

2001 SECOND QUARTER REPORT
April 1 – June 30, 2001



**NORTON SOUND ECONOMIC
DEVELOPMENT CORPORATION**

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I. Quarterly Highlights

- NSEDC standing committees held their 2001 first quarter meetings in Nome on April 19th.
- NSEDC Board of Directors held their 2001 first quarter meetings in Nome on April 19th and 20th.
- NSEDC Board of Directors held a teleconference meeting on April 5th.
- Glacier Fish Company held their quarterly meeting on March 2nd.
- NSEDC sponsored an entry-level seafood processing class on May 21 – June 1, 2001, with eleven trainees certified in seafood processing.
- NSEDC sponsored a United States Coast Guard (USCG) Required Marine Safety Drill Instructor Course for commercial fishermen in Nome on June 25, with eleven residents receiving their AMSEA Drill Instructor Certification.
- NSEDC EET Coordinator traveled to St. Michael on April 9, to hold an EET community outreach meeting with high school students and residents.
- NSEDC awarded \$30,000.00 to twenty-six residents in post-secondary scholarships.
- NSEDC awarded \$7,500.00 to seven residents in vocational scholarships.
- Eighty residents worked on the *F/T Northern Glacier*, *F/T Pacific Glacier* and the *F/V Norton Sound* earning a total of \$454,310.10 in wages in the second quarter.
- Five residents worked for Icicle Seafoods earning a total of \$5,554.70 in wages in the second quarter.
- NSEDC held a Community Outreach Liaison Orientation on April 4 in Nome. Presenters at the orientation included NSEDC Staff, State of Alaska CDQ Manager Bryce Edgmon, State of Alaska CDQ Team member Lamar Cotton, Icicle Seafoods representative Mike Clutter, and Glacier Fish Company representative Renee Vargas.
- NSEDC CEO/President and staff held fishermen meetings in St. Michael, Stebbins, Unalakleet on May 7th, and Shaktoolik, Elim and Golovin on May 8th.
- NSEDC representatives attended all the scheduled National Pacific Fisheries Management Council CDQ Policy Committee Meetings during the second quarter.

- NSEDC Fisheries Biologist implemented the initial year of the salinity and plankton study from the outlets of Snake River, Nome River, Safety Sound, Solomon River, Rocky Point, and Cape Darby.
- NSEDC hired Dena Austin of St. Michael for a four month Project Development Internship. Ms. Austin is a May 2001 University of Alaska Fairbanks graduate and will be working in the Anchorage office on proposals and amendments for projects in the Norton Sound region.

II. Community Development

A. Progress Toward Goals, Objectives, Milestones

Administrative

MILESTONE: NSEDC BOARD OF DIRECTORS WILL HOLD REGULARLY SCHEDULED MEETINGS DURING EACH QUARTER IN 2001-2002

Activity: NSEDC Board of Directors held their first quarter meetings in Nome on April 19-20, 2001.

MILESTONE: NSEDC'S FOUR ADVISORY COMMITTEES WILL HOLD REGULARLY SCHEDULED MEETINGS DURING EACH QUARTER IN 2001-2002

Activity: The NSEDC Advisory Committees held their first quarter meetings in Nome on April 19, 2001.

MILESTONE: NSEDC WILL HAVE AN ANNUAL AUDIT PERFORMED BY A NATIONAL ACCOUNTING FIRM, TO BE COMPLETED BEFORE MAY 31 OF 2001 AND 2002

Activity: The 2000 Annual Audit was performed and completed by KPMG on April 18, 2001.

MILESTONE: NSEDC WILL PREPARE AND SUBMIT AN ANNUAL BUDGET FOR THE FOLLOWING YEAR, NOT LATER THAN THE END OF THE FIRST QUARTER OF EACH YEAR.

Activity: NSEDC submitted an annual budget for 2001 in December of 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 2001 AND 2002

Activity: Preparation the NSEDC Corporate Annual Report began in the first quarter and continued in the second quarter.

MILESTONE: NSEDC WILL PROVIDE STAFF TRAINING EACH YEAR, NOT LATER THAN THE END OF THE FOURTH QUARTER

Activity: No activity this quarter

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

Activity: Quarterly reports for the first quarter of 2001 were submitted to the State of Alaska on April 30, 2001.

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

Activity: The NSEDC Annual report for 2001 was submitted to the State of Alaska on January 31, 2001.

