

I. QUARTERLY HIGHLIGHTS

- NSEDC's standing committees held their 2000 first quarter meetings in Nome on April 27th.
- NSEDC's Board of Directors held their 2000 first quarter meetings in Nome on April 27th & 28th.
- Glacier Fish Company held their quarterly managers meeting on June 27th & 28th.
- NSEDC Board of Directors passed a motion to approve a contribution of up to \$3,000,000 to the City of Nome for the Nome Navigation Improvements Project.
- NSEDC Board of Directors passed a motion to approve scholarship awards to residents attending classes part-time on a pro-rated basis per credit hour.
- NSEDC Board of Directors passed a motion to fund \$50,000.00 to the Norton Sound Regional Aquaculture association.
- NSEDC received approval of substantial amendment 00-03NS (construction of the Norton Sound Seafood Center) from the State of Alaska and from National Marine Fisheries Service on May 2.
- NSEDC staff traveled to Brevig Mission (04/06), Teller (04/06), Wales (04/07) and Nome (04/07) to hold community outreach meetings.
- NSEDC Sponsored an entry-level seafood processing class of 15 residents and 1 Kaltag resident at the Alaska Vocational Technical Center in Seward from May 15-26.
- NSEDC Awarded \$16,000 in Post-Secondary Scholarships the first quarter of 2000.
- NSEDC Awarded \$2,000 in Vocational Education Scholarships in the first quarter of 2000.
- NSEDC/NSSP purchased 709.7 tons of herring from Norton Sound fishermen.
- NSEDC/NSSP purchased 606 kings for 10,060 lbs and 950 chums for 8,291 lbs. The season closed and was noted as a disaster for the Norton Sound on June 27th.
- NSEDC/NSSP provided salt, processing facility and handling, roe packing pails and storage for the three Norton Sound fishermen who participated in the herring roe on kelp fishery.

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 first quarter meetings in Nome on April 27th & 28th.

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 April 27th.

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 was completed on March 24, 2000.

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: NSEDC staff and the Stadum Group began the development of the corporate annual report in May 2000.

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 April 30, 2000.

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

Activity: NSEDC submitted the 1999 annual report on January 31 2000, and submitted the NSEDC 1999 annual audit on May 31, 2000.

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: NSEDC completed and submitted CDP amendment 00-05NS the NSEDC omnibus budget on June 30, 2000.

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: NSEDC CDQ Harvest Manager began the process of negotiations in the second quarter of 2000.

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: No activity this quarter. NSEDC & GFC harvested 10,000.66 mt of CDQ pollock during the "A" season in the first 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: NSEDC and its harvesting partners – the *Adventure* and *Viking Queen* – harvested and delivered a total of 452,990 pounds of opilio crab out of a total CDQ allocation of 453,377 pounds.

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: NSEDC and its harvesting partners, harvested a small amount of Atka mackerel and assorted bycatch in targeted fishing operations in the eastern Aleutian Islands.

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

Activity: NSEDC's key personnel were in attendance at the NPFMC second quarter meetings held the week of April 10th.

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: Ongoing in the second quarter with confidential discussions.

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 second quarter of 2000, the EET Coordinator made outreach trips to Brevig Mission (04/06), Teller (04/06), Wales, (04/07) and Nome (04/07) during the second 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 second quarter of 2000, the EET Coordinator made outreach trips to Brevig Mission (04/06), Teller (04/06), Wales, (04/07) and Nome (04/07) during the second 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: NSEDC continued with the intern program in the second quarter with the placements of four Norton Sound residents. Virginia Nashalook of Unalakleet as a accounting intern in the main office, Simon Kinneen of Nome as a CDQ Harvest Management Intern in the main office, John Koezuna of Nome and George Sookiayak of Shaktoolik as interns with Icicle Seafoods,

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: A contribution to the Education Endowment Fund was made on March 16, 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 April 27, 2000.

Revolving Loan Program

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

Activity: The Acting Revolving Loan Officer made outreach trips to Brevig Mission (04/06), Teller (04/06), Wales, (04/07) and Nome (04/07) during the second quarter of 2000

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.

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

Activity: The Financial Advisory Committee reviewed the Revolving Loan Program at their first quarter meeting on April 27, 2000.

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

Activity: Completed in the first quarter of 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 2nd quarter meeting.

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

Activity: NSEDC/NSSP provided salt, processing facility and handling, roe packing pails and storage for the three Norton Sound fishermen who participated in the herring roe on kelp fishery. NSEDC/NSSP planned and implemented a chum buying project in Kotzebue.

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: NSEDC hired an intern in the first quarter of 2000. One of the tasks of this internship is to aid in the development of this plan. The intern will return to the Anchorage office, after a three week observer training program and a three month contract as a Groundfish Observer for the NMFS, in July 2000.

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 at the first quarter Board of Directors meeting. At the second quarter Board of Directors meeting, a motion was passed to fund \$50,000 to the Norton Sound Regional Aquaculture Association for a salmon rehabilitation project.

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 received approval from the State of Alaska and the National Marine Fisheries on May 2, 2000 for amendment 00-03NS which describes the plans and construction of the Norton Sound Seafood Center.

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: NSEDC Board of Directors passed a motion at the second quarter Board meeting to contribute up to \$3,000,000 to the City of Nome for the Nome Navigation Improvements project.

