL DISTRIBUTIONS TO NSEDC (AND OTHER OWNERS) BY THE END OF THE SECOND QUARTER 2000 BASED ON PROFITABILITY OF THE PRIOR YEAR.**

Activity: Preliminary distribution of \$1.7 million for 1999 paid to NSEDC.

**MILESTONE: CONDUCT AN ANNUAL AUDIT OF THE YEAR 1999 USING AN INDEPENDENT CPA FIRM TO BE COMPLETED BY THE END OF THE SECOND QUARTER 2000.**

Activity: Annual independent audit (for 1999) near completion.

**MILESTONE: CONTINUE TO DEVELOP NEW MARKET CHANNELS AND PRODUCT FORMS FOR ALASKA COD.**

Activity: New markets established primarily in Sao Paulo and Rio De Janeiro, Brazil.

## **Local Employment**

**MILESTONE\*: PROVIDE A MARKET TO LOCAL NORTON SOUND FISHERMEN FOR PINK SALMON DURING THE THIRD QUARTER 2000, PROBABLY AT A FINANCIAL LOSS TO GFC, AND IN DOING SO, DEPENDING ON RUN STRENGTH, EMPLOY UP TO 65 LOCAL FISHERMEN AND PAY FISH TICKETS OF UP TO \$225,000 FOR PINK SALMON DELIVERED TO NORTHERN GLACIER.**

Activity: Planning for 2000 summer operation underway.

**MILESTONE\*: PROVIDE EMPLOYMENT OPPORTUNITIES TO NORTON SOUND RESIDENTS OF UP TO 185 TRIP/POSITIONS DURING 2000 AND PAY GROSS WAGES TO NORTON SOUND RESIDENTS TOTALING UP TO \$720,000.**

Activity: During the first quarter, 35 trip/positions have been served by Norton Sound residents; \$316,676 gross wages paid.

## **Training**

**MILESTONE: CONTINUE TO SEND TOP MANAGEMENT TO ATTEND AND REPORT ON GFC MATTERS TO NSEDC BOARD MEETINGS AND TO PARTICIPATE IN NSEDC'S FISHERIES DEVELOPMENT COMMITTEE.**

Activity: The President of GFC routinely participates as a member of NSEDC's Fishery Development Committee and reports to NSEDC's Board during regularly scheduled meetings. The last meeting was in Nome on February 2-3, 2000.

**MILESTONE: CONTINUE THE INTERN PROGRAM IN AREAS OF INVENTORY, TRAFFIC AND FINANCE.**

Activity: GFC HR, with assistance from inventory and traffic personnel, is developing a work/learning program for a prospective intern in the areas of inventory and traffic. NSEDC continues to search for appropriate candidate.

**MILESTONE: WORK WITH OTHER CDQ PARTNER COMPANIES IN SEATTLE TO IMPROVE QUALITY OF INTERN PROGRAMS.**

Activity: Renee Vargas, GFC HR, met with other CDQ industry partners and CDQ representatives to discuss various techniques to improve the success rate of CDQ interns during work experiences in the Seattle area.

**MILESTONE: BY END OF FOURTH QUARTER 2000, REDUCE THE INCIDENCE OF DRUGS AND ALCOHOL IN PROSPECTIVE EMPLOYEES THROUGH COORDINATION WITH COMMUNITY OUTREACH WORKERS (SEE COMMUNITY OUTREACH PROJECT).**

Activity: Renee Vargas, GFC HR, participated in meetings with other CDQ industry partners and CDQ representatives to discuss this topic. GFC is developing procedures in cooperation with NSEDC's outreach program to achieve these goals.

**MILESTONE\*: BY THE END OF FOURTH QUARTER 2000, HIRE A NORTON SOUND RESIDENT AS PART OF THE MANAGEMENT TEAM.**

Activity: NSEDC and GFC reviewed possible candidates.

### **Fisheries Management and Research**

**MILESTONE: BY THE END OF FOURTH QUARTER 2000 GFC WILL HAVE CONDUCTED BOTH OPEN ACCESS AND CDQ POLLOCK AND PACIFIC COD HARVESTS, AND OPEN ACCESS HAKE HARVEST.**

Activity: A/B season CDQ pollock harvest successfully concluded.

**MILESTONE: DURING THE THIRD QUARTER 2000, USE THE NORTON SOUND IN COOPERATION WITH FEDERAL SCIENTISTS, THE UNIVERSITY OF WASHINGTON, AND SEA GRANT PROGRAM TO RESEARCH BIRD BYCATCH AVOIDANCE IN LONGLINE FISHERIES BY COMPARISON OF THREE FISHING TECHNIQUES: LINING TUBE, LINE SHOOTER, AND TRADITIONAL.**

Activity: No activity this quarter.

**MILESTONE\*: BY THE END OF THIRD QUARTER 2000, CONTRIBUTE \$8,000 FOR UNIVERSITY RESEARCH ON STELLER SEA LIONS.**

Activity: No activity this quarter.

### **Investment with other CDQ Groups**

**MILESTONE\*: BY THE END OF THE FOURTH QUARTER 2000 GFC WILL HAVE EVALUATED AND MADE A REASONABLE BUSINESS JUDGMENT REGARDING A JOINT VENTURE WITH ONE OR MORE OTHER CDQ GROUPS TO:**

- A) SITE A WET SALT COD OR OTHER SHORESIDE FACILITY IN ALASKA;
- B) INVESTING UP TO \$1 MILLION IN SUCH FACILITY; AND
- C) PURCHASE OF A SECOND LONGLINER

Activity: Investigation of these projects ongoing.

### **Financial Support of Educational and Cultural Programs**

**MILESTONE\*: CONTINUE TO UNDERWRITE THE NEW SEAFOOD TECHNOLOGY PROGRAM AT SHELDON JACKSON COLLEGE IN SITKA AT THE RATE OF \$50,000 ANNUALLY.**

Activity: \$25,000 contributed in the first quarter.

**MILESTONE\*: CONTINUE TO FUND THE ALASKA NATIVE HERITAGE CENTER IN ANCHORAGE AT THE RATE OF \$5000 ANNUALLY.**

Activity: \$5000 contributed in the first quarter.