MILESTONE: NSEDC WILL SUBMIT AN OMNIBUS BUDGET PLAN AMENDMENT, BY THE END OF THE SECOND QUARTER OF EACH YEAR

Activity: The NSEDC Omnibus Budget Plan Amendment was submitted to the State of Alaska on June 29, 2001.

CDQ Harvest Management

MILESTONE: BY THE END OF THE THIRD QUARTER OF THE YEAR 2002 NEGOTIATE NEW HARVEST AGREEMENTS FOR ALL MULTISPECIES CDQ

Activity: No activity this quarter

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

Activity: NSEDC & GFC harvested 3,686.02 metric tons of CDQ pollock using both the *F/V Pacific Glacier* and the *F/V Northern Glacier* during the second quarter.

MILESTONE: NSEDC AND ITS HARVEST PARTNERS FOR CRAB WILL HARVEST ITS CDQ ALLOCATIONS, AS CLOSE AS REASONABLY POSSIBLE WITHOUT OVER-HARVEST, OF CRAB BY THE END OF THE FISHING SEASON EACH YEAR FOR EACH SPECIES

Activity: There was no harvest of NSEDC CDQ crab allocations in the second quarter.

MILESTONE: NSEDC AND ITS HARVESTING PARTNERS FOR PACIFIC COD, GREENLAND TURBOT, AND SABLEFISH WILL HARVEST ITS CDQ ALLOCATIONS, AS MUCH AS PRACTICABLE WITHOUT OVER-HARVEST, BY THE END OF THE FISHING SEASON EACH YEAR FOR EACH SPECIES

Activity: NSEDC and its harvesting partners harvested 1,749.88 metric tons of Pacific Cod and 41.41 metric tons of Sablefish in the

second quarter. There was no harvest of Greenland turbot in the second quarter.

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

Activity: There was no directed harvest of CDQ Rock Sole during the second 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 EACH YEAR

Activity: There was no directed harvest of Atka Mackerel during the second quarter.

MILESTONE: NSEDC WILL ATTEND NORTH PACIFIC FISHERIES MANAGEMENT COUNCIL MEETINGS DURING 2001 AND 2002

Activity: During the first quarter, NSEDC representatives participated in a number of meetings sponsored by the NMFS. These meetings took place in the months of April and June.

Fund for Purchase of Equity Interest in the Fishing Industry

MILESTONE: NSEDC WILL EVALUATE THE POTENTIAL FOR EQUITY INVESTMENT IN ONE OR MORE BERING SEA FISHING COMPANIES BY THE END OF EACH YEAR 2001 AND 2002

Activity: Ongoing

MILESTONE: BY THE END OF THE SECOND QUARTER, 2002 NSEDC WILL HAVE A CONTINGENCY PLAN IN PLACE FOR ANY OFFER MADE UNDER SECTION 8.3 OF THE GFC OPERATING AGREEMENT.

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) OR VESSEL RIGHTS BY THE END OF THE THIRD QUARTER OF EACH YEAR.

Activity: Ongoing

MILESTONE: BY THE END OF THE THIRD QUARTER OF EACH YEAR NSEDC WILL 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: NSEDC contacted the AFA loan program administrator to evaluate the possibility of borrowing money under several hypothetical transactions.

MILESTONE: NSEDC WILL EVALUATE THE POTENTIAL FOR ACQUISITION AND/OR CONSTRUCTION OF A SECOND FREEZER LONGLINER BY JULY 1, 2001.

Activity: This activity is being coordinated with Glacier Fish Company in confidential meetings.

MILESTONE: NSEDC WILL EVALUATE THE POTENTIAL FOR ACQUISITION AND OPERATION OF AN H&G TRAWL VESSEL BY JULY 1, 2002

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 OF EACH YEAR

Activity: NSEDC provided the opportunity for Entry Level Seafood Processor training on May 21 – June 1, 2001 to nineteen residents from NSEDC member communities and two residents from the nearby community of Kaltag. Eleven trainees successfully received certification in seafood processing.

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

Activity: NSEDC awarded \$30,000 to 26 residents in post-secondary education scholarships and \$7,500 to 7 residents in vocational scholarships during the second quarter.

MILESTONE: NSEDC EET PERSONNEL 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 OF EACH YEAR

Activity: NSEDC EET Coordinator traveled to St. Michael for an outreach visit during the second quarter.

Education, Employment and 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 OF EACH YEAR

Activity: Eighty residents received \$454,310.10 in crew share wages from Glacier Fish Company and five residents received \$5,554.70 from Icicle Seafoods during the second quarter.

