

NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION

**Bering Straits Region Community Development Plan (CDP) for 1999 Pollock and
1998-2000 Multi-Species Community Development Quota (CDQ) Program**

First Quarter 1999 Activity Report for January – March 1999

**Submitted to: The State of Alaska
April 30, 1999**

I. QUARTERLY HIGHLIGHTS

- *NSEDC'S Executive committee held a special meeting on January 25 via teleconference
- *NSEDC Board of Directors held their fourth quarter 1998 meeting in Nome on February 8 & 9, 1999
- *NSEDC Standing committees held their meetings in Nome on February 8 & 9
- *NSEDC Board of Directors approves a 4% pension plan contribution for the staff pension plan for 1998
- *NSEDC Board of Directors approves an NSEDC policy for financial donations
- *NSEDC Board of Directors approves increase in member community donations to \$1000.00 up from \$500.00
- *NSEDC Board of Directors approves NSEDC post-secondary & vocational educational scholarship award to \$1000.00 per semester from \$1000.00 annually
- *NSEDC donates subsistence herring and salmon nets to the Chukotka relief effort
- *NSEDC Board of Directors approve the seating of six at-large members (two each) to the Financial Advisory, Fisheries Development and Scholarship committees
- *NSEDC President confers with Governors chief of staff Ayers on January 7
- *NSEDC Chairman, President & key staff attends State CDQ meeting on January 20 & 21 dealing with state oversight, and State and Federal regulations
- *NSEDC Chairman, President and financial advisor attends GFC, LLC quarterly meeting in Seattle on January 11

II. COMMUNITY DEVELOPMENT

A. Progress towards Goals, Objectives & Milestones

Administration

Milestone: NSEDC Board of Directors will hold regularly scheduled meetings during each quarter of 1999

Activity: NSEDC Board held their fourth quarter 1998 meeting in Nome on February 8 & 9, 1999

Milestone: NSEDC's five advisory committees will hold regularly scheduled meetings during each quarter in 1999

Activity: NSEDC'S Executive committee held a special meeting via teleconference on January 25

Activity: all five advisory committees held their fourth quarter 1998 meetings on February 8 in Nome

Milestone: NSEDC will file quarterly reports to the State of Alaska with 30 days at the end of each quarter

Activity: Quarterly reports for the fourth quarter of 1998 were filed on January 29, 1999

Milestone: NSEDC will have an annual financial audit performed by a national accounting firm to be completed by May 31st of each year

Activity: the 1998 audit for NSEDC started on March 22

Milestone: NSEDC will file an annual report to the State of Alaska by May 31st 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 and file a plan amendment to carry-forward some or all of the amounts to the next calendar year by the end of the second quarter each year

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 & 2000

Activity: done by staff regularly, and Financial Advisory committee provides additional oversight and monitoring each quarter at the quarterly board meetings

CDQ Harvest Management

Milestone: NSEDC & GFC will harvest its CDQ Pollock allocation, as much as practicable without over-harvest, by the end of the fishing season in 1999 and 2000

Activity: NSEDC & GFC harvested **9,779.91 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 reasonably possible, without overharvest, of crab by the end of the fishing season in 1999

Activity: no activity this quarter

Milestone: NSEDC and its harvesting partners, for Pacific cod, Greenland turbot and sablefish will harvest its CDQ allocations, as much as practicable, without overharvest, by the end of the fishing season in 1999

Activity: no activity this quarter

Milestone: NSEDC and its harvesting partner for rock sole will harvest its CDQ allocation, as much as practicable, without overharvest, by the end of the fishing season in 1999

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 1999

Activity: no activity this quarter

Milestone: NSEDC will work with Sea State to have the CDQ monitoring system in place and operational by the start of CDQ fishing under the expanded program

Activity: in progress

Milestone: NSEDC will attend North Pacific Fisheries Management Council meetings during 1999

Activity: NSEDC'S key personnel were in attendance at the NPFMC first quarter meetings held the week of February 1st

Milestone: NSEDC members will attend WAFDA meetings throughout the year during 1999

Activity: NSEDC'S president attended a WAFDA meeting held in Anchorage on February 5 of which he is chairman

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 & Tendering Vessel

Milestone: NSEDC will evaluate the potential for acquisition of a second freezer longliner by December 31, 1999

Activity: no activity this quarter

Milestone: NSEDC will evaluate the potential for acquisition and operation of an H&G trawl vessel by December 31, 1999