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**\*Financial and employment milestones are subject to access to pollock and cod CDQ, at market price, at or above current levels allocated to NSEDC.**

### **Community Outreach Program**

**MILESTONE: SEND NOTICE TO EACH COMMUNITY OF THE AVAILABILITY OF A COMMUNITY OUTREACH POSITION TO BE PAID FOR BY NSEDC BY JANUARY 31, 2000.**

Activity: Job Announcements were sent to each community for the position of a Community Outreach Coordinator during the first quarter of 2000.

**MILESTONE: HIRE OR OTHERWISE RETAIN FOUR COMMUNITY OUTREACH POSITIONS BY THE END OF THE FIRST QUARTER, 2000.**

Activity: No activity this quarter.

**MILESTONE: HIRE OR OTHERWISE RETAIN AN ADDITIONAL FOUR COMMUNITY OUTREACH POSITIONS BY THE END OF THE SECOND QUARTER, 2000.**

Activity: No activity this quarter.

**MILESTONE: HIRE OR OTHERWISE RETAIN AN ADDITIONAL FOUR COMMUNITY OUTREACH POSITIONS BY THE END OF THE THIRD QUARTER, 2000.**

Activity: No activity this quarter.

**MILESTONE: HIRE OR OTHERWISE RETAIN AN ADDITIONAL THREE COMMUNITY OUTREACH POSITIONS BY THE END OF THE FOURTH QUARTER, 2000.**

Activity: No activity this quarter.

### **Investment Oversight**

**MILESTONE: HOLD QUARTERLY MEETINGS OF THE FINANCIAL ADVISORY COMMITTEE.**

Activity: The Financial Advisory Committee held their fourth quarter meetings on February 2, 2000.

**MILESTONE: WITH RESPECT TO INCOME-PRODUCING INVESTMENTS WHICH ARE OPERATING COMPANIES, ATTEND ALL REGULAR AND SPECIAL MEETINGS OF THE OWNERS OR MEMBERS AND PARTICIPATE FULLY IN THE DECISION-MAKING PROCESS IN A TIMELY FASHION.**

Activity: Attended GFC 1<sup>st</sup> quarter meeting on March 13<sup>th</sup>, 2000.

### **Other Fund Management**

**MILESTONE: NSEDC FINANCIAL ADVISORY COMMITTEE WILL REVIEW INVESTMENT PERFORMANCE AND ASSET ALLOCATION AT LEAST ONCE EACH QUARTER.**

Activity: The Financial Advisory Committee held their fourth quarter meetings , 2000. And reviewed NSEDC's investment performance and asset allocation.

### **Board Training**

**MILESTONE: THE NSEDC BOARD OF DIRECTORS WILL ATTEND AN ANNUAL RETREAT FOR THE PURPOSE OF BOARD TRAINING BY THE END OF THE 4<sup>TH</sup> QUARTER 2000.**

Activity: No activity this quarter.

**MILESTONE: THE NSEDC EXECUTIVE COMMITTEE WILL COMPLETE A TRAINING SESSION ON ROBERT'S RULES OF ORDER MEETING PROCEDURES BY THE END OF THE 4<sup>TH</sup> QUARTER 2000.**

Activity: No activity this quarter.

### **Substance Abuse Prevention**

**MILESTONE: NSEDC WILL CONTINUE TO FOLLOW THE SUBSTANCE ABUSE POLICIES OUTLINED IN OUR PERSONNEL POLICIES.**

Activity: NSEDC Substance Abuse Policies continued to be followed during the first quarter of 2000.

**MILESTONE: NSEDC WILL SCREEN ALL APPLICANTS FOR EMPLOYMENT POSITIONS WITHIN THE SEAFOOD INDUSTRY FOR DRUG-FREE STATUS.**

Activity: All NSEDC applicants for employment positions within the seafood industry were screened for drug-free status during the first quarter of 2000.

**MILESTONE: NSEDC WILL MAKE A GRANT TO EACH SCHOOL DISTRICT THAT FALLS WITHIN OUR MEMBER COMMUNITIES TO AID IN FUNDING AN ABUSE PREVENTION PROGRAM/CURRICULUM.**

Activity: No activity this quarter.

### **Community Benefit Share**

**MILESTONE: THE NSEDC BOARD WILL DECLARE A COMMUNITY BENEFIT SHARE BY THE END OF THE THIRD QUARTER OF EACH YEAR.**

Activity: No activity this quarter.

**MILESTONE: NSEDC WILL TRANSMIT FUNDS TO EACH COMMUNITY WHICH ACCEPTS THE TERMS OF THE COMMUNITY BENEFIT SHARE WITHIN 45 DAYS OF NSEDC'S NOTIFICATION OF THE ACCEPTANCE.**

Activity: No activity this quarter.

## **B. Outreach**

NSEDC management and staff performed a number of outreach projects/activities during the fourth quarter of 1999.

- NSEDC Board of Directors held their Fourth Quarter 2000 meeting in Nome on February 2<sup>nd</sup> & 3<sup>rd</sup> at the Bering Straits Native Corporation Board Room, this meeting was open to the public.
- NSEDC Board of Directors notified the residents of the Fourth Quarter 2000 meeting by placing an ad in the Nome Nugget Newspaper.
- The Fourth Quarter reports were mailed out to each of the member communities and to each board member.
- NSEDC has a web page on the internet ([www.nsedc.com](http://www.nsedc.com)) in which constituents can access quarterly reports; newsletters; applications; and information regarding programs and employment opportunities.
- NSEDC President & CEO attended the Unalakleet Census Celebration on behalf of NSEDC.
- NSEDC sent out job announcements to each member community regarding the open positions of an Administrative Director and a Community Outreach Coordinator.

- NSEDC placed ads in the Nome Nugget Newspaper regarding the open positions of an Administrative Director and a Community Outreach Coordinator.
- NSEDC sent out flyers to each member community and placed ads in the Nome Nugget Newspaper notifying residents of the NSEDC Community Outreach Meetings.
- NSEDC sent out letters to every community mayor, city council and board member to notify communities of the NSEDC Community Outreach Meetings.
- NSEDC President & CEO, EET Coordinator, Community Development Specialist, and NSSP Operations Manager made outreach trips to the member communities of St. Michael, Stebbins, Unalakleet, Koyuk, Shaktoolik, Diomedes, Golovin, White Mountain, Elim, Gambell, and Savoonga to outreach to our member communities and re-introduce NSEDC and NSEDC's programs and prioritize community needs based on NSEDC's programs.
- At each community outreach meeting during the first quarter, meeting packets were distributed which contained information on NSEDC, the CDQ program, NSEDC's Capital Investment Policy Guideline's, and job announcements.