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: Completed in the first 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: House Bill 418 was approved in the second quarter. NSEDC received a letter from the State of Alaska, stating the amount due from NSEDC

for the CDQ Administrative Cost Charge (CDQ fee) is due by July 1, 2000.

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: NSEDC Board of Directors approved the Fisheries Development Committee recommendations for the fisheries management plans for sac roe herring, halibut, salmon, and crab for the 2000 season at their second quarter meeting.

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

Activity: NSEDC Board of Directors approved the Fisheries Development Committee recommendations for the fisheries management plans for sac roe herring, halibut, salmon, and crab for the 2000 season at their second quarter meeting.

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: NSSP is working cooperatively with Glacier Fish Company to market at least 50% (by weight) of the CDQ crab allocated to NSEDC.

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.

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: Evaluation of proposed operations were concluded and the 2000 operations are underway and ongoing.

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: NSEDC Board of Directors approved the Fisheries Development Committee recommendations for the fisheries management plans for sac roe herring, halibut, salmon, and crab for the 2000 season at their second quarter meeting which include the operation of Norton Sound Vessel Management.

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 June 28th, 2000 to review the first quarter financial information and other matters.

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

Activity: King Crab: 7,800 lbs. sold; 37,200 lbs. remain. Opilio: 2000 production arrived; inventory is 289,000 lbs. Negotiations with major buyers on-going. Norton Sound King Crab: Assist NSEDC in charter of processing platform to serve local fishermen, set up quality and processing standards, work together with NSEDC on marketing strategy.

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: \$222,000 in vessel capital improvements incurred in the second quarter.

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: Additional distribution of \$184,245 for 1999 paid to NSEDC in the second quarter.

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. Sales in the second quarter primarily domestic, sales to Brazil to resume in the second quarter.

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: The 2000 summer operation is underway; report to follow in the third quarter.

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 were paid. During the second quarter 28 trip/positions have been served by Norton Sound Residents; \$164,566 gross wages were 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 April 27-28, 2000.

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

Activity: GFC Human Resources developed a list of potential qualified interns by contacting NSEDC's list of scholarship recipients. One intern is hired (to start July 20), and a second intern is expected to be hired before the end of August.

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

Activity: The office of Intern Coordinator has been established in Seattle, funded by the At-Sea Processors' Association.

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: No activity this quarter.

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: Open access Hake harvest commenced and successfully concluded in the second quarter.

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: The following amounts were given for research and education during the second quarter: \$36,500 to the University of Alaska, \$10,000 to Alaska Pacific University. And \$3,000 to Alaska Sealife Center. And additional \$36,500 and \$10,000 will be given to the University of Alaska and Alaska Pacific University, respectively, in the third quarter. Of these amounts, at least \$8,000 will be devoted to research related to the health of Steller Sea Lions.

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: \$3,125 contributed in the first quarter. At-Sea Processors Association has assumed the responsibility of contributing \$50,000 annually to the Seafood Technology Program.

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

Activity: Completed in the first quarter.

***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: A Community Outreach Coordinator was interviewed and hired by NSEDC to coordinate and facilitate the hiring and oversight of the community outreach program.

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 first quarter meetings on April 27, 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 second quarter meeting on June 28, 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 first quarter meetings on April 27, 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 4TH 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 4TH 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 second 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 second 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 First Quarter 2000 meeting in Nome on April 27th & 28th at the Bering Straits Native Corporation Board Room, this meeting was open to the public.
- NSEDC Board of Directors notified the residents of the First Quarter 2000 meeting by placing an ad in the Nome Nugget Newspaper.
- The First 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) in which constituents can access quarterly reports; newsletters; applications; and information regarding programs and employment opportunities.
- NSEDC mailed out the spring 2000 newsletter to every boxholder in the fifteen member communities the first week of May.
- NSEDC sent out flyers to Brevig Mission, Teller, Wales and Nome and placed ads in the Nome Nugget Newspaper notifying residents of the NSEDC Community Outreach Meetings.
- NSEDC sent out letters to the Brevig Mission, Teller, Wales and Nome mayor, city council and board member to notify communities of the NSEDC Community Outreach Meetings.
- NSEDC Staff held community outreach meetings in Brevig Mission (04/06), Teller (04/06), Wales (04/07) and Nome (04/07).
- NSEDC sent out letters to every community mayor, city council and board member to notify communities of the NSEDC Community Outreach Meetings.
- 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.
- A letter was sent to each Norton Sound Fishery permit holder (sac-roe herring, salmon, crab and halibut) to inform them of NSEDC's/NSSP's 2000 season operations on May 5th.
- Job announcements for Seafood processors in Unalakleet were sent to NSEDC's member communities the last week of June.