Activity: no activity this quarter

Milestone: NSEDC will evaluate the potential for acquisition and operation of a crab harvesting vessel by June 30, 2000

Activity: no activity this quarter

Education, Employment & Training Program

Milestone: NSEDC & 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 4th quarter in 1999 and 2000

Activity: See Table #1, Employment data form and employment narrative this report

Milestone: NSEDC will provide fisheries skills training for 90 residents of the region or of nearby communities of which at least ten training slots will be made available to residents of nearby communities, by the end of the fourth quarter in 1999 and 2000

Activity: See Table #2, Training data form and training narrative this report

Milestone: NSEDC will award at least 120 scholarships to students by the end of the 4th quarter in 1999

Activity: See Table #2 and training narrative, subsection Scholarships 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 of the region by the end of the 4th quarter each year

Activity: EET manager made community outreach visits to the communities of **Shaktoolik, Nome, Savoonga & St. Michael** this quarter

Milestone: NSEDC will place at least two internships in office or field settings by the end of the 4th quarter each year

Activity: one business management intern is in place at the **GFC** offices in **Seattle** and one engineer intern onboard the *F/V Bering Star* with **Icicle Seafoods** during the first quarter of 1999

Education Endowment

Milestone: NSEDC will contribute additional funds to the Education, Training and Scholarship Endowment from CDQ revenues under this CDP by the end of December 31, 2000

Activity: no activity this quarter

Milestone: NSEDC financial advisory committee will review investment performance and asset allocation at least once each quarter

Activity: the NSEDC financial advisory committee reviewed the investment performance and asset allocation at their February meeting for the fourth quarter

Revolving Loan Program

Milestone: NSEDC will make at least one loan program outreach visit to each NSEDC community by the end of the fourth quarter each year

Activity: no activity this quarter

Milestone: NSEDC will conduct annual reviews of the revolving loan program by the end of the 4th quarter each year

Activity: no activity this quarter

Fund for IFQ Purchases

Milestone: NSEDC will evaluate the potential to purchase quota share for the *F/V Norton Sound* by the end of the 4th quarter 2000

Activity: no activity this quarter

Fisheries Development Program

Milestone: NSEDC will provide a detailed plan to conduct fisheries development activities by the end of the second quarter each year

Activity: no activity this quarter

Milestone: NSEDC will fund one fishery development project by the end of the fourth quarter each year

Activity: NSEDC board directed staff to do a feasibility to research the market & the interest of the local kelp pounding fishermen at their February meeting

Salmon Rehabilitation & Enhancement Program

Milestone: NSEDC will prepare a detailed plan to fund salmon rehabilitation and enhancement projects by the end of the second quarter each year

Activity: no activity this quarter

Milestone: NSEDC will fund at least one salmon rehabilitation and enhancement projects by the end of the fourth quarter each year

Activity: no activity this quarter

Shoreside Infrastructure Improvements Program

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: no activity this quarter

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: no activity this quarter

Norton Sound Seafood Products

Milestone: NSSP will evaluate their capabilities for assuming the marketing of each species of CDQ crab allocated to NSEDC by January 1 of each year, and evaluate operations for fisheries in the region including herring, salmon, crab and halibut by the end of the second quarter of each year

Activity: NSSP evaluated their ability to market CDQ crab during the previous quarter. At this time, NSSP will focus activities on fisheries within the region. NSEDC & GFC will continue cooperative efforts to market CDQ crab this next year

Milestone: NSEDC board will act upon the recommendations of NSSP no later than the end of the second quarter each year

Activity: no activity this quarter

Milestone: NSEDC or a NSEDC subsidiary will assume the marketing of at least 30%(by weight) of the CDQ crab allocated to NSEDC by the end of the fourth quarter 1999

Activity: NSEDC & GFC will continue cooperative efforts to market CDQ crab this next year

Milestone: NSEDC or a 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: NSEDC & GFC will continue cooperative efforts to market CDQ crab this next year

Small Business Development & Assistance

Milestone: NSEDC will prepare a plan for implementation of this program by the end of the second quarter 1999

Activity: no activity this quarter

Milestone: NSEDC board will act upon the recommendations no later than the first quarter meeting 2000

Activity: no activity this quarter

Norton Sound Fund

Milestone: NSEDC will file articles of incorporation for this non-profit corporation by the end of the first quarter 1999

Activity: completed in 1998

Norton Sound Vessel Management Company(NSVM)

Milestone: NSVM will evaluate operations in the region including support to the herring, salmon, crab and halibut fisheries by the end of the second quarter of each year