**C. Employment**

**1. Employment Data Form**

**Table 1.  
EMPLOYMENT DATA FORM  
December 31, 1999**

	Quarter		Year-to-Date	
	Positions/Trips	Wages	Positions/Trips	Wages
Management/Administrative				
NSEDC	11/-	137,364.62	11/-	137,364.62
NSSP	2/	13,770.78	2/	13,770.78
<b>Total Management/Administrative</b>	<b>13/-</b>	<b>\$151,135.40</b>	<b>13/-</b>	<b>\$151,135.40</b>
CDQ Pollock Related				
A Season	19/2	289,846.27	19/2	289,846.27
B Season	0/	0.00	0/	0.00
<b>Total Pollock Related</b>	<b>19/2</b>	<b>\$289,846.27</b>	<b>19/2</b>	<b>\$289,846.27</b>
<b>CDQ Crab (Icicle Seafoods)</b>	<b>0/</b>	<b>\$0.00</b>	<b>0/-</b>	<b>\$0.00</b>
<b>NSSP Employment</b>	<b>0</b>	<b>\$0.00</b>	<b>0/</b>	<b>\$0.00</b>
<b>Other employment-NSEDC</b>	<b>0</b>	<b>\$0.00</b>	<b>0/</b>	<b>\$0.00</b>
<b>Other Fishing</b>				
GFC-trawl cod	0/	0.00	0/	0.00
GFC-longline	2/3	26,829.91	2/3	26,829.91
Icicle Seafoods	2/	6,360.13	2/	6,360.13
<b>Total Other Fishing</b>	<b>4/3/</b>	<b>\$33,190.04</b>	<b>4/3</b>	<b>\$33,190.04</b>
<b>Interns</b>				
NSEDC/Main Office	2/	4337.49	2/	4337.49
NSEDC/GFC	0/	0.00	0/	0.00
NSEDC/Icicle	1/	1,137.51	3/	1,137.51
NSEDC: Kawerak/ADF&G	0/	0.00	0/	0.00
<b>Total Interns</b>	<b>3/</b>	<b>\$5,475.00</b>	<b>3/</b>	<b>\$5,475.00</b>
<b>GRAND TOTALS</b>	<b>39/5</b>	<b>\$479,646.71</b>	<b>39/5</b>	<b>\$479,646.71</b>
	<b>NSEDC =</b>	<b>\$141,702.11</b>	<b>NSEDC =</b>	<b>\$141,702.11</b>
	<b>NSSP=</b>	<b>\$13,770.78</b>	<b>NSSP=</b>	<b>\$13,770.78</b>
	<b>Partners=</b>	<b>\$324,173.82</b>	<b>Partners=</b>	<b>\$324,173.82</b>

## 2. Employment Summary

**Management/Administrative** – Eight personnel were employed at NSEDC’s main office in Anchorage, two at the EET Office in Unalakleet, one at Plant in Unalakleet and two in Port Angeles, WA. Eleven of the personnel are permanent full-time positions and two were temporary full-time positions.

**CDQ Pollock** – NSEDC’s CDQ Pollock was harvested by Glacier Fish Company during the first quarter of 2000. Nineteen Norton Sound residents worked onboard the Glacier Fish Company vessels, *F/V Northern Glacier* and *F.V/ Pacific Glacier*, prosecuting the CDQ pollock “A” season fishery. The wages paid to NSEDC residents in the first quarter totaled \$289,846.27.

**Other Fishing** – Two residents were employed by Glacier Fish Company on the longliner F/V Norton Sound earning a total of \$26,829.91. Two residents were employed by Icicle Seafoods, one resident is a permanent full-time engineer, and one worked as a processor for a total of \$6360.13.

**Interns** – Two NSEDC member community residents were employed as interns during the first quarter. One resident continued and completed a three-month internship in the NSEDC main office as an Accounting/Administrative Intern, and one resident began a one-year CDQ Harvest Manager Internship in the NSEDC main office.

One intern was placed with NSEDC’s harvesting/processing partner Icicle Seafoods during the first quarter of 2000.

**D. Training**

**1. Training Data Form**

**Table 2**

**TRAINING DATA FORM  
March 31, 2000**

	<b>Quarter</b>		<b>Year-to-Date</b>	
	<b>People</b>	<b>Expenditures</b>	<b>People</b>	<b>Expenditures</b>
<b>Scholarships</b>				
Post-Secondary	42	\$42,000.00	42	\$42,000.00
Vocational	6	\$6,000.00	6	\$6,000.00
<b>Voc-Tech</b>				
Basic	15	\$3,718.45	15	\$3,718.45
Advanced				
<b>Other Training</b>				
Fisheries related	21	\$40,041.70	21	\$40,041.70
Student Loans				
CDQ Staff/Board				
Other (Elec.Navigation)				
<b>Other Expenditures</b>				
To Educational Institute				
Education Endowment				
Other				
<b>TOTAL</b>	<b>84</b>	<b>\$91,760.15</b>	<b>84</b>	<b>\$91,760.15</b>

**2. Training Summary**

**Scholarships** – Forty-two residents received scholarship awards for post-secondary education and six residents received scholarship awards for vocational education from NSEDC during the first quarter of 2000.

**Voc-tech Classes** – Fifteen residents of Golovin attended the NSEDC Electronic Navigation Class on March 27 – March 29, held in Golovin by an Alaska Vocational Technical Center (AVTEC) instructor.

**Other Training** – Twenty one entry level seafood processor trainees were moved to the Alaska Vocational Technical Center (AVTEC) in Seward for the February 28 – March 10, 2000 ELSP Class. Eighteen trainees successfully completed this training class.

**Other Expenditures** – No activity this quarter

### **III. Administration**

#### **A. Board Activities**

##### **1. Board of Director Meetings**

NSEDC Board of Directors held their Fourth Quarter 2000 meeting in Nome on February 2<sup>nd</sup> & 3<sup>rd</sup>, with the standing committees meeting on February 2<sup>nd</sup>.