C. Employment

1. Employment Data Form

**Table 1.
EMPLOYMENT DATA FORM
June 30, 2000**

	Quarter		Year-to-Date	
	Positions/Trips	Wages	Positions/Trips	Wages
Management/Administrative				
NSEDC	10/-	131,277.08	11/-	268,641.70
NSSP	3/	31,736.18	3/	45,506.96
Total Management/Administrative	13/-	\$163,013.26	14/-	\$314,148.66
CDQ Pollock Related				
A Season	19/5	151,095.31	38/7	440,941.58
B Season	0/	0.00	0/	0.00
Total Pollock Related	19/5/	\$151,095.31	38/7	\$440,941.58
CDQ Crab (Icicle Seafoods)	0/	\$0.00	0/-	\$0.00
NSSP Employment	25/	\$9,672.30	25/	\$9,672.30
Other employment-NSEDC	4/	\$16,525.00	4/	\$16,525.00
Other Fishing				
GFC-trawl cod	3/2	13,471.02	3/2	13,471.02
GFC-longline	0/0	0.00	2/3	26,829.91
Icicle Seafoods	2/	10,423.52	2/	16,783.65
Total Other Fishing	5/2	\$26,894.54	7/5	\$57,084.58
Interns				
NSEDC/Main Office	2/	2,890.80	2/	7,228.29
NSEDC/GFC	0/	0.00	0/	0.00
NSEDC/Icicle	2/	8750.25	3/	12,597.04
NSEDC: Kawerak/ADF&G	5/	15,253.50	5/	15,253.50
Total Interns	9/	\$26,894.55	10/	\$35,078.83
GRAND TOTALS	75/7	\$394,094.96	98/12	\$873,450.95
	NSEDC =	\$165,946.38	NSEDC =	\$307,648.49
	NSSP=	\$41,408.48	NSSP=	\$55,179.26
	Partners=	\$186,740.10	Partners=	\$510,623.20

2. Employment Summary

Management/Administrative – Seven personnel were employed at NSEDC’s main office in Anchorage, two at the EET Office in Unalakleet, and four were located at NSSP regional plants. 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 but were paid in the second quarter. Nineteen Norton Sound residents worked onboard the Glacier Fish Company vessels, *F/V Northern Glacier* and *F.V/ Pacific Glacier*, harvesting the CDQ pollock “A” season fishery. The wages paid to NSEDC residents in the second quarter totaled \$151,095.31.

NSSP Employment – Twenty five residents were employed by NSEDC/NSSP as processors, beach gang, and clerical positions at the NSSP facilities in the region.

Other Employment – Three residents were employed by NSEDC as skippers and deckhands onboard the NSEDC tender vessels and buying barge. One resident was employed as NSEDC’s Gear Coordinator located in Unalakleet.

Other Fishing – Three residents were employed by Glacier Fisher Company on the longliner *F/V Norton Sound* earning a total of \$13,471.02. 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 \$10,423.52.

Interns – Two NSEDC member community residents were employed as interns during the first quarter. One resident continued as an Accounting/Administrative Intern located in the main office, and one resident began a one-year CDQ Harvest Manager Internship. The CDQ Harvest Manager Intern attended and completed observer training through Saltwater, Inc. and then made four trips on various vessels in various fisheries as an observer, and will be returning to the office in the third quarter.

Two interns were placed with NSEDC’s harvesting/processing partner Icicle Seafoods during the first quarter of 2000.

Five interns were placed with Kawerak, Inc. and Alaska Department of Fish & Game (ADF&G) as fish technicians located at various salmon counting towers on regional rivers.

D. Training

1. Training Data Form

**Table 2
TRAINING DATA FORM
March 31, 2000**

	Quarter		Year-to-Date	
	People	Expenditures	People	Expenditures
Scholarships				
Post-Secondary	16	\$16,000.00	58	\$58,000.00
Vocational	2	\$2,000.00	8	\$8,000.00
Voc-Tech				
Basic			15	\$3,718.45
Advanced				
Other Training				
Fisheries related	15	\$39,798.23	36	\$79,839.93
Student Loans				
CDQ Staff/Board				
Other (Elec.Navigation)				
Other Expenditures				
To Educational Institute				
Education Endowment				
Other				
TOTAL	33	\$57,798.23	117	\$149,558.38

2. Training Summary

Scholarships – Sixteen residents received scholarship awards for post-secondary education and two residents received scholarship awards for vocational education from NSEDC during the second quarter of 2000.

Other Training – Sixteen residents signed up for entry level seafood processor training and were transported to Nome for a physical and drug screening. Fifteen passed and were moved to the Alaska Vocational Technical Center (AVTEC) in Seward for the May 15–26 , 2000 ELSP Class. All fifteen trainees successfully completed this training class.

III. Administration

A. Board Activities

1. Board of Director Meetings

NSEDC Board of Directors held their first quarter 2000 meeting in Nome on April 27th and 28th, with the standing committees meeting on April 27th.

2. Substantial Decisions

At the first quarter meeting on April 27th and 28th in Nome, the following items were approved by the NSEDC Board of Directors: approval to rescind the motion to follow Robert Rules of Order, as recorded in the NSEDC Board of Directors meeting of January 1995; approval to submit a CDP amendment to contribute up to \$3,000,000 to the City of Nome for the Nome Navigational Improvements Project; approval of an NSEDC confidentiality policy; approval of awarding scholarships to residents who are attending college part-time at a pro-rated rate; approval of extending the probation period for scholarship recipients; approval of the Fisheries Development Committee recommendations for the 2000 fishing operations for the Norton Sound; approval of the NSEDC long-term cash allocation strategy; approval of providing high school banners for the BSSD schools; and approval to fund the Norton Sound Regional Aquaculture Association salmon rehabilitation project for \$50,000.

B. Amendment Status

- CDP amendment 2000-1M: NSEDC submitted a technical amendment to the 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 the 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.
- CDP amendment 00-03NS: NSEDC submitted a substantial amendment to the 1998-2000 Multi-species CDP in order to get approval for the construction of a seafood processing facility in Nome. This amendment was approved by NMFS on May 2.