Activity: evaluation of the operations in the region for support of the herring, salmon, crab, halibut, freight and kelp pounding is in progress

Milestone: NSEDC board will act upon the recommendations of NSVM no later than the end of the second quarter each year

Activity: no activity this quarter

B.Outreach – NSEDC’S management firmly believes in maintaining communication and working with its member communities on its CDQ community development plan programs and other issues vital to the economic arena in the region presently and into the future. The NSEDC Board of Directors held their fourth quarter 1998 board meeting in the member community of Nome on February 8 and 9, 1999 and utilized the **Bering Straits Native Corporation Board Room** for their deliberations. At this meeting they approved a company policy for donations which states that all donations made by the company will go to organizations and not to individuals and they increased the amount of monetary donations to \$1000.00, up from \$500.00. They also increased the monetary amount of scholarships from \$1,000.00 annually to \$1,000.00 per semester. They also approved the seats that are available on the standing committees of the financial advisory committee, fisheries development committee and the scholarship

committee for two “**at-large**” members from the region for each committee. On the management side, the president, along with the education, employment and training program manager attended a **Seafood Employment Training seminar** on January 6, which was sponsored by **Icicle Seafoods**. This seminar will target residents of all the CDQ group member communities. The President, along with the education, employment and training manager and Mr. Mike Clutter of **Icicle Seafoods** traveled to the member communities of **Shaktoolik, Nome, and Savoonga** on January 8 & 9 for community meetings to inform the populace of the employment opportunities available to them with Icicle. He held a teleconference with the leaders of the communities of **Stebbins and St. Michael** on January 15th to do further work on the possibilities extending the pink salmon test fishery with an objective of establishing a commercial fishing district there. He and the **Community Development Specialist** traveled to **Shaktoolik** on January 15 to meet with city officials in regards to fisheries development activities the city of Shaktoolik are working on. The Community Development Specialist is available to provide technical assistance to them and any member community upon request. The **City of Koyuk** finally held their municipal elections for their member community NSEDC board representative on January 19 and **Merlin Henry** was selected as the primary representative with **Frank Kavairlook, Sr.** at the alternate member. The president traveled to **Nome** on February 23 to attend a **Regional Planning Team (RPT)** meeting, of which he is a member. He met with **Radio Station KICY**, a regional radio station stationed in **Nome** on March 21, to plan for radio spots on all aspects of NSEDC around the **Iditarod Trail Race** timeframe. He and NSSP operations manager Tom Magwire met with a **Sahalee** company representative on March 11 to discuss possible kelp pounding operations in the region and period March 14 to 19, he and Magwire traveled to **Unalakleet (14th)** to conduct fishermen’s meetings and after, traveling by **snowmachine**, conducted similar meetings in the member communities of **Shaktoolik (16th); Koyuk (17th), Elim (17th), Golovin (18th), White Mountain (18th) and Nome (19th)**. The Administrative Director completed the fourth quarter 1998 reports on January 29th and they were mailed to all member communities and to each board member. The Education, Employment and Training manager traveled with the president, and **Icicle Seafoods representative** to **Shaktoolik, Nome and Savoonga**; he also attended the **Bering Straits Regional conference** sponsored by **Kawerak, Inc.**, held in **Nome** and gave the participants a presentation on the education, employment and training opportunities with NSEDC and on March 16 he attended the **St. Michael/Stebbins schools Career day** held at the **Anthony Andrews High School** in **St. Michael** providing the students with the programs information and on NSEDC. The NSSP divisions operations manager developed job descriptions for all intern positions and other seasonal positions for the summer season and posted them in the region (see attachments); traveled with the president period March 14 – 19 to conduct seven Norton Sound fishermen’s meetings in the member communities of **Unalakleet, Shaktoolik, Koyuk, Elim, Golovin, White Mountain and Nome**. The Community Development Specialist traveled to member community of **Shaktoolik** on January 15 to meet with the **Shaktoolik City Council** to work with them on their feasibility study of upgrading their existing fish plant; worked with NSSP operations on finishing the NSSP 1999 Scope of work; developed and mailed out a winter NSEDC newsletter

for all member communities by February; developed and mailed out a Spring NSEDC newsletter by March 15th and coordinated a possible project with **Alaska Village Initiatives** to assist a member community resident from **Gambell** on her project to develop a more efficient crab harvesting apparatus. The NSSP Plant Manager completed an **OSHA** required Safety plan with standard operating procedures for the **Unalakleet Fish Plant**. All newsletters, brochures, job descriptions and attachments are attached at the end of this report