##### **2. Substantial Decisions**

At the fourth quarter meeting on February 2<sup>nd</sup> & 3<sup>rd</sup> in Nome, the following items were approved by the NSEDC Board of Directors: approval of a pension plan contribution for the year 1999 at 8%; approval to adopt a records retention policy; approval of a \$15,000 matching contribution with BLM for salmon restoration at Salmon Lake; approval to purchase two snow machines, one for a regional door prize for residents attending the community outreach meetings and one for the fishermen who deliver herring, salmon, crab or halibut to NSSP for the upcoming season (drawing after all fishermen are pooled together at the end of the season); approval of the Norton Sound Seafood Center project as presented in the financial projections; and approval of a motion which prohibits NSEDC funds to be used for the purchase of alcohol.

#### **B. Amendment Status**

- **CDP amendment 2000-1M:** NSEDC submitted a technical amendment to our 1998-2000 Multi-species CDP in order to add the F/V Miss Conception to the list of vessels already approved by NMFS as eligible to participate in our CDQ fisheries. This vessel is a 77' catcher vessel that will be used to target CDQ sablefish using longline pot gear. This amendment also proposed adding a processing facility owned and operated by Adak Seafoods for use in prosecuting the sablefish CDQ fishery in the Aleutian Islands. This CDP amendment was approved by NMFS on April 3.
- **CDP amendment 2000-2M:** NSEDC submitted a technical amendment to our 1998-2000 Multi-species CDP in order to add the F/V Northern Aurora to the list of vessels already approved by NMFS as eligible to participate in our CDQ fisheries. This vessel is a catcher processor that will target CDQ Greenland turbot in the Bering Sea. This CDP amendment was approved by NMFS on April 3.

#### **C. Other Issues**

NSEDC Administration is in the process of hiring an Administrative Director and a Community Outreach Coordinator.

#### **IV. Harvesting & Processing Report**

##### **A. Target Fishery Harvest Activities**

See the following tables below:

Table 3:	Annual CDQ Harvest by All Groundfish Target Fisheries
Table 4:	2000 CDQ Harvest – Pollock Target Fishery
Table 5:	2000 CDQ Harvest –Pacific Cod Target Fisheries
Table 6:	2000 CDQ Harvest – Sablefish Target Fishery
Table 7:	2000 CDQ Harvest – Turbot Target Fisheries
Table 8:	2000 CDQ Harvest – Other Groundfish Target Fisheries

**Table 3**  
**ANNUAL CDQ HARVEST BY ALL GROUND FISH TARGET FISHERIES**  
**First Quarter 2000**

TARGET FISHERY		Pacific Cod	Pollock	Sablefish	Turbot	Groundfish	Halibut	Total	NSEDC*	Percent	Remaining
VESSEL/COMPANY		NS/B&C	GFC	DP	DP	OP/USS	NS	Harvest	Annual CDQ	Harvested	Allocation
GEAR TYPE		H&L	Trawl	Pot	H&L	Trawl	H&L		1999		
<b>CDQ Total</b>											
<b>SPECIES 7.5% of TAC</b>											
Halibut (4D)								-	71.84	0.00%	71.84
Pacific Cod (BS/AD)	14,475	351,980	15,685	-	-	-	-	367,665	2,605,500	14.11%	2,237,835
Sablefish (BS)	147	-	-	-	-	-	-	-	29,400	0.00%	29,400
Sablefish (AD)	364	-	-	-	-	-	-	-	72,800	0.00%	72,800
Greenland Turbot (BS)	467	-	1,327	-	-	-	-	1,327	93,400	1.42%	92,073
Greenland Turbot (AI)	230	0.033	-	-	-	-	-	0.033	59,800	0.06%	59,767
Atka Mackerel (Western AD)	2,227	0.079	-	-	-	-	-	0.079	356,320	0.02%	356,241
Atka Mackerel (Central AD)	1,852	0.115	-	-	-	-	-	0.115	296,320	0.04%	296,205
Atka Mackerel (Eastern AI)	1,230	-	-	-	-	-	-	-	196,800	0.00%	196,800
Yellowfin Sole	9,244	-	1,633	-	-	-	-	1,633	462,200	0.35%	460,567
Flathead Sole	3,948	0.652	20,495	-	-	-	-	21,147	592,200	3.57%	571,053
Other Flatfish	6,285	0.078	0.307	-	-	-	-	0.385	942,751	0.04%	942,366
Rock Sole	10,107	0.173	55,128	-	-	-	-	55,301	2,021,400	2.74%	1,966,099
<b>Bering Sea Pollock</b>											
A/B season	113,900	-	10,000,657	-	-	-	-	10,000,657	10,023,200	99.78%	22,543
C/D season		-	-	-	-	-	-	-	15,034,800	0.00%	15,034,800
Aleutian Pollock	200	-	-	-	-	-	-	-	-	N/A	-
Bogoslof Pollock	100	-	-	-	-	-	-	-	-	N/A	-
Non-quota Pollock		17,927	N/A	-	-	-	-	17,927	-	N/A	N/A
<b>Arrowtooth Flounder</b>											
Arrowtooth Flounder	9,825	0.447	0.339	-	-	-	-	0.786	1,336,200	0.06%	1,335,414
Trawl Sablefish (BS)	55	-	0.095	-	-	-	-	0.095	9,900	0.96%	9,805
Trawl Sablefish (AI)	45	-	-	-	-	-	-	-	8,100	0.00%	8,100
True POP (BS)	195	-	0.094	-	-	-	-	0.094	31,200	0.30%	31,106
Other Red Rockfish (BS)	14	0.031	0.101	-	-	-	-	0.132	2,240	5.89%	2,108
True POP (Western AI)	425	-	-	-	-	-	-	-	68,000	0.00%	68,000
True POP (Central AI)	263	-	-	-	-	-	-	-	42,080	0.00%	42,080
True POP (Eastern AI)	234	0.003	-	-	-	-	-	0.003	37,440	0.01%	37,437
Sharpchin/Northern (AI)	386	0.039	-	-	-	-	-	0.039	61,760	0.06%	61,721
Shortraker/Roughye (AI)	66	0.227	-	-	-	-	-	0.227	11,880	1.91%	11,653
Other Rockfish (BS)	27	0.016	0.334	-	-	-	-	0.350	5,130	6.82%	4,780
Other Rockfish (AD)	51	0.043	-	-	-	-	-	0.043	9,690	0.44%	9,647
Squid	147	-	19,404	-	-	-	-	19,404	27,489	N/A	N/A
Other Species	2,352	44,426	10,383	-	-	-	-	54,809	299,880	18.28%	245,071
<b>TOTAL</b>	<b>178,861</b>	<b>416,269</b>	<b>10,125,982</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,542,251</b>	<b>34,809,722</b>	<b>30.29%</b>	<b>24,267,471</b>
Bycatch %		15.44%	1.24%	-	-	-	-				
<b>PROHIB SPECIES</b>											
Halibut mortality (mt)	343	0.644	0.305	-	-	-	-	0.949	48,020	1.98%	47,071
Opilio (no.)	326,250	-	-	-	-	-	-	-	26,100	0.00%	26,100
Tanner Crab - Zone 1 (no.)	62,250	-	-	-	-	-	-	-	5,603	0.00%	5,603
Tanner Crab - Zone 2 (no.)	189,000	-	-	-	-	-	-	-	17,010	0.00%	17,010
Red King Crab (no.)	7,275	-	-	-	-	-	-	-	1,091	0.00%	1,091
Chinook Salmon (no.)	3,600	-	138	-	-	-	-	138	792	17.43%	654
Other Salmon (no.)	3,150	-	8	-	-	-	-	8	693	1.15%	685
<b>QUOTA AMOUNTS AFTER NON-SPECIFIC RESERVE ESTABLISHED</b>								<b>New Quotas</b>	<b>Original Quotas</b>		
Arrowtooth Flounder								1,336,200	1,572,000		
Squid								-	32,340		
Other Species								299,880	352,800		
Total Non-specific Reserve								293,571			