- CDP amendment 00-04NS: NSEDC submitted a substantial amendment to the 1998-2000 Multi-species CDP for the purpose of transferring annual CDQ for several species from Central Bering Sea Fishermen’s Association to NSEDC in amounts that exceeded 10% of the CDQ allocations for those species. This amendment was approved by NMFS on June 8.
- CDP amendment 00-05NS: NSEDC submitted a technical amendment to our 1998-2000 Multi-species CDP describing the revised supplementary budget information for 2000. This amendment is still pending.

C. Other Issues

NSEDC Administration has hired Willa Eckenweiler of Unalakleet to fill the NSEDC Community Outreach Coordinator position and is still in the process of hiring an Administrative Director.

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 – Greenland Turbot Target Fisheries
- Table 8: 2000 CDQ Harvest – Other Groundfish Target Fisheries
- Table 9: 2000 CDQ Harvest – Opilio Crab

**Table 3:
ANNUAL CDQ HARVEST BY ALL GROUND FISH TARGET FISHERIES
through 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		
	CDQ Total										
	SPECIES	7.5% of TAC									
Halibut (4D)								-	71.84	0.00%	71.84
Pacific Cod (BS/AI)	14,475	993,762	15,685	-	-	26,019	-	1,035,466	2,605,500	39.74%	1,570,034
Sablefish (BS)	147	0,305	-	-	1,608	-	-	1,913	29,400	6.51%	27,487
Sablefish (AI)	364	0,049	-	-	-	-	-	0,049	72,800	0.07%	72,751
Greenland Turbot (BS)	467	0,927	1,327	-	84,165	-	-	86,419	93,400	92.53%	6,981
Greenland Turbot (AI)	230	0,061	-	-	-	0,145	-	0,206	59,800	0.34%	59,594
Atka Mackerel (Western AI)	2,227	2,804	-	-	-	-	-	2,804	356,320	0.79%	353,516
Atka Mackerel (Central AI)	1,852	0,115	-	-	-	-	-	0,115	296,320	0.04%	296,205
Atka Mackerel (Eastern AI)	1,230	-	-	-	-	118,322	-	118,322	196,800	60.12%	78,478
Yellowfin Sole	9,244	1,837	1,633	-	-	-	-	3,470	462,200	0.75%	458,730
Flathead Sole	3,948	2,349	20,495	-	0,079	-	-	22,923	592,200	3.87%	569,277
Other Flatfish	6,285	0,141	0,307	-	0,016	-	-	0,464	942,751	0.05%	942,287
Rock Sole	10,107	0,342	55,128	-	-	0,050	-	55,520	2,021,400	2.75%	1,965,880
Bering Sea Pollock	113,900										
A/B season		-	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		51,304	N/A	-	-	-	-	51,304	-	N/A	N/A
Arrowtooth Flounder	9,825	2,087	0,339	-	1,046	-	-	3,472	1,336,200	0.26%	1,332,728
Trawl Sablefish (BS)	55	-	0,095	-	-	-	-	0,095	9,900	0.96%	9,805
Trawl Sablefish (AI)	45	-	-	-	-	0,048	-	0,048	8,100	0.59%	8,052
True POP (BS)	195	-	0,094	-	-	-	-	0,094	31,200	0.30%	31,106
Other Red Rockfish (BS)	14	0,031	0,101	-	0,054	-	-	0,186	2,240	8.30%	2,054
True POP (Western AI)	425	0,002	-	-	-	-	-	0,002	68,000	0.00%	67,998
True POP (Central AI)	263	-	-	-	-	-	-	-	42,080	0.00%	42,080
True POP (Eastern AI)	234	0,003	-	-	-	1,673	-	1,676	37,440	4.48%	35,764
Sharpchin/Northern (AI)	386	0,439	-	-	-	21,423	-	21,862	61,760	35.40%	39,898
Shortraker/Rougheye (AI)	66	0,281	-	-	-	-	-	0,281	11,880	2.37%	11,599
Other Rockfish (BS)	27	0,031	0,334	-	0,681	-	-	1,046	5,130	20.39%	4,084
Other Rockfish (AI)	51	0,546	-	-	-	6,255	-	6,801	9,690	70.19%	2,889
Squid	147	-	19,404	-	-	-	-	19,404	27,489	N/A	N/A
Other Species	2,352	169,524	10,383	-	1,876	1,830	-	183,613	299,880	61.23%	116,267
TOTAL	178,861	1,226,940	10,125,982	-	89,525	175,765	-	11,618,212	34,809,722	33.38%	23,191,510
Bycatch %		19.00%	1.24%		4.19%	32.68%					
PROHIB SPECIES											
Halibut mortality (mt)	343	3,911	0,305	-	0,110	5,084	-	9,410	48,020	19.60%	38,610
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
QUOTA AMOUNTS AFTER NON-SPECIFIC RESERVE ESTABLISHED								New Quotas	Original Quotas		
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
2000 CDQ HARVEST – POLLOCK TARGET FISHERY
(in metric tons)