B. Employment

1. See Table # 1 as follows:

Table 1.
NSEDC EMPLOYMENT FORM
March 31, 1999

Category	Quarter Positions/Trips	Quarter Wages	Year To Date Positions	Year To Date Wages
Management & Administrative				
<u>NSEDC</u>	<u>13</u>	<u>\$150,185.41</u>	<u>13</u>	<u>\$150,185.41</u>
<u>NSSP</u>	<u>1</u>	<u>12,019.26</u>	<u>1</u>	<u>12,019.26</u>
Total M&A	14	\$162,204.67	14	\$162,204.67
CDQ Pollock				
“A” season	<u>28/3</u>	<u>\$307,781.85</u>	<u>28/3</u>	<u>\$307,781.85</u>
“B” season	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Pollock	28/3	\$307,781.85	28/3	\$307,781.85
CDQ Crab	-	-	-	-
NSSP EMPLOY.	-	-	-	-
Other Fishing				
GFC-trawl cod	<u>20/1-----</u>	<u>*NOTE</u>	<u>20/1-----</u>	<u>*NOTE</u>
GFC-longline	<u>4/4-----</u>	<u>\$26,842.67-----</u>	<u>4/4-----</u>	<u>\$26,842.67-----</u>
Icicle Seafoods-crab	<u>8-----</u>	<u>\$25,367.27-----</u>	<u>8-----</u>	<u>25,367.27-----</u>
Total other Fishing	32/5	\$52,209.94	32/5	\$52,209.94
Interns				
NSEDC @ GFC	<u>1</u>	<u>\$6,250.02</u>	<u>1</u>	<u>\$6,250.02</u>
NSEDC @ Icicle	<u>1</u>	<u>1,110.22</u>	<u>1</u>	<u>1,110.02</u>
Total Interns	2	\$7,360.22	2	\$7,360.22
GRAND TOTALS	76/8	\$529,556.68	76/8	\$529,556.68

*Note – Twenty residents worked onboard GFC vessels *F/V Pacific Glacier & F/V Northern Glacier* prosecuting a trawl cod fishery during one trip in the first quarter; their wages will be paid in the second quarter.

2. **Summary** – NSEDC’S employment statistics for the first quarter of 1999 are shown on Table #1 above. The highlight of this report is number of NSEDC residents who worked onboard GFC vessels prosecuting the CDQ Pollock fishery during the “A” season and the trawl cod fishery and reflecting the best overall quarter reporting employment and wages since program inception. NSEDC has placed two interns from the region, one at GFC as a business management intern and one at Icycle Seafoods as an engineer intern, at their harvesting partner locations. There were eight individuals from the region onboard Icycle Seafoods vessels and are counted under the “Other fishing” category. For regional employment this report will reflect a seasonal low due to the winter season, and this is reflected in the zero amount in the “NSSP Employment” category. Employment for the purposes of this report is divided into the following categories: Management/Administrative (NSEDC/NSSP); CDQ Pollock (“A”&”B” seasons); CDQ Crab; NSSP Employment; Other fishing; and Interns (trainees).

a. **Management/Administrative** – There was a total of 14 personnel who worked in this category this quarter. For NSEDC, there were 11 full-time personnel and two office temporaries and one individual listed with NSSP. For NSEDC, the personnel were situated as follows: **Anchorage, 11:** Eugene F. Asicksik, President & CEO; Charles F. Soxie, Administrative Director/Revolving Loan Program Mgr.; Tom Magwire, NSSP Operations Mgr.; Carolyn Bragg, Accounting Supervisor; Richard Dickens, Assistant CDQ Mgr.; Janis Ivanoff, Community Development Specialist; Hannah Jackson, Office Manager; Rosanna Dotomain, Accountant; Helga Schrammeck, Accounting Assistant; Sherilee Foote, temporary office administrative, and Virginia Nashalook, temporary administrative. **Unalakleet, 2:** Jerry Ivanoff, Education, Education & Training manager and Janice Dickens, Administrative Assistant. NSSP, **Unalakleet, 1:** Richard Ferry, NSSP Plant Manager. Overall, this category was paid **\$162,204.67** in gross wages.