\* Note that NSEDC's annual CDQ for various species will be adjusted throughout the year with transfers to and from other CDQ groups.

**Table 4**  
**CDQ HARVEST – POLLOCK TARGET FISHERY**  
**First Quarter 2000**

	Initial							
	Pollock Target					Total	%	Remaining
	Allocation	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year to date	Harvest ed	Allocation
<b>SPECIES</b>								
Pacific Cod (BS/AD)	155.235	15.685				15.685	10.10%	139.550
Sablefish (BS)	-	-				-		-
Sablefish (AD)	-	-				-		-
Greenland Turbot (BS)	2.506	1.327				1.327	52.95%	1.179
Greenland Turbot (AD)	-	-				-		-
Atka Macker el (Western AI)	-	-				-		-
Atka Macker el (Central AI)	-	-				-		-
Atka Macker el (Eastern AI)	1.000	-				-	0.00%	1.000
Yellowfin Sole	22.552	1.633				1.633	7.24%	20.919
Flathead Sole	52.622	20.495				20.495	38.95%	32.127
Other Flat fish	15.035	0.307				0.307	2.04%	14.728
Rock Sole	90.209	55.128				55.128	61.11%	35.081
<b>Bering Sea Pollock</b>								
A/B season	10,023.200	10,000.657				10,000.657	99.78%	22.543
C/D season	15,034.800					-	0.00%	15,034.800
Aleutian Pollock	-					-		-
Bogoslof Pollock	-					-		-
<b>Arrowtooth Flounder</b>								
Arrowtooth Flounder	40.093	0.339				0.339	0.85%	39.754
Trawl Sablefish (BS)	-	0.095				0.095		(0.095)
Trawl Sablefish (AD)	-	-				-		-
True POP (BS)	5.012	0.094				0.094	1.88%	4.918
Other Red Rockfish (BS)	-	0.101				0.101		(0.101)
True POP (Western AI)	-	-				-		-
True POP (Central AI)	-	-				-		-
True POP (Eastern AI)	-	-				-		-
Sharpchin/Northern (AD)	-	-				-		-
Shortraker/Rougheye (AD)	-	-				-		-
Other Rockfish (BS)	-	0.334				0.334		(0.334)
Other Rockfish (AD)	-	-				-		-
Squid	N/A	19.404				19.404		-
Other Species	33.610	10.383				10.383	30.89%	23.227
<b>TOTAL</b>								
TOTAL	25,475.874	10,125.982				10,125.982	39.75%	15,349.892
Bycatch %		1.24%				1.24%		
<b>PROHIB SPECIES</b>								
Haibut mortality (mt)	3.000	0.305				0.305	10.17%	2.695
Opilio (no.)	-	-				-		-
Tanner Crab - Zone 1 (no.)	-	-				-		-
Tanner Crab - Zone 2 (no.)	-	-				-		-
Red King Crab (no.)	-	-				-		-
Chinook Salmon (no.)	576.000	138				138	23.97%	438
Other Salmon (no.)	504.000	8				8	1.58%	496