	Initial							
	Pollock Target					Total	%	Remaining
	Allocation	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year to date	Harvested	Allocation
SPECIES								
Pacific Cod (BS/Al)	155.235	15.685	-			15.685	10.10%	139.550
Sablefish (BS)	-	-	-			-		-
Sablefish (Al)	-	-	-			-		-
Greenland Turbot (BS)	2.506	1.327	-			1.327	52.95%	1.179
Greenland Turbot (Al)	-	-	-			-		-
Atka Mackerel (Western Al)	-	-	-			-		-
Atka Mackerel (Central Al)	2.506	-	-			-		2.506
Atka Mackerel (Eastern Al)	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 Flatfish	15.035	0.307	-			0.307	2.04%	14.728
Rock Sole	90.209	55.128	-			55.128	61.11%	35.081
Bering Sea Pollock	25,058.000		-					
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	10,023.200		-			-		10,023.200
Arrowtooth Flounder	40.093	0.339	-			0.339	0.85%	39.754
Trawl Sablefish (BS)	-	0.095	-			0.095		(0.095)
Trawl Sablefish (Al)	-	-	-			-		-
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 Al)	-	-	-			-		-
True POP (Central Al)	-	-	-			-		-
True POP (Eastern Al)	-	-	-			-		-
Sharpchin/Northern (Al)	-	-	-			-		-
Shortraker/Rougheye (Al)	-	-	-			-		-
Other Rockfish (BS)	-	0.334	-			0.334		(0.334)
Other Rockfish (Al)	-	-	-			-		-
Squid	N/A	19.404	-			19.404		-
Other Species	33.610	10.383	-			10.383	30.89%	23.227
TOTAL	35,501.580	10,125.982	-			10,125.982	28.52%	25,375.598
Bycatch %		1.24%	-			1.24%		
PROHIB SPECIES								
Halibut 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
(in metric tons)

	Initial							
Pacific Cod Target						Total	%	Remaining
	Allocation	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year to date	Harvested	Allocation
SPECIES								
Pacific Cod (BS/AD)	2,000.000	351.980	641.782			993.762	49.69%	1,006.238
Sablefish (BS)	2.000	-	0.305			0.305	15.25%	1.695
Sablefish (AD)	-	-	0.049			0.049		(0.049)
Greenland Turbot (BS)	8.000	-	0.927			0.927	11.59%	7.073
Greenland Turbot (AD)	2.000	0.033	0.028			0.061	3.05%	1.939
Atka Mackerel (Western AD)	2.000	0.079	2.725			2.804	140.20%	(0.804)
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	-	1.837			1.837	4.59%	38.163
Flathead Sole	20.000	0.652	1.697			2.349	11.75%	17.651
Other Flatfish	5.400	0.078	0.063			0.141	2.61%	5.259
Rock Sole	10.000	0.173	0.169			0.342	3.42%	9.658
Bering Sea Pollock								
A/B season	N/A	-	-			-		
C/D season	N/A	-	-			-		
Aleutian Pollock	N/A	-	-			-		
Bogoslof Pollock	N/A	-	-			-		
Non-quota Pollock		17.927	33.377			51.304		
Arrowtooth Flounder	34.800	0.447	1.640			2.087	6.00%	32.713
Trawl Sablefish (BS)	-	-	-			-		-
Trawl Sablefish (AD)	-	-	-			-		-
True POP (BS)	4.000	-	-			-	0.00%	4.000
Other Red Rockfish (BS)	0.100	0.031	-			0.031	31.00%	0.069
True POP (Western AD)	5.000	-	0.002			0.002	0.04%	4.998
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	0.400			0.439	10.98%	3.561
Shortraker/Rougheye (AD)	2.000	0.227	0.054			0.281	14.05%	1.719
Other Rockfish (BS)	2.000	0.016	0.015			0.031	1.55%	1.969
Other Rockfish (AD)	4.000	0.043	0.503			0.546	13.65%	3.454
Squid	-	-	-			-		-
Other Species	250.000	44.426	125.098			169.524	67.81%	80.476
TOTAL	2,402.10	416.269	810.671			1,226.940	51.08%	
Bycatch %		15.44%	20.83%			19.00%		
PROHIB SPECIES								
Halibut mortality (mt)	16.000	0.644	3.267			3.911	24.44%	12.089
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 FOR SABLEFISH TARGET FISHERIES
(in metric tons)

	Initial							
	Sablefish Target					Total	%	Remaining
	Allocation	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year to date	Harvested	Allocation
SPECIES								
Pacific Cod (BS/Al)	11.061	-	-			-	0.00%	11.061
Sablefish (BS)	17.000	-	-			-	0.00%	17.000
Sablefish (Al)	70.000	-	-			-	0.00%	70.000
Greenland Turbot (BS)	2.000	-	-			-	0.00%	2.000
Greenland Turbot (Al)	4.010	-	-			-	0.00%	4.010
Atka Mackerel (Western Al)	-	-	-			-		-
Atka Mackerel (Central Al)	-	-	-			-		-
Atka Mackerel (Eastern Al)	-	-	-			-		-
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
Bering Sea Pollock								
A/B season	N/A	-	-			-		-
C/D season	N/A	-	-			-		-
Aleutian Pollock	N/A	-	-			-		-
Bogoslof Pollock	N/A	-	-			-		-
Non-quota Pollock	N/A	-	-			-		-
Arrowtooth Flounder								
Arrowtooth Flounder	18.392	-	-			-	0.00%	18.392
Trawl Sablefish (BS)	-	-	-			-		-
Trawl Sablefish (Al)	-	-	-			-		-
True POP (BS)	-	-	-			-		-
Other Red Rockfish (BS)	-	-	-			-		-
True POP (Western Al)	-	-	-			-		-
True POP (Central Al)	-	-	-			-		-
True POP (Eastern Al)	-	-	-			-		-
Sharpchin/Northern (Al)	-	-	-			-		-
Shortraker/Rougheye (Al)	4.074	-	-			-	0.00%	4.074
Other Rockfish (BS)	0.200	-	-			-	0.00%	0.200
Other Rockfish (Al)	2.000	-	-			-	0.00%	2.000
Squid	-	-	-			-		-
Other Species	12.523	-	-			-	0.00%	12.523
TOTAL	147.260	-	-			-	0.00%	147.260
Bycatch %								
PROHIB SPECIES								
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 FOR GREENLAND TURBOT TARGET FISHERIES
(in metric tons)