MILESTONE: NSEDC EET PERSONNEL 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 OF EACH YEAR.

Activity: NSEDC EET Coordinator made an outreach visit to St. Michael during the second quarter.

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

Activity: Nine interns were placed by NSEDC in the second quarter. One Project Development Intern was placed in the Anchorage Office, three Assistant Fisheries Specialist Interns were placed with Kawerak, Inc., and five Fishery Technician Interns were placed with ADF&G.

Education Endowment

MILESTONE: NSEDC WILL EVALUATE THE POSSIBILITY OF FUNDING THE EDUCATION, TRAINING, AND SCHOLARSHIP PROGRAM FROM EARNINGS OF THE EDUCATION, TRAINING, AND SCHOLARSHIP ENDOWMENT AND DEVELOP A SCHEDULE FOR DOING SO, BY THE END THE FOURTH QUARTER 2002.

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 met on April 19, 2001 and reviewed the investment performance of the Education Endowment.

Revolving Loan Program

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

Activity: NSEDC staff reviewed the Revolving Loan Program in the second quarter in light of the NSEDC Board of Directors approval of expanding the program to include the Large Vessel Loan Program and the change in services by National Bank of Alaska (Wells Fargo Bank).

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

Activity: The NSEDC Financial Advisory Committee met on April 19, 2001 and reviewed the NSEDC Revolving Loan Program Portfolio.

Fund for IFQ Purchases

MILESTONE: NSEDC WILL EVALUATE THE PURCHASE OF QUOTA SHARE, COOPERATIVE CONTRACT RIGHTS, OR OTHER HARVESTING RIGHTS FOR USE BY THE F/V *NORTON SOUND*, *PACIFIC GLACIER*, *NORTHERN GLACIER* OR OTHER VESSELS OWNED BY NSEDC BY OR IN A BUSINESS RELATIONSHIP WITH NSEDC, BY THE END OF THE FOURTH QUARTER OF EACH YEAR

Activity: This activity is being coordinated with Glacier Fish Company in confidential meetings.

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: The Fisheries Development Activity Plan was not completed in the second quarter. This report is still under development by the Fisheries Development Coordinator.

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

Activity: The NSEDC Fisheries Development Coordinator conducted a crab tagging study during the second quarter. Due to no ice in the early spring and major ice in the later spring, there was insufficient tagging of the crab for conclusive results.

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 EACH YEAR.

Activity: NSEDC conducted an amended study in the Norton Sound, which measured the amount of zooplankton available for outmigrating juvenile salmon to eat. Concurrently, a study was done to determine salinity levels in nearshore waters to examine the conditions that juvenile salmon are exposed to as they leave their natal streams.

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

Activity: NSEDC funded several different salmon projects in the Norton Sound region in the second quarter. A cooperative project between NSEDC, the Bureau of Land Management, and the Alaska Department of Fish and Game to enumerate sockeye salmon entering Glacial Lake started late in the quarter. Eight interns employed by NSEDC worked for the Alaska Department of Fish and Game and Kawerak Inc. on different salmon projects in the region. Funds contributed by NSEDC were used by the Norton Sound/Bering Strait Regional Aquaculture Association to release fry from in-stream incubators located in the Norton Sound region.

Shoreside Infrastructure Improvements Program – For Profit

MILESTONE: NSEDC FISHERIES DEVELOPMENT COMMITTEE WILL EVALUATE AT LEAST ONE SITE-SPECIFIC FOR-PROFIT SHORESIDE INFRASTRUCTURE IMPROVEMENT PROJECT EACH YEAR

Activity: NSEDC/NSSP evaluated and determined a need to order equipment for modifying the salmon processing line in the Unalakleet Processing plant in the second quarter.

Shoreside Infrastructure Improvements Program – Non Profit

MILESTONE: NSEDC WILL EVALUATE AT LEAST TWO SITE-SPECIFIC NON PROFIT SHORESIDE INFRASTRUCTURE IMPROVEMENT PROJECTS EACH YEAR

Activity: At the board meeting in April the NSEDC Board of Directors approved financial support of the Teller Wild Resource Processing Plant in Teller, and financial support for the Unalakleet Navigation Improvements Study. Also in the second quarter, the NSEDC Project Development Intern studied and prepared proposals for the Board of Directors for two Non-profit Shoreside Infrastructure Improvements projects. The first project entailed improving the safety and working conditions of the Small Boat Harbor and the second to upgrade the kitchen at the Quyanna Care Center in Nome. The Project Development Intern also studied and evaluated the Little Diomed Incinerator Proposal Project, but concluded the project has many environmental aspects that the Environmental Protection Agency and Safe Water are still investigating.