**Table 5**  
**2000 CDQ HARVEST – PACIFIC COD TARGET FISHERY**  
**First Quarter 2000**

	Initial							
Pacific Cod Target						Total	%	Remaining
	Allocation	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year to date	Harvested	Allocation
<b>SPECIES</b>								
Pacific Cod (BS/AD)	2,000.000	351.980				351.980	17.60%	1,648.020
Sablefish (BS)	2 000	-				-	0.00%	2 000
Sablefish (AD)	-	-				-		-
Greenland Turbot (BS)	8 000	-				-	0.00%	8 000
Greenland Turbot (AD)	2 000	0.033				0.033	1.65%	1.967
Atka Mackerel (Western AD)	2 000	0.079				0.079	3.95%	1.921
Atka Mackerel (Central AD)	2 000	0.115				0.115	5.75%	1.885
Atka Mackerel (Eastern AD)	0 800	-				-	0.00%	0 800
Yellowfin Sole	40.000	-				-	0.00%	40.000
Flathead Sole	20.000	0.652				0.652	3.26%	19.348
Other Flatfish	5 400	0.078				0.078	1.44%	5.322
Rock Sole	10 000	0.173				0.173	1.73%	9.827
<b>Bering Sea Pollock</b>								
A/B season	N/A	-				-		
C/D season	N/A	-				-		
Aleutian Pollock	N/A	-				-		
Bogoslof Pollock	N/A	-				-		
Non-quota Pollock		17.927				17.927		
Arrowtooth Flounder	34.800	0.447				0.447	1.28%	34.353
Trawl Sablefish (BS)	-	-				-		-
Trawl Sablefish (AD)	-	-				-		-
True POP (BS)	4 000	-				-	0.00%	4 000
Other Red Rockfish (BS)	0100	0.031				0.031	31.00%	0.069
True POP (Western AD)	5 000	-				-	0.00%	5 000
True POP (Central AD)	2 000	-				-	0.00%	2 000
True POP (Eastern AD)	2 000	0.003				0.003	0.15%	1.997
Sharpchin/Northern (AD)	4 000	0.039				0.039	0.98%	3.961
Shortraker/Rougheye (AD)	2 000	0.227				0.227	11.35%	1.773
Other Rockfish (BS)	2 000	0.016				0.016	0.80%	1.984
Other Rockfish (AD)	4 000	0.043				0.043	1.08%	3.957
Squid	-	-				-		-
Other Species	250.000	44.426				44.426	17.77%	205.574
<b>TOTAL</b>	<b>2,402.10</b>	<b>416.269</b>				<b>416.269</b>	<b>17.33%</b>	
Bycatch %		15.44%				15.44%		
<b>PROHIB SPECIES</b>								
Halibut mortality (mt)	16 000	0.644				0.644	4.03%	15.356
Opilio (no.)	-	-				-		-
Tanner Crab - Zone 1 (no.)	-	-				-		-
Tanner Crab - Zone 2 (no.)	-	-				-		-
Red King Crab (no.)	-	-				-		-
Chinook Salmon (no.)	-	-				-		-
Other Salmon (no.)	-	-				-		-

**Table 6**  
**2000 CDQ HARVEST – SABLEFISH TARGET FISHERY**  
**First Quarter 2000**

	Initial							
	Sablefish Target					Total	%	Remaining
	Allocation	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year to date	Harvested	Allocation
<b>SPECIES</b>								
Pacific Cod (BS/AI)	11.061	-				-	0.00%	11.061
Sablefish (BS)	17.000	-				-	0.00%	17.000
Sablefish (AI)	70.000	-				-	0.00%	70.000
Greenland Turbot (BS)	2.000	-				-	0.00%	2.000
Greenland Turbot (AI)	4.010	-				-	0.00%	4.010
Atka Mackerel (Western AI)	-	-				-		-
Atka Mackerel (Central AI)	-	-				-		-
Atka Mackerel (Eastern AI)	-	-				-		-
Yellowfin Sole	-	-				-		-
Flathead Sole	2.000	-				-	0.00%	2.000
Other Flatfish	2.000	-				-	0.00%	2.000
Rock Sole	2.000	-				-	0.00%	2.000
<b>Bering Sea Pollock</b>								
A/B season	N/A	-				-		
C/D season	N/A	-				-		
Aleutian Pollock	N/A	-				-		
Bogoslof Pollock	N/A	-				-		
Non-quota Pollock	N/A	-				-		
<b>Arrowtooth Flounder</b>								
Arrowtooth Flounder	18.392	-				-	0.00%	18.392
Trawl Sablefish (BS)	-	-				-		-
Trawl Sablefish (AI)	-	-				-		-
True POP (BS)	-	-				-		-
Other Red Rockfish (BS)	-	-				-		-
True POP (Western AI)	-	-				-		-
True POP (Central AI)	-	-				-		-
True POP (Eastern AI)	-	-				-		-
Sharpchin/Northern (AI)	-	-				-		-
Shortraker/Rougheye (AI)	4.074	-				-	0.00%	4.074
Other Rockfish (BS)	0.200	-				-	0.00%	0.200
Other Rockfish (AI)	2.000	-				-	0.00%	2.000
Squid	-	-				-		-
Other Species	12.523	-				-	0.00%	12.523
<b>TOTAL</b>	<b>147.260</b>	<b>-</b>				<b>-</b>	<b>0.00%</b>	<b>147.260</b>
Bycatch %								
<b>PROHIB SPECIES</b>								
Halibut mortality (mt)	1.500	-				-	0.00%	1.500
Opilio (no.)	-	-				-		-
Tanner Crab - Zone 1 (no.)	-	-				-		-
Tanner Crab - Zone 2 (no.)	-	-				-		-
Red King Crab (no.)	-	-				-		-
Chinook Salmon (no.)	-	-				-		-
Other Salmon (no.)	-	-				-		-

**Table 7  
2000 CDQ HARVEST – TURBOT TARGET FISHERIES  
First Quarter 2000**

	Initial	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year to date	%	Remaining
	Turbot Target							
	Allocation						Harvested	Allocation
<b>SPECIES</b>								
Pacific Cod (BS/AI)	103.120	-				-	0.00%	103.120
Sablefish (BS)	10.000	-				-	0.00%	10.000
Sablefish (AI)	2.250	-				-	0.00%	2.250
Greenland Turbot (BS)	70.000	-				-	0.00%	70.000
Greenland Turbot (AI)	50.000	-				-	0.00%	50.000
Atka Mackerel (Western AI)	-	-				-		-
Atka Mackerel (Central AI)	-	-				-		-
Atka Mackerel (Eastern AI)	-	-				-		-
Yellowfin Sole	-	-				-		-
Flathead Sole	5.000	-				-	0.00%	5.000
Other Flatfish	3.000	-				-	0.00%	3.000
Rock Sole	3.000	-				-	0.00%	3.000
<b>Bering Sea Pollock</b>								
A/B season	N/A	-				-		
C/D season	N/A	-				-		
Aleutian Pollock	N/A	-				-		
Bogoslof Pollock	N/A	-				-		
No n-quota Pollock	N/A	-				-		
<b>Arrowtooth Flounder</b>								
Arrowtooth Flounder	29.000	-				-	0.00%	29.000
Trawl Sablefish (BS)	-	-				-		-
Trawl Sablefish (AI)	-	-				-		-
True POP (BS)	-	-				-		-
Other Red Rockfish (BS)	1.000	-				-	0.00%	1.000
True POP (Western AI)	-	-				-		-
True POP (Central AI)	-	-				-		-
True POP (Eastern AI)	-	-				-		-
Sharpchin/Northern (AI)	-	-				-		-
Shortraker/Rougheye (AI)	0.155	-				-	0.00%	0.155
Other Rockfish (BS)	1.371	-				-	0.00%	1.371
Other Rockfish (AI)	0.605	-				-	0.00%	0.605
Squid	-	-				-		-
Other Species	31.000	-				-	0.00%	31.000
<b>TOTAL</b>								
TOTAL	309.501	-				-	0.00%	309.501
<b>Bycatch %</b>								
Bycatch %								
<b>PROHIB SPECIES</b>								
Halibut mortality (mt)	3.000	-				-	0.00%	3.000
Opilio (no.)	-	-				-		-
Tanner Crab - Zone 1 (no.)	-	-				-		-
Tanner Crab - Zone 2 (no.)	-	-				-		-
Red King Crab (no.)	-	-				-		-
Chinook Salmon (no.)	-	-				-		-
Other Salmon (no.)	-	-				-		-