b. **CDQ Pollock** – There were twenty-six Norton Sound residents and two “out-of-region” individuals who worked onboard GFC trawl vessels, *F/V Northern Glacier & F/V Pacific Glacier* prosecuting the CDQ Pollock “A” season fishery this quarter. There were 10 NSEDC residents onboard the *Northern Glacier*

and they were from the member communities of **Gambell (2), Unalakleet (5), Brevig Mission (1), Nome (1) and Stebbins (1)**. There were 16 NSEDC residents and 2 “out-of-region” residents onboard the *Pacific Glacier* and they were from the communities of **Koyuk (2), Shaktoolik (2), St. Michael (3), Stebbins (5), Elim (1), White Mountain (1), Teller (1)** two from the “out-of-region” communities of **Huslia (1) and Kaltag (1)**. They were all paid a grand total of **\$307,781.85** in gross wages this quarter.

- c. **CDQ crab** – no activity this quarter
- d. **NSSP employment** – no activity this quarter
- e. **Other fishing** – There were 17 residents and 3 “out-of-region” residents onboard GFC vessels prosecuting a cod trawl fishery this quarter. Onboard the *Pacific Glacier* there were 7 resident from the communities of **Unalakleet (6), Elim (1)** and 1 “out-of-region” individual from **Shishmaref**; onboard the *Northern Glacier*, there were 10 residents from the communities of **St. Michael (1), Unalakleet (3), White Mountain (1), Stebbins (3), Elim (1) and Shaktoolik (1)** and two “out-of-region” residents from **Kaltag (1) and Shishmaref (1)**. They fished on one trip in the first quarter their wages will be paid in the second quarter. Four NSEDC residents from the communities of **Unalakleet (1), White Mountain (1), Shaktoolik (1) and Nome (1)** prosecuted a longline cod fishery on four trips with GFC, LLC longliner *F/V Norton Sound* and they were paid **\$26,842.67** in gross wages. In the last entry in the “other fishing” category there were 8 residents from the region working onboard **Icicle Seafoods** vessels, two residents from **Shaktoolik** were onboard the *Coastal Star* and six from the communities of **Shaktoolik (3), Unalakleet (2)** and one from **Nome** onboard the *Arctic Star*. These eight were paid **\$25,367.27** in gross wages. Overall there were **32** individuals from the region and out of the region who worked in this category and they were paid **\$52,209.94** in gross wages.
- f. **Interns (trainees)** – there were two residents who were working in this category this quarter, **Elaine Towarak** of **Unalakleet** as a business management intern at the **GFC** offices in **Seattle** and **Lewis Nakarak** of **Shaktoolik** as an engineer intern with **Icicle Seafoods**. These two were paid **\$7,360.22** in gross wages.

Overall a grand total of **76** individuals from the region and outside of it worked in this category this category and were paid **\$529,556.68** in gross wages.

C. Training

1. **Data form - See Table #2 as follows:**

Training Data Form
March 31, 1999

	Quarter People	Expenditure	Year To Date People	Expenditure
Scholarships				
<u>Postsecondary</u>	14-----	\$14,000.00----	14-----	\$14,000.00----
<u>Vocational</u>	11	11,000.00----	11-----	11,000.00----
Voc-tech				
<u>Basic</u>	-	-	-	-
<u>Advanced</u>	-	-	-	-
Other training				
<u>Fisheries related</u>	22	\$38,495.58	22	\$38,495.58
<u>Student loans</u>				
<u>CDQ staff/board</u>				
<u>Other(elec. nav.)</u>	16	\$4,534.48	16	\$4,534.48
Other expenditures				
<u>Educational Institutes</u>	-	-	-	-
<u>Education Endowment Funds</u>	-	-	-	-
<u>Other</u>	-	-	-	-
Totals	63	\$68,030.06	63	\$68,030.06

2. **Summary** – Table #2, Training data form above shows the total number dollars spent on NSEDC’S Education, Employment and Training program for the first quarter of 1999 for Scholarships, both Post-secondary and vocational, Voc-tech classes held at the **Alaska Vocational Technical Center (AVTEC) in Seward**; Other training; Other training (fisheries related, student loans, CDQ staff/board & other); and Other expenditures (educational institutes, educational endowment fund & other).

- a. **Scholarships** – There were twenty five Norton Sound residents, fourteen for post-secondary and eleven for vocational education, who were awarded the \$1,000.00 scholarship.
- b. **Voc-tech** – no activity
- c. **Other training** – On March 2-12, 1999, an entry-level seafood processing class was held at the Alaska Vocational Technical Center in Seward with a price tag of \$38,495.58. Of the twenty-two trainees given this opportunity, thirteen trainees completed the course and received their certificate. Of the thirteen trainees successfully completing the class, eight processors went to work just a few days after returning home. An electronic navigation/longlining class was held in **Savoonga** on February 16 – 19, 1999 and 16 residents completed this course.
- d. **Other expenditures** – no activity.