MILESTONE: NSEDC WILL MAKE ALL APPROVED CONTRIBUTIONS TO THE NOME NAVIGATION IMPROVEMENTS PROJECT IN A TIMELY FASHION

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: 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, 2001.

Activity: NSSP and GFC coordinate together to market NSEDC CDQ Crab. NSSP staff have also marketed and sold crab in Barrow, Fairbanks, Kotzebue, Nome and Anchorage. The NSSP Operations Manager presented to the NSEDC Board of Directors the 2001 NSSP Operations Plan at the quarterly meeting on

April 19–20 2001. NSSP is now operating under this plan for its 2001 regional operations.

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

Activity: The NSEDC Board of Directors approved the presented 2001 NSSP Operations Plan at the board meeting on April 19 – 20, 2001.

MILESTONE: NSEDC OR AN NSEDC SUBSIDIARY WILL MARKET AT LEAST 50% (BY WEIGHT) OF THE CDQ CRAB ALLOCATED TO NSEDC BY THE END OF THE FOURTH QUARTER EACH YEAR.

Activity: NSSP management coordinates with GFC in marketing NSEDC CDQ crab.

Norton Sound Vessel Management

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

Activity: NSSP Operations Manager included the Norton Sound Vessel Management operations in the 2001 NSSP Operations Plan which was presented to the NSEDC Board of Directors at the April 19 – 20, 2001 meeting.

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

Activity: The NSEDC Board of Directors approved the 2001 NSSP Operations Plan at the April 19 – 20, 2001 meeting.

Glacier Fish Company

Business Management and Investment

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

Activity: Quarterly owner meeting was held on June 13, 2001 in Seattle to review the 2001 first quarter financial information and other issues.

MILESTONE: CONTINUE TO SUCCESSFULLY MARKET CDQ CRAB PRODUCTION FOR NSEDC

Activity: NSEDC/NSSP continues to work closely with Glacier Seafood International (the GFC sales division) to market CDQ crab production. Efforts to develop special promotion of Norton Sound King Crab through Ivar's Restaurants have met with success.

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 2001 AND 2002 ON THE PORTION OF LONG TERM DEBT GUARANTEED BY NSEDC WILL BE APPROXIMATELY \$3,700,000)

Activity: Second quarter activity completed in accordance with terms of loan agreements.

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

- (A) \$1 MILLION TO ITS VESSELS,
- (B) \$1.5 MILLION IN PRODUCT RECOVERY TECHNOLOGY & EQUIPMENT

Activity: GFC spent \$300,000 for heading equipment on Pacific Glacier to promote higher recovery. Another \$1.8 million has been spent year-to-date on R&M to improve and maintain vessel operations.

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

Activity: \$1,000,000 distributed to NSEDC.

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

Activity: The audited reports for 2000 were distributed in late April 2001.

MILESTONE: CONTINUE TO DEVELOP NEW MARKET CHANNELS AND PRODUCT FORMS FOR ALASKA SEAFOODS SUCH AS COD, PINK SALMON, AND CRAB.

Activity: R&D on new freezing technology for cod milt and test marketing in Japan. Continuing efforts to establish Norton Sound king crab promotion with Ivar's (Seattle-based restaurant chain).

Local Employment

MILESTONE*: PROVIDE A MARKET TO LOCAL NORTON SOUND FISHERMEN FOR PINK SALMON DURING THE THIRD QUARTER 2002, 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: No activity this quarter.

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

Activity: In the 2nd Quarter, 80 trip/positions provided; \$454,310 gross wages paid to Norton Sound residents.

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 participated as a member of NSEDC's Fisheries Development Committee and made his report to NSEDC's Board of Directors at the Board meeting in Nome on April 19-20, 2001.

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

Activity: No activity this quarter. Intern John Dunn from Stebbins to start August 25, 2001.

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

Activity: Ongoing

MILESTONE: BY END OF FOURTH QUARTER 2002, 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.

Fisheries Management and Research

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

Activity: Open access and CDQ Pollock harvest occurred during the quarter, as did open access longline cod.

MILESTONE*: BY THE END OF THIRD QUARTER 2002, CONTRIBUTE AN ADDITIONAL \$8,000 FOR UNIVERSITY RESEARCH ON STELLER SEA LIONS.