	Initial							
	Turbot Target					Total	%	Remaining
	Allocation	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year to date	Harvested	Allocation
SPECIES								
Pacific Cod (BS/AI)	103.120	-	-			-	0.00%	103.120
Sablefish (BS)	10.000	-	1.608			1.608	16.08%	8.392
Sablefish (AI)	2.250	-	-			-	0.00%	2.250
Greenland Turbot (BS)	70.000	-	84.165			84.165	120.24%	(14.165)
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	-	0.079			0.079	1.58%	4.921
Other Flatfish	3.000	-	0.016			0.016	0.53%	2.984
Rock Sole	3.000	-	-			-	0.00%	3.000
Bering Sea Pollock								
A/B season	N/A	-	-			-		
C/D season	N/A	-	-			-		
Aleutian Pollock	N/A	-	-			-		
Bogoslof Pollock	N/A	-	-			-		
Non-quota Pollock	N/A	-	-			-		
Arrowtooth Flounder								
Arrowtooth Flounder	29.000	-	1.046			1.046	3.61%	27.954
Trawl Sablefish (BS)	-	-	-			-		-
Trawl Sablefish (AI)	-	-	-			-		-
True POP (BS)	-	-	-			-		-
Other Red Rockfish (BS)	1.000	-	0.054			0.054	5.40%	0.946
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	-	0.681			0.681	49.67%	0.690
Other Rockfish (AI)	0.605	-	-			-	0.00%	0.605
Squid	-	-	-			-		-
Other Species	31.000	-	1.876			1.876	6.05%	29.124
TOTAL								
TOTAL	309.501	-	89.525			89.525	28.93%	219.976
Bycatch %								
Bycatch %			5.99%			5.99%		
PROHIB SPECIES								
Halibut mortality (mt)	3.000	-	0.110			0.110	3.67%	2.890
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
(in metric tons)

	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	-	26.019			26.019	11.15%	207.312
Sablefish (BS)	-	-	-			-		-
Sablefish (AI)	-	-	-			-		-
Greenland Turbot (BS)	5.602	-	-			-	0.00%	5.602
Greenland Turbot (AI)	0.386	-	0.145			0.145	37.56%	0.241
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	-	118.322			118.322	62.27%	71.678
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	-	0.050			0.050	0.00%	1,820.842
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								
Arrowtooth Flounder	1,103.874	-	-			-	0.00%	1,103.874
Trawl Sablefish (BS)	5.400	-	-			-	0.00%	5.400
Trawl Sablefish (AI)	0.081	-	0.048			0.048	59.26%	0.033
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	-	1.673			1.673	5.27%	30.047
Sharpchin/Northern (AI)	40.743	-	21.423			21.423	52.58%	19.320
Shortraker/Rougheye (AI)	2.835	-	-			-	0.00%	2.835
Other Rockfish (BS)	0.540	-	-			-	0.00%	0.540
Other Rockfish (AI)	0.729	-	6.255			6.255	858.02%	(5.526)
Squid	-	-	-			-		
Other Species	207.146	-	1.830			1.830	0.88%	205.316
TOTAL	6,079.036	-	175.765			175.765	2.89%	
Bycatch %			32.68%			32.68%		
PROHIB SPECIES								
Halibut mortality (mt)	15.100	-	5.084			5.084	33.67%	10.016
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
* Note: The amount of the initial CDQ allocation allotted to target fisheries and vessels may change as in-season adjustments are made between target fisheries and the NSEDC reserve, and transfers are approved between CDQ groups.								

Table 9
2000 CDQ HARVEST – OPILIO CRAB

Trip	Date	Vessel	Fish Ticket	Purchased Pounds	Finished Pounds	Percent Recovery	Average Weight	Total Dead Loss	Percent Dead Loss	Total Harvest
1	19-Apr	Viking Queen	11606	64,454	40,825	63.34%	1.361	448	0.69%	64,902
2	26-Apr	Viking Queen	11610	70,285	43,550	61.96%	1.350	701	0.99%	70,986
3	27-Apr	Adventure	11612	195,053	123,625	63.38%	1.480	1,618	0.82%	196,671
4	30-Apr	Adventure	11615	35,665	23,000	64.49%	1.470	143	0.40%	35,808
5	4-May	Viking Queen	11621	72,636	45,450	62.57%	1.394	494	0.68%	73,130
6	5-May	Viking Queen	11623	11,464	7,300	63.68%	1.460	29	0.25%	11,493
Total				449,557	283,750	63.12%	1.425	3,433	0.76%	452,990
NSEDC Opilio Allocation			453,377							
Harvest			452,990							
Remaining			387							

B. CDQ Fishing Activities

During the second quarter of 2000, NSEDC conducted targeted CDQ fishing operations for Pacific cod in the Bering Sea and Aleutian Islands, Greenland turbot in the Bering Sea, Atka mackerel in the Aleutian Islands and opilio crab in the Bering Sea. NSEDC did not harvest CDQ in the Pollock, halibut, yellowfin sole and rock sole target fisheries.