At the end of the first quarter of 1999 **63** residents and individuals from outside the membership area, received assistance in one form or another from NSEDC'S Education, Employment and Training Program and **\$63,030.06** was expended toward that effort.

D. **Other issues - Back** in the fourth quarter of 1998, all the CDQ groups received communication from the State of Alaska CDQ team stating that they had recently met to discuss its role in the CDQ program and studied how they view certain issues relevant to the evolving nature of the CDQ program. After they did this they sent out letters request CDQ group input to their concerns by forwarding to each a survey to complete. After the responses had been received by them a two-day meeting was scheduled for January 20 and 21, 1999 at Anchorage. This meeting did in fact take place on those dates and the subsequent result of that meeting was that the CDQ team drafted up regulations that would amend the existing CDQ Federal regulations and sent them out to review. NSEDC is still drafting up their input to these proposed changes during this quarter and have requested an extension for the due date of April 19, 1999 and at the date of this publication have received word from the State that the deadline has been extended to the latter part of May.

III. **ADMINISTRATION** – The NSEDC President, his principal staff and advisers, were again, prolifically busy meeting the goals, objectives, and milestones for the first quarter of 1999 as outlined in the 1999-2000 Pollock and 1998-2000 Multi-Species Community Development Quota (CDQ) Community Development Plans (CDPs). This first quarter saw the Pollock, halibut and sablefish CDQ fisheries and harvest integrated into the harvest management of the multi-species CDQ

program. NSEDC was actively involved in Western Alaska Fisheries Development Association (WAFDA) meetings, meetings of the North Pacific Fisheries Management Council (NPFMC) and those with other CDQ groups regarding the implementation and management of the multi-species program. In January, the President met with Governor Knowles' Chief of Staff regarding issues in the Bering Sea; he and the chairman of the board, along with the financial advisor and CDQ fishing manager, attended a quarterly meeting of GFC, LLC; he and the chairman of the board, along with key staff, attended the State of Alaska CDQ oversight committee in a comprehensive review of the CDQ program at Anchorage; in February the President, with key staff, reported to and supported the NSEDC Board of Directors Fourth Quarter of 1998 meeting; met with officials of the World Trade Center regarding an upcoming European Seafood Trade Mission; in March he and the NSSP Operations Manager finalized plans for the upcoming commercial fishing season and traveled to the region to present them and receive input for presenting to the board in April. The 1998 fourth quarterly NSEDC activity reports were mailed to the State of Alaska in a timely manner on January 29, 1999.

- A. Board activities** - On January 25, 1999, the NSEDC executive committee held a special committee meeting via teleconference. All standing committees of the board held their fourth quarterly committee meetings on February 8th and 9th prior to the fourth quarter full board meeting which was held on February 8th and 9th, 1999.
- B. Changes in members** - The member community of **Koyuk** finally held their municipal election for their member community board representative for the NSEDC board. This election was held on January 19th and **Merlin Henry** was duly elected as the primary board member and **Frank Kavairlook, Sr.** was duly elected as the alternate. This rounds out the member communities of NSEDC that were scheduled for elections in 1998 per the **NSEDC By-Laws and Rules and Regulations**.
- C. Substantial decisions** – At their fourth quarterly meeting the board of directors made the following actions: approves a pension plan contribution of 4% to the NSEDC employee retirement plan for the 1998 year; approved an NSEDC policy for donations to organizations that will have a limit of \$10,000.00; approved an increase in member community donations upwards to \$1,000.00 from \$500.00; approved the NSEDC post-secondary and vocational educational scholarship award to \$1,000.00 per semester from an annual award of \$1,000.00; donated subsistence herring and salmon nets to the **Chukotka relief effort** in eastern Siberia and approved the seating of and membership of two at-large seats each to the standing committees of the Financial advisory committee, the fisheries development committee and the scholarship committee.