Activity: More than \$8,000 for SSL research was contributed during the quarter to University of Alaska Fairbanks.

Investment with other CDQ Groups

MILESTONE*: BY THE END OF THE FOURTH QUARTER 2002 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

Activity: No activity this quarter.

Financial Support of Educational and Cultural Programs

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

Activity: No activity this 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: PROVIDE STAFF SUPPORT AND FUNDING FOR THE PREVENTION OF ALCOHOL AND SUBSTANCE ABUSE BY THE END OF EACH YEAR.

Activity: NSEDC Project Development Intern studied and prepared a proposal to fund approximately \$22,385 for the Bering Straits School District and Nome Public Schools to implement a Life Skills Training Program to educated students on the topic of drug and alcohol abuse.

MILESTONE: DIRECTLY CONTACT AT LEAST 30 INDIVIDUALS EACH QUARTER REGARDING THE AVAILABILITY OF NSEDC'S TRAINING AND SCHOLARSHIP PROGRAMS.

Activity: Nineteen residents and two nearby community residents were given the opportunity for Entry Level Seafood Processor Training and thirty-four residents were awarded post-secondary and technical scholarships from NSEDC in the second quarter.

Investment Oversight

MILESTONE: HOLD QUARTERLY MEETINGS OF THE FINANCIAL ADVISORY COMMITTEE.

Activity: The NSEDC Financial Advisory Committee held their first quarter meetings on April 19, 2001.

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: NSEDC management attended the GFC quarterly management meeting in Seattle on April 8, 2001.

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

Activity: NSEDC management attended the GFC quarterly management meeting in Seattle on April 8, 2001 in which financials were reviewed. NSEDC management receives weekly reports from GFC on investment activity, inventory, and financials.

Other Fund Management

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

Activity: NSEDC Financial Committee held their first quarter meeting on April 19, 2001.

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 EACH YEAR.

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 continued to follow the substance abuse policy outlined in the NSEDC personnel policies during the second quarter.

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

Activity: NSEDC continued to screen all applicants for employment positions within the seafood industry during the second quarter.

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: NSEDC Project Development Intern studied and prepared a proposal to fund approximately \$22,385 for the Bering Straits School District and Nome Public Schools to implement a Life Skills Training Program to educated students on the topic of drug and alcohol abuse.

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 THAT 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 first quarter of 2001.

- NSEDC Board of Directors held their 2001 first quarter meetings in Nome on April 19th and 20th at the Bering Straits Native Corporation Board room, these meetings were open to the public.
- NSEDC Board of Directors notified residents of the 2001 first quarter meeting by placing an ad in the Nome Nugget Newspaper.
- NSEDC President/CEO and staff held fishermen meetings in Stebbins, St. Michael, Unalakleet, Shaktoolik, Elim and Golovin on May 7th and 8th.
- NSEDC/NSSP staff traveled to Nome on May 20th and held a Norton Sound red king crab/halibut meeting and to Savoonga on May 19th and held a halibut meeting.
- The 2001 first quarter reports were mailed out to each member community city office, NSEDC Board of Director and Community Outreach Liaison.
- NSEDC notified residents about the Entry Level Seafood Processor (ELSP) training by placing an ad in the Nome Nugget and radio spots on KNOM radio station.
- NSEDC placed ads in the Nome Nugget Newspaper for employment opportunities with NSEDC.
- NSEDC notified residents about the available NSEDC CDQ Halibut Allocation to qualifying resident fishermen.
- NSEDC posted fliers in member communities regarding employment opportunities and fishery information,
- NSEDC has a web page on the internet (www.nsedc.com) in which constituents can access quarterly reports, newsletters, applications, and information regarding opportunities with NSEDC.