**Table 8**  
**2000 CDQ HARVEST – OTHER GROUND FISH TARGET FISHERIES**  
**First Quarter 2000**

	Initial							
	AM /YFS/RS Target					Total	%	Remaining
	Allocation	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year to date	Harvested	Allocation
SPECIES								
Pacific Cod (BS/AI)	233.331	-				-	0.00%	233.331
Sablefish (BS)	-	-				-		-
Sablefish (AI)	-	-				-		-
Greenland Turbot (BS)	5.602	-				-	0.00%	5.602
Greenland Turbot (AI)	0.386	-				-	0.00%	0.386
Atka Mackerel (Western AI)	340.000	-				-	0.00%	340.000
Atka Mackerel (Central AI)	280.000	-				-	0.00%	280.000
Atka Mackerel (Eastern AI)	190.000	-				-	0.00%	190.000
Yellowfin Sole	360.080	-				-	0.00%	360.080
Flathead Sole	487.994	-				-	0.00%	487.994
Other Flatfish	871.933	-				-	0.00%	871.933
Rock Sole	1,820.892	-				-	0.00%	1,820.892
Bering Sea Pollock								
A/B season	N/A	-				-		
C/D season	N/A	-				-		
Aleutian Pollock	N/A	-				-		
Bogoslof Pollock	N/A	-				-		
Non-quota Pollock		-				-		
Arrowtooth Flounder	1,103.874	-				-	0.00%	1,103.874
Trawl Sablefish (BS)	5.400	-				-	0.00%	5.400
Trawl Sablefish (AI)	0.081	-				-	0.00%	0.081
True POP (BS)	5.500	-				-	0.00%	5.500
Other Red Rockfish (BS)	0.250	-				-	0.00%	0.250
True POP (Western AI)	55.000	-				-	0.00%	55.000
True POP (Central AI)	35.000	-				-	0.00%	35.000
True POP (Eastern AI)	31.720	-				-	0.00%	31.720
Sharpchin/Northern (AI)	40.743	-				-	0.00%	40.743
Shortraker/Rougheye (AI)	2.835	-				-	0.00%	2.835
Other Rockfish (BS)	0.540	-				-	0.00%	0.540
Other Rockfish (AI)	0.729	-				-	0.00%	0.729
Squid	-	-				-		
Other Species	207.146	-				-	0.00%	207.146
TOTAL	6,079.036	-				-	0.00%	
Bycatch %								
PROHIB SPECIES								
Halibut mortality (mt)	15.100	-				-	0.00%	15.100
Opilio (no.)	23,000	-				-	0.00%	23,000
Tanner Crab - Zone 1 (no.)	4,200	-				-	0.00%	4,200
Tanner Crab - Zone 2 (no.)	11,200	-				-	0.00%	11,200
Red King Crab (no.)	900	-				-	0.00%	900
Chinook Salmon (no.)	160	-				-	0.00%	160
Other Salmon (no.)	140	-				-	0.00%	140

## **B. CDQ Fishing Activities**

During the first quarter of 2000, NSEDC conducted targeted CDQ fishing operations for Alaska pollock in the Bering Sea and Pacific cod in the Bering Sea and Aleutian Islands. NSEDC did not undertake other CDQ target fisheries during this quarter. Through the end of the first quarter, NSEDC has harvested 10,542.25 mt of annual CDQ – both target species and bycatch species - during CDQ fishing operations. This amount of harvest represents approximately 30% of NSEDC's total CDQ allocation for the year (see Table 3).

### **1. Pollock**

The CDQ pollock fishery in the Bering Sea is now operating under a very different set of harvest guidelines than in the past. The window of opportunity for the pollock fishery has been shortened and separated into four seasons rather than two seasons. These are: the A season from January 20 to April 1; B season from April 1 to June 10; C season from June 10 to August 20; and the D season from August 20 to November 1. Each of these seasons has a specific harvest apportionment and a limit on the harvest inside the sea lion conservation area (SCA). In past years, we have conducted our CDQ pollock fisheries in a timeframe outside of the open access fishery openings during the A season (January 20 to April 15) and in the B season (April 15 to December 31).

With these new seasonal limitations and AFA rules, the window of opportunity to harvest CDQ is much shorter, particularly during the non-roe portion of the fishery. On top of all the above limitations and requirements, there has been a shift in the allowable harvest in the roe/non-roe seasons from a 45%/55% split to a 40%/60% split. This all means that we have more CDQ pollock to harvest in a shorter time during the non-roe season. As such, the vessels have less or no time for other support activities in the region, such as pink salmon processing.

NSEDC commenced and concluded fishing operations for A/B season of the CDQ pollock fishery during the first quarter. For the period of February 4 through March 31, 2000, the Glacier Fish Company vessels harvested 10,000.66 mt of our CDQ pollock – this represents a harvest of 99.78% of our A/B season allocation. The Pacific Glacier harvested 6,129.82 mt in 30 days and the Northern Glacier took 3,870.84 mt in 27 days of fishing. Approximately 22.54 mt of our pollock quota remains unharvested that will roll over to the pollock C/D season for harvest. This harvest was worth roughly \$1.6 million in tonnage royalties to NSEDC excluding the share of roe revenues that may reach as high as \$3.5 million. See the attached summary in Table 4.

**Summary of bycatch:** During the A/B season, the bycatch rate of other CDQ species in the pollock target fishery was about one and twenty-four one hundredth of one percent (1.24%) of the total harvest. This is slightly greater bycatch rate than the one experienced last year at this same time. The bycatch rate in the mid-water pollock fishery, however, continues to be very low in comparison to other trawl and non-trawl fisheries. Most of the bycatch was flathead sole, squid, Pacific cod and other species. Refer to Table 4 for additional detailed information.