D. Amendment status – Technical amendment 99-1M: NSEDC submitted a technical amendment to our 1998-2000 Multi-species CDP for the purpose of adding the *F/V Deep Pacific* and the *F/V Lilli Ann* to the list of vessels approved by NMFS as eligible to participate in our CDQ fisheries. These vessels are both freezer longliners and will be targeting CDQ sablefish and Greenland turbot. The *Deep Pacific* and *Lilli Ann* are owned and managed by **Deep Pacific Fishing Co.** This technical amendment was approved in the first quarter of 1999. **Technical amendment 99-2M:** NSEDC submitted a technical amendment to our 1998-2000 Multi-species CDP for the purpose of adding the *F/V Seafreeze Alaska* to the list of vessels approved by NMFS as eligible to participate in our CDQ fisheries. The *Seafreeze Alaska* will be used by NSEDC to harvest our 1999-2000 allocations of various CDQ groundfish specie. This vessel is a trawler-processor that will be primarily targeting CDQ Atka mackerel, rock sole and yellowfin sole throughout the year fishing along with the *F/V Oceanpeace*. The *Seafreeze Alaska* is a newly acquired vessel owned by a company called **United States Seafood, LP (USS)**. The *Seafreeze Alaska* will be managed by **Ocean Peace, Inc.** This amendment was approved.

E. Other issues – none.

IV. HARVESTING REPORT

A. Target Fisheries Harvest Activities

1. Table of Data – See the following tables below: Table 1, Annual CDQ Harvest by All Target Fisheries through First Quarter 1999; Table 2, 1999 CDQ Harvest- Pollock Target fishery; Table 3, 1999 CDQ Harvest for Sablefish & Greenland Turbot; Table 4, 1999 CDQ Harvest – Pacific cod target fishery and Table 5, 1999 CDQ Harvest – Other groundfish target fishery.

a. Table 1, Annual CDQ Harvest by all target fisheries through First Quarter 1999:

b. Table 2, 1999 CDQ Harvest – Pollock target fishery:

c. Table 3, 1999 CDQ Harvest for sablefish & Greenland turbot target fisheries

d. Table 4, 1999 CDQ Harvest – Pacific cod target fishery

e. Table 5, 1999 CDQ Harvest – Other groundfish target fishery

2. **CDQ fishing activities** – During the first quarter of 1999, NSEDC conducted targeted CDQ fishing operations only for “A” season Pollock. The harvest of other CDQ allocations in target fisheries including Pacific cod, sablefish and Greenland turbot, Atka mackerel, yellowfin sole, rock sole, halibut and opilio and king crab did not start during the first quarter. The harvests of our CDQ and PSQ allocations through the first quarter for all target fisheries are shown in Table 1 above. The harvests with our target fisheries by quarter are provided in Tables 2-5 above and below summaries:

Pollock

NSEDC commenced and concluded fishing operations for “A” season CDQ Pollock during the first quarter. For the period from February 7 through March 13, 1999, the **Glacier Fish Company** vessels harvested **9,779.91 mt** of our CDQ Pollock, - this represents a harvest of 99.58% of our “A” season allocation. The *F/V Pacific Glacier* harvested **6,156.64 mt** in 21 days of fishing and the *F/V Northern Glacier* took **3,623.27 mt** in 22 fishing days. Approximately **40.89 mt** of our Pollock quota remains unharvested for the “A” season. This Pollock CDQ will rollover to the Pollock “B” season for harvest.

Summary of bycatch – During the quarter in the “A” season, the bycatch rate of other specie in the Pollock target fishery was about ninety-four one-hundredth percent (.94%) of the total harvest. The bycatch rate in the mid-water Pollock fishery continues to be very low. Refer to Table 2 for additional detailed information.

Processing report – Products from “A” season processing of CDQ Pollock primarily included roe, mince and fillet blocks. The total production of Pollock roe from the CDQ fishery was down this year in comparison to last year. Last year and the year before were exceptionally good years for roe recovery. Prices for Pollock roe this year, however, appear to be relatively 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.

Pacific Cod

There was no harvest of Pacific cod CDQ during the first quarter of 1999. The open access Pacific cod fishery for fixed gear closed on April 17, 1999. Our CDQ fishery for Pacific cod using longline gear will

commence during the second quarter. Table 4 provides data on CDQ and PSQ allocations and harvest by quarter in the Pacific cod target fishery.

Atka Mackerel, Yellowfin Sole & Rock Sole

There was no harvest of CDQ allocations in target fisheries for Atka mackerel, yellowfin sole and rock sole during the first quarter of 1999. Our target fishery for these groundfish fisheries will start during the second quarter. Table 5 provides data on CDQ and PSQ allocations and harvest by quarter in the Atka mackerel, yellowfin sole and rock sole target fisheries.