Through the end of the second quarter, NSEDC has harvested 11,618.21 mt of annual CDQ groundfish – both target species and bycatch species - during CDQ fishing operations. This amount of harvest represents approximately 34% of our total allocation of CDQ groundfish for the year. Table 1 contains a summary of the harvest of annual CDQ to date for the groundfish fisheries by target fishery. Harvest information for the CDQ groundfish fisheries by quarter are provided in Tables 4-8. Table 9 contains a summary of the harvest in the CDQ crab fisheries.

1. Pollock

NSEDC did not harvest any CDQ pollock during the second quarter of 2000. See Table 4 for a summary of the cumulative harvest through the second quarter.

2. Pacific Cod

NSEDC harvested approximately 642 mt of Pacific cod in targeted CDQ fishing operations in the Bering Sea and Aleutian Islands in two trips (NS trips 5 and 6) and twenty-eight days of fishing from April 1 to May 24. The Norton Sound also conducted a one-day target fishery for Greenland turbot prior to the start of the open access fishery on May 1. Catch data from this abbreviated fishery are contained within the Pacific cod harvest information. See Table 5 for a summary of the CDQ and PSQ harvest in the cod target fishery. The harvest during the second quarter is worth roughly \$130,000 in royalty payments to NSEDC.

Summary of bycatch: During the second quarter, the bycatch rate of other CDQ species in the Pacific cod target fishery was approximately twenty-one percent (21%) of the total harvest. The bycatch primarily consisted of other species including skate and sculpin, and non-quota pollock. The bycatch of all other species during this quarter including halibut PSQ was again minimal. See the 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.

3. Sablefish and Greenland Turbot

NSEDC conducted targeted fishing operations during this quarter for Greenland turbot in the Bering Sea. There were no targeted fishing operations for Greenland turbot in the Aleutian Islands and sablefish. See Table 6 for a summary of sablefish Greenland turbot harvest. Our CDQ sablefish target fisheries are scheduled to start during the next quarter.

The *F/V Northern Aurora* harvested about 84 mt of Greenland turbot and an assortment of bycatch in seven days of fishing from June 2 to June 8. Additional harvest of Greenland turbot may occur during the next quarter. See the harvest summary in Table 7 for more detailed information. This harvest is worth about \$41,000 in royalty payments to NSEDC.

NSEDC submitted a proposal and obtained approval from NMFS to modify the fishing plan for the *F/V Northern Aurora* to allow the vessel to use only one CDQ observer in the conduct of CDQ fishing operations targeting Greenland turbot in the Bering Sea. Subsequently, the vessel used one CDQ lead observer within a shortened fishing day as specified by CDQ regulations. The Northern Aurora reduced fishing effort and accommodated the observer so that he was able to conduct a normal workload within the pace of fishing operations.

Summary of bycatch: During the second quarter, the bycatch rate of other CDQ species in the Greenland turbot target fishery was about six percent (6%) of the total harvest. The bycatch primarily consisted of other species including shark, skate and sculpin, and lesser amounts of red and other rockfish and halibut. See the harvest summary in Table 7 for more detailed information.

Processing report: Products from this fishery consisted of headed and gutted turbot. The incidence of jellied fish – which can be quite common in the turbot fishery – was minimal. According to reports, jellied fish is more of a problem with quality in the Aleutian Islands resulting in lower quality and lower priced product.

Compliance/enforcement issues: NSEDC conducted CDQ Greenland turbot 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. Atka Mackerel, Yellowfin Sole and Rock Sole

NSEDC harvested a small amount of Atka mackerel and assorted bycatch in targeted fishing operations in the eastern Aleutian Islands. See Table 8 for a summary of the harvest to date. NSEDC did not conduct targeted fishing operation

during this quarter for yellowfin sole, rock sole or other flatfish CDQ. The F/V Seafreeze Alaska harvested about 118 mt of Atka mackerel and an assortment of bycatch in three fishing days from June 29 to July 1. We discontinued CDQ fishing operations due to the high incidence of rockfish bycatch. This harvest was worth about \$18,000 in royalty payments to NSEDC.

Summary of bycatch: During the second quarter, the bycatch rate of other CDQ species in the Atka mackerel target fishery was about thirty-three percent (33%) of the total harvest. The bycatch primarily consisted of Pacific cod, sharpchin/northern rockfish, dusky rockfish and halibut. See the harvest summary in Table 8 for more detailed information.

Processing report: Products from this fishery consist of headed and gutted product, and round mackerel.

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

5. Halibut

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

6. Bering Sea Opilio Crab

During the second quarter, NSEDC-contracted crab harvesting vessels – the *Adventure* and *Viking Queen* - harvested and delivered a total of 452,990 pounds of CDQ opilio crab including both live and dead crab out of a total CDQ allocation of 453,377 pounds (see Table 9). NSEDC vessels harvested all except for 387 pounds of the CDQ opilio allocation. Dead loss from this harvest was about 3,433 pounds or .76% of total CDQ poundage delivered.