**Processing report:** Products from A season processing of CDQ pollock included roe, mince and fillet blocks. The total production of pollock roe from the CDQ fishery was up this year in comparison to last year and prices were very strong.

**Compliance/enforcement issues:** NSEDC conducted CDQ pollock fishing operations in compliance with applicable federal and state laws and regulations governing the fisheries in the Bering Sea and Aleutian Islands. There were no violations reported.

## 2. SCA Pollock

NSEDC showed a harvest of CDQ pollock within the SCA during this past A season that exceeded the pro-rata share between all CDQ groups. NSEDC was aware that NMFS was managing the SCA limitations of the CDQ pollock fishery in an aggregate according to the CDQ pollock reserve although each CDQ group was expected to work within SCA harvest limits of their respective quotas. In an effort to control the CDQ pollock fishery and work within our SCA limits, we formatted inside SCA parameters in our CDQ monitoring system and established operating guidelines with Glacier Fish Company and their harvesting vessels.

The underlying cause of our excess harvest inside SCA was a miscommunication in the definition of what constitutes the borderline between inside and outside SCA. The NSEDC CDQ monitoring database manager, Sea State, was using the definition of inside SCA applied last year to the CDQ and open access/coop pollock fisheries that excluded the coordinates of the actual border lines from the inside SCA. NMFS on the other hand was using a definition that accounted for the harvest of pollock on these borderlines in the inside SCA harvest.

We became aware of these differences and the harvest accounting discrepancies on March 13. At that time, our figures for monitoring the fisheries and the inside SCA harvest showed that we had about 24 mt of CDQ pollock remaining inside SCA upon conclusion of that portion of our pollock fishery. However, we learned after the fact that NMFS showed that we had exceeded the inside SCA limit by about 143 mt. We discussed this difference with personnel at NMFS and determined it came down to two

hauls on the Pacific Glacier that were retrieved on the 56 degree line, one haul was made in early February and one in early March. Sea State is now in the processing of resolving these differences with NMFS and will modify the monitoring system accordingly.

**3. Pacific Cod**

NSEDC harvested a moderate amount of CDQ Pacific cod and various species of bycatch in targeted fishing operations in the Bering Sea and Aleutian Islands. The F/V Norton Sound harvested about 351.98 mt of Pacific cod in two partial trips (NS trip 4 and 5) and fifteen days of fishing from March 12 to March 31. See Table 5 for a summary of the harvest of CDQ and PSQ in the cod target fishery. The Norton Sound is continuing to target CDQ cod currently in the Aleutian Islands. This harvest is worth roughly \$70,000 in royalty payments to NSEDC.

**Summary of bycatch:** During the first quarter, the bycatch rate of other CDQ species in the Pacific cod target fishery was about fifteen percent (15%) of the total harvest. The bycatch primarily consisted of other species such as skate and sculpin, and non-quota pollock. The bycatch of all other species including halibut PSQ was minimal. See the attached harvest summary in Table 5 for more detailed information.

**Processing report:** Products from our Pacific cod CDQ fishery were primarily headed and gutted, eastern-cut and western cut cod packaged in approximately 40-pound and 50-pound blocks.

**Compliance/enforcement issues:** NSEDC conducted CDQ Pacific cod fishing operations in compliance with applicable federal and state laws and regulations governing the fisheries in the Bering Sea and Aleutian Islands. There were no violations reported.

**4. Sablefish and Greenland Turbot**

NSEDC did not harvest CDQ sablefish and Greenland turbot during the first quarter of 2000. See Tables 6 and 7 for summaries of the harvest of the sablefish and Greenland turbot, respectively, in CDQ target fisheries.

**5. Atka Mackerel, Yellowfin Sole and Rock Sole**

NSEDC did not harvest CDQ Atka mackerel, yellowfin sole and rock sole during the first quarter of 2000. See Table 8 for a summary of the harvest to date by quarter in these other groundfish CDQ target fisheries.

**6. Halibut**

NSEDC did not harvest CDQ halibut during the first quarter of 2000.

**7. Bering Sea Opilio Crab**

There was no harvest of CDQ opilio crab during the first quarter. We are expecting to start the opilio fishery in mid-April for roughly two weeks. The NSEDC permit for the opilio crab provides a preliminary CDQ allocation of 384,750 pounds. The harvest in the open access is expected to exceed the preseason GHIL of about 26 million pounds up to about 30 million pounds.

**8. St. Matthew Blue King Crab**

There was no harvest of CDQ king crab at St. Matthew during this quarter. ADF&G announced earlier this year that the St. Matthew blue king crab fishery would be closed for an indefinite period of time. The fishery was closed in 1999 and will likely remain closed in 2000. NSEDC will continue to monitor information from the North Pacific Fisheries Management Council and NMFS regarding status of these stocks, the preparation of the rebuilding plan and progress towards reopening this crab fishery.

**9. Bristol Bay Red King Crab**

There was no harvest of CDQ king crab at Bristol Bay during the first quarter. A groundfish crab survey to assess the status of the crab stocks will be conducted by ADF&G this summer. The GHIL for this coming season will be set sometime thereafter.

**C. CDQ Crab Marketing Activities**

During the first quarter, NSEDC continued working with Glacier Seafood International (GSI) – a division of Glacier Fish Company - in sales of crab product from the 1999 opilio and 1999 Bristol Bay red king crab CDQ fisheries.

**1. 1999 Opilio**

As of the end of the first quarter, NSEDC and GSI had completed the sales of the crab product from the 1999 CDQ opilio fishery. The NSEDC/GSI joint venture sold slightly less than 1.1 million pounds of product. Revenues totaled over \$3.66 million while expenses were about \$3.1 million for an operating profit of about \$560,000.

**2. 1999 Bristol Bay red king crab**

Sales of red king crab product from the Bristol Bay CDQ fishery to date have been slow. The bulk sections of king crab were processed into various leg count packs in order to increase value and market penetration. Through the end of the quarter, NSEDC and GSI have sold about 26,510 pounds of king crab for revenues of a little more than \$330,000. About 45,200 pounds of crab product remains in cold storage in Seattle. The market for king crab product continues to be tight.

**V. Confidential Issues**