C. Employment

Employment Data Form

**Table 1
EMPLOYMENT DATA FORM
June 30, 2001**

| | Quarter | | Year-to-Date | | People |
|--|------------------|---------------------|------------------|-----------------------|------------|
| | Positions/Trips | Wages | Positions/Trips | Wages | |
| Management/Administrative | | | | | |
| NSEDC | 14/- | \$174,772.92 | 14/- | \$341,061.04 | 14 |
| NSSP | 4/- | 27,462.34 | 4/- | 50,770.34 | 4 |
| Total Management/Administrative | 18/- | \$202,235.26 | 18/- | \$391,831.38 | 18 |
| CDQ Pollock Related | | | | | |
| A/B Season | 78/5 | \$446,619.44 | 99/6 | \$567,548.98 | 61 |
| C/D Season | 0/0 | 0.00 | 0/0 | 0.00 | |
| Total Pollock Related | 78/5 | \$446,619.44 | 99/6 | \$567,548.98 | 61 |
| CDQ Crab (Icicle Seafoods) | 0/- | \$0.00 | 0/- | \$0.00 | |
| NSSP Employment | 9/- | \$9,061.14 | 9/- | \$9,061.14 | 9 |
| Other NSEDC Employment | 4/- | \$13,940.00 | 4/- | \$13,940.00 | 4 |
| Other Fishing | | | | | |
| GFC-longline | 2/1 | \$7,690.66 | 3/3 | \$20,124.92 | 3 |
| Icicle Seafoods | 5/- | \$5,554.70 | 9/- | \$12,959.16 | 6 |
| Total Other Fishing | 7/1 | \$13,245.36 | 12/3 | \$33,084.08 | 9 |
| Interns | | | | | |
| NSEDC – Main Office | 1/- | \$2,365.33 | 1/- | \$2,365.33 | 1 |
| ADF&G/Kawerak | 8/- | \$15,459.82 | 8/- | \$15,459.82 | 8 |
| Total Interns | 9/- | \$17,825.15 | 9/- | \$17,825.15 | 9 |
| GRAND TOTALS | 125/6 | \$702,926.35 | 151/9 | \$1,033,290.73 | 110 |
| | NSEDC = | \$206,538.07 | NSEDC = | \$372,826.19 | 27 |
| | NSSP= | \$36,523.48 | NSSP= | \$59,831.48 | 13 |
| | Partners= | \$459,864.80 | Partners= | \$600,633.06 | 70 |

Employment Summary

Management/Administrative – Nine personnel were employed at NSEDC's main office in Anchorage; five at the NSEDC offices in Unalakleet, two at regional plants and two were located in Seattle, WA. Sixteen of the personnel are permanent full-time employees, and two are seasonal full time employees.

CDQ Pollock – Glacier Fish Company paid wages to 37 residents in the second quarter of 2001 who were employed aboard the *F/V Northern Glacier* and the *F/V Pacific Glacier*.

NSSP Employment – Nine residents were employed by NSEDC/NSSP as processors, beach gang and clerical positions at the NSSP regional facilities during the second quarter.

Other NSEDC 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 – Two residents were employed by Glacier Fish Company aboard the *F/T Norton Sound* and five residents were employed by Icicle Seafoods as processors during the second quarter of 2001.

Interns – One resident was employed as a Project Development Intern in the NSEDC Anchorage office, three residents were employed as Kawerak Fishery Specialist Interns in Nome, and five residents were employed as ADF&G Fishery Technicians at regional sites.

D. Training

Training Data Form

**Table 2
TRAINING DATA FORM
March 31, 2001**

| | Quarter | | Year-to-Date | |
|---------------------------|----------------|---------------------|---------------------|---------------------|
| | People | Expenditures | People | Expenditures |
| Scholarships | | | | |
| Post-Secondary | 26 | \$30,000 | 75 | \$91,500 |
| Vocational | 7 | \$7,500 | 16 | \$18,750 |
| Voc-Tech | | | | |
| Basic | | | | |
| Advanced | | | | |
| Other Training | | | | |
| Fisheries related | 11 | \$38,989.43 | 24 | \$76,627.91 |
| Student Loans | | | | |
| CDQ Staff/Board | | | | |
| Other (Elec.Navigation) | | | | |
| Other Expenditures | | | | |
| To Educational Institute | | | | |
| Education Endowment | | | | |
| Other | | | | |
| TOTAL | 44 | \$76,489.43 | 115 | \$186,877.91 |

Training Summary

Scholarships – Twenty-six residents were awarded post-secondary scholarships and seven residents received vocational scholarships.

Other Training – Nineteen residents and two residents of Kaltag were given the opportunity for Entry Level Seafood Processor training. Of these twenty-one, two residents from Kaltag, and nine residents from NSEDC member communities were trained.

III. Administration

A. Board Activities

Changes in Members

There were no changes in members on the NSEDC Board of Directors during the second quarter of 2001.