NSEDC received royalty payments (at \$1.85 per pound grounds price) for delivered CDQ opilio (excluding dead loss) of \$372,008.42. NSEDC placed and paid for crab observers on each of the harvesting vessels.

Summary of Bycatch: There was no reported bycatch of other crab species in the CDQ opilio fishery.

Processing Report: Icicle Seafood processed the catch of CDQ opilio on-board the processing barge Arctic Star located in St. Paul harbor. Icicle custom processed the CDQ crab under contract to NSEDC. Product included various sizes of frozen clusters packed in 25-pound boxes.

Compliance/Enforcement Issues: NSEDC conducted CDQ opilio fishing operations in compliance with applicable federal and state laws and regulations

governing the fisheries in the Bering Sea and Aleutian Islands. NSEDC crab harvesting vessels each carried a fisheries observer.

7. St. Matthew Blue King Crab

There was no harvest of CDQ king crab at St. Matthew during the second quarter.

8. Bristol Bay Red King Crab

There was no harvest of CDQ king crab at Bristol Bay during the second quarter.

C. Other Activities

During the second quarter, NSEDC participated in meetings of the North Pacific Fisheries Management Council during the week of April 10 in Anchorage and during the week of June 5 in Portland. NSEDC staff and contractors also participated in other meetings with CDQ groups, NMFS and the state CDQ team regarding the implementation and management of the multi-species CDQ program.

D. CDQ Crab Marketing Activities

During the second quarter, NSEDC continued working with Glacier Seafood International (GSI) – a division of Glacier Fish Company - in sales of crab product from the 1999 Bristol Bay red king crab and the 2000 opilio CDQ fisheries. The marketing effort for crab products from the 1999 opilio fishery was completed last quarter.

1. 1999 Bristol Bay red king crab

Sales of red king crab product to date have continued to be slow. NSEDC started with about 73,567 pounds of #1 fancy and grade A sections. 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 34,310 pounds of king crab product for revenues of about \$432,335. Roughly 37,000 pounds of crab product less production losses remains in cold storage in Seattle. The market for king crab product continues to be tight.

2. 2000 Opilio

During this quarter, NSEDC worked with Icicle Seafoods in St. Paul to custom process 289,325 pounds of finished product from delivered CDQ opilio crab. This amount of production represents a product recovery rate of about 63%. Finished product consisted of a mix of cluster grades including 5-8 oz #1 fancy clusters, 8 oz up #1, 10 oz up #1, ocean run #1, grade A clusters and bits and pieces. Dead loss percentage from delivered crab was about the same as last year and less than

the 1% we used for financial projections. Average weight of the crab was more than last year and therefore the size of the clusters was larger overall.

The entire amount of product inventory is currently in cold storage facilities in Seattle. Markets are weak considering ex-vessel price of the raw crab but prices are stable. We have several options for sales and possibly repack of the remaining inventory. This amount will be held in cold storage at our expense until sold. We have projected profits on this marketing effort of about \$15,000 to \$50,000 on sales of about \$1.2 million.

V. Confidential Issues

A. Financial Statements

1. NSEDC Income Statement (Attachment 1).
2. NSEDC Balance Sheet (Attachment 2).
3. NSEDC Cash Flow Statement (Attachment 3).
4. Glacier Fish Company Report (Attachment 4).
 - a) Income Statement (Attachment 5).
 - b) Balance Sheet (Attachment 6).
5. NSEDC Budget to Actuals (Attachment 7).

In accordance with State of Alaska Statutes 6AAC93.070 (b), (c), and (d), NSEDC requests these and other documents marked “CONFIDENTIAL” be kept confidential and not released to the public or any other party.

B. Investment Report

At the end of the second quarter 2000, NSEDC maintained an asset allocation in its investment accounts, exclusive of the second-generation account, as follows:

Fixed Income	03.7%
Domestic Equities	27.0%
International Equities	27.7%
Real Estate Equities	07.5%
Money-Market Funds	34.2%

NSEDC’s asset allocation is still fairly defensive, with 34.2% in money-market fund status exclusive of the balance in the second-generation account. NSEDC did make periodic investments over the second quarter, under which money-market funds were invested or reinvested into longer term asset categories. As conditions warrant, NSEDC’s plan is to continue reinvesting into equities through the third quarter and into the fourth quarter, which will lower the percentage invested in money-market fund status.

C. Tax Issues

None

D. Imminent Major Investments

None

E. Board Minutes

Please see Attachment (8)

F. Other

Also, included as Attachments to this report are the following items:

- NSEDC Letter to the Mayors of NSEDC Member Communities notifying them of the Community Outreach Meetings. (Attachment 9)
- Community Outreach Meeting Flyers (Attachment 10)
- Community Outreach Meeting Packet Distributed at each Meeting (Attachment 11).
- NSEDC News releases for the second quarter (Attachment 12)
- NSEDC/NSSP Letter to Norton Sound Fishermen updating them of the 2000 fishing operations (Attachment 13)
- NSEDC Spring 2000 Newsletter (Attachment 14)
- NSEDC Job Announcements for the fish processing positions (Attachment 15)
- NSEDC Organization Information (Attachment 16)