Sablefish and Greenland Turbot

There was no harvest of CDQ allocations in the target fishery for sablefish and turbot during the first quarter of 1999. Our fishery for these longline-harvested specie is scheduled to start in late summer. Table 3 provides data on CDQ and PSQ allocations and harvest by quarter in the sablefish and Greenland turbot target fisheries.

Halibut

There was no harvest of halibut CDQ during the first quarter of 1999. This CDQ fishery will commence in the region in a June-July timeframe.

Bering Sea Opilio Crab

There was no harvest of CDQ opilio crab in the Bering Sea during the first quarter of 1999. The 1999 opilio crab open access fishery closed on March 22, 1999. Our harvesting vessels, the *F/V Viking Queen*, *F/V Adventure*, *F/V Kustatan* and *F/V Siberian Sea* started fishing operations for CDQ opilio at the beginning of the second quarter. There were no deliveries of CDQ crab during this quarter. The preliminary harvest in the open access fishery based on in-season processor reports is about 183.8 million pounds or 98.7% of the 186.2 million pound GHL. The allocation of CDQ in the opilio fishery was slightly reduced to reflect the actual harvest. Based on these preliminary figures, NSEDC is now receiving an allocation of 1,741,379 pounds of CDQ opilio or roughly 20,000 pounds less than initial estimates.

St. Matthew Blue King Crab

There was no harvest of CDQ king crab CDQ in the St. Matthew fishery during the first quarter of 1999. The fishery will start in October.

Bristol Bay Red King Crab

There was no harvest of CDQ king crab in the Bristol Bay fishery during the first quarter of 1999. The fishery will start in November 1999.

B. Other Fishing issues/activities

- 1. CDQ crab marketing activities** – Last year, NSEDC decided to exercise its option in the **Icicle** processing agreement to custom process and market CDQ crab product from the Bering Sea opilio, St. Matthew blue king crab and Bristol Bay red king crab fisheries. NSEDC-contracted vessels delivered live crab to the Icicle processing plants on St. Paul Island and then Icicle processed, froze and boxed product for delivery to freight carriers; NSEDC coordinated the movement of this CDQ crab product from the processing plants to cold storage facilities in **Seattle** or **Billingham. Glacier Seafoods International**, the marketing division of **GFC**, is marketing the product. NSEDC is continuing this custom processing/marketing activity in 1999.
- 2. 1999 Opilio** – The marketing of product from our 1998 CDQ opilio crab is almost complete. The demand for opilio clusters and prices for product continued to increase during the first quarter of 1999. Through the end of the quarter, we have sold about \$2.47 million worth of crab product with about 5,000 pounds of mostly secondary-processed higher-valued cocktail claws still in cold storage to sell. Our projection of total sales continues to be about \$2.5 million.
- 3. 1998 St. Matthew** – From the St. Matthew fishery, so far we have sold about 3,250 pounds of blue king crab sections. At the end of the first quarter, we had roughly 5,325 pounds of the initial 8,575 pounds of blue king crab sections remaining in cold storage at City Ice in Seattle. Total sales so far through the end of the quarter have amounted to about \$21,000. For the crab marketing effort in this fishery, NSEDC has projected a profit of about \$8,500 on nearly \$50,000 of gross revenues.
- 4. 1998 Bristol Bay** – From the Bristol Bay fishery, so far we have sold a minimal amount of red king crab product, excluding the sales of 10,037 pounds of live red king crab to **Misty Islands Seafood (CBSFA)** in November. The live crab sales brought in revenues to NSEDC of \$5,219.24 or the equivalent of about \$.80 per pound of finished product. At the end of the fourth quarter, we still had approximately 60,000 pounds of No. 1 and Grade A sections and various counts of king crab legs in cold storage at City Ice in Seattle. Since the end of the quarter, however, we have received sales commitments for over 45,000 pounds of red king crab sections and legs/claws worth nearly \$290,000. For this crab marketing

effort, NSEDC has roughly projected a profit of over \$11,000 on sales of about \$391,000. The additional cost of the red king crab raw product from the fishermen reduces the overall profitability of this fishery – from the custom processing perspective.

5. **1999 Opilio** – NSEDC will continue the custom processing arrangement with Icicle Seafoods and marketing arrangements with Glacier Seafoods International for CDQ opilio in the 1999 fishery. For the CDQ opilio fishery marketing efforts this year, NSEDC is projecting higher total revenues and profits than those realized this year.