Substantial Decisions

At the first quarter meeting on April 19 & 20, 2001 in Nome, the following items were approved by the NSEDC Board of Directors: approval of the 2001 NSSP Operations Plan, approval NSEDC employee drug screening, approval to expend funds to conduct a Salinity/Plankton Measurement Study for Northern Norton Sound, approval to provide financial support for the Unalakleet Navigation Improvements study, approval to provide financial support to the City of Teller for the Teller Wild Resource Processing Plant, and direction to purchase Norton Sound herring from local Norton Sound permit holders and direction to purchase Norton Sound red king crab from local fishermen only.

Board Meeting Minutes

Please see Attachment 10

B. State of Alaska Reporting Compliance

NSEDC complied with all State of Alaska requirements during the second quarter.

C. Amendment Status

Amendments to the 2001-2002 Multi-species Community Development Plan (CDP) submitted for CDQ harvest management during the second quarter are listed below:

- CDP amendment 01-02NS: NSEDC submitted a technical amendment to the CDP to add the F/V American Viking to the list of vessels already approved by NMFS as eligible to participate in our CDQ fisheries. This amendment was approved by NMFS on April 10, 2001.
- CDP amendment 01-03NS: NSEDC submitted a technical amendment to the CDP 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. We are also proposing to add processing facilities owned and

operated by UniSea Inc., Royal Aleutian Seafoods and Westward Seafoods Inc. in Dutch Harbor, and Norquest Adak located on Adak Island to our CDP for use in prosecuting our CDQ sablefish fishery. This amendment was approved by NMFS on April 19, 2001.

- CDP amendment 01-04NS: NSEDC submitted a substantial amendment to the CDP to transfer 72.48 mt of CDQ from the non-specific reserve into the ‘other species’ CDQ category. This amendment was approved by NMFS on April 16, 2001.
- CDP amendment 01-05NS: NSEDC submitted a substantial amendment to the CDP to establish a new loan option to the NSEDC Revolving Loan Program. The new loan option would provide low interest loans up to \$80,000 to local Norton Sound fishermen for the purchase of large vessels to be use in the Norton Sound red king crab and halibut fisheries. This amendment was approved by NMFS in April 2001.
- CDP amendment 01-06NS: NSEDC submitted a substantial amendment to the CDP in order to transfer 0.2 mt of annual CDQ for Other red rockfish in the Bering Sea from NSEDC to CVRF. This amount exceeds 10% of the CDQ allocation and therefore requires a substantial amendment. This amendment was approved by NMFS on April 20, 2001.
- CDP amendment 01-07NS: NSEDC submitted the omnibus budget amendment to the CDP on June 29, 2001.

IV. Harvesting Report

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

See the following tables below:

Table 3: Annual CDQ Harvest by Groundfish Target Fisheries

Table 4: 2001 CDQ Harvest – Pollock Target Fishery

Table 5: 2001 CDQ Harvest – Pacific Cod Target Fishery

Table 6: 2001 CDQ Harvest – Sablefish Target Fishery

Table 7: 2001 CDQ Harvest – Greenland Turbot Target Fishery

Table 3
ANNUAL CDQ HARVEST BY GROUND FISH TARGET FISHERIES
through First Quarter 2001

| TARGET FISHERY | Pollock | Pacific Cod | Sablefish | Turbot | Groundfish | Halibut | Total | NSEDC | | *Revised | | | |
|---|------------|-------------|-----------|---------|------------|---------|------------|------------|-----|----------------------|------------------------|----------------------|------------------|
| GEAR TYPE | Trawl | H&L | Pot | H&L | Trawl | H&L | Harvest | Annual CDQ | | Trades/ Transfers | NSEDC Annual CDQ | Percent Harvested | Remaining CDQ |
| SPECIES | | | | | | | | 2001 | | (see notes) | | | |
| Halibut (4D) | | | | | | 7.054 | 7.054 | 82.895 | 30% | - | 82.895 | 8.51% | 75.84 |
| Pacific Cod (BS/AI) | 45,859 | 1,888,150 | - | - | - | 1,980 | 1,935,989 | 2,538,000 | 18% | - | 2,538,000 | 76.28% | 602.01 |
| Sablefish (BS) | - | 0.001 | 2.282 | 0.011 | - | - | 2.294 | 31.200 | 20% | - | 31.200 | 7.35% | 28.91 |
| Sablefish (AI) | - | - | 39,135 | - | - | - | 39,135 | 75,000 | 20% | - | 75,000 | 52.18% | 35.87 |
| Trawl Sablefish (BS) | 0.062 | - | - | - | - | - | 0.062 | 10.620 | 18% | - | 10.620 | 0.58% | 10.56 |
| Trawl Sablefish (AI) | - | - | - | - | - | - | - | 4.700 | 10% | - | 4.700 | 0.00% | 4.70 |
| Greenland Turbot (BS) | 0.764 | 0.090 | 0.459 | - | - | - | 1.313 | 63.300 | 15% | 50,000 | 113,300 | 1.16% | 111.99 |
| Greenland Turbot (AI) | - | 0.070 | 1.681 | - | - | - | 1.751 | 41.600 | 20% | - | 41,600 | 4.21% | 39.85 |
| Atka Mackerel (Western AI) | - | 1.210 | - | - | - | - | 1.210 | 293,020 | 14% | - | 293,020 | 0.41% | 291.81 |
| Atka Mackerel (Central AI) | - | - | - | - | - | - | - | 352,800 | 14% | - | 352,800 | 0.00% | 352.80 |
| Atka Mackerel (Eastern AI) | 0.004 | 0.480 | - | - | - | - | 0.484 | 81,900 | 14% | - | 81,900 | 0.59% | 81.42 |
| Yellowfin Sole | 1.101 | 17,760 | - | - | - | - | 18,861 | 593,250 | 7% | - | 593,250 | 3.18% | 574.39 |
| Flathead Sole | 18,030 | 0.820 | - | 0.004 | - | 0.020 | 18,874 | 450,000 | 15% | - | 450,000 | 4.19% | 431.13 |
| Other Flatfish | 0.165 | 1.057 | 0.007 | - | - | - | 1.229 | 210,000 | 10% | - | 210,000 | 0.59% | 208.77 |
| Rock Sole | 43,055 | 1,350 | - | - | - | - | 44,405 | 618,750 | 11% | - | 618,750 | 7.18% | 574.35 |
| Bering Sea Pollock | | | | | | | | 32,200,000 | 23% | - | 32,200,000 | | |
| A/B season | 12,865,842 | - | - | - | - | - | 12,865,842 | 12,880,000 | | - | 12,880,000 | 99.89% | 14.16 |
| C/D season | 1,301,160 | - | - | - | - | - | 1,301,160 | 19,320,000 | | - | 19,320,000 | 6.73% | 18,018.84 |
| Aleutian Pollock | - | - | - | - | - | - | - | 46,000 | 23% | - | 46,000 | 0.00% | 46.00 |
| Bogoslof Pollock | - | - | - | - | - | - | - | 23,000 | 23% | - | 23,000 | 0.00% | 23.00 |
| Non-quota Pollock | N/A | 61,450 | 0.003 | - | - | - | 61,453 | | | | | | |
| Arrowtooth Flounder | 1.843 | 10.990 | 1.218 | - | - | 0.450 | 14,501 | 140,335 | 10% | 2,000 | 142,335 | 10.19% | 127.83 |
| True POP (BS) | 0.043 | - | - | - | - | - | 0.043 | 23,400 | 18% | - | 23,400 | 0.18% | 23.36 |
| Other Red Rockfish (BS) | 0.040 | 0.007 | - | - | - | - | 0.047 | 1,600 | 16% | 0.200 | 1,800 | 2.61% | 1.75 |
| True POP (Western AI) | - | - | - | - | - | - | - | 49,840 | 14% | - | 49,840 | 0.00% | 49.84 |
| True POP (Central AI) | - | - | - | - | - | - | - | 26,880 | 14% | - | 26,880 | 0.00% | 26.88 |
| True POP (Eastern AI) | - | - | - | - | - | - | - | 30,520 | 14% | - | 30,520 | 0.00% | 30.52 |
| Sharpchin/Northern (AI) | - | 0.890 | - | - | - | - | 0.890 | 70,840 | 16% | - | 70,840 | 1.26% | 69.95 |
| Shortraker/Rougheye (AI) | - | 0.030 | 0.098 | - | - | - | 0.128 | 11,560 | 18% | - | 11,560 | 1.11% | 11.43 |
| Other Rockfish (BS) | 0.124 | 0.005 | - | - | - | - | 0.129 | 3,510 | 13% | 0.500 | 4,010 | 3.22% | 3.88 |
| Other Rockfish (AI) | - | 1.220 | 0.033 | - | - | - | 1.253 | 8,670 | 17% | - | 8,670 | 14.45% | 7.42 |
| Squid | 5.364 | - | 0.002 | - | - | - | 5.366 | - | - | - | - | - | (5.37) |
| Other Species | 21,760 | 219,780 | 0.046 | 0.231 | - | 5,380 | 247,197 | 270,368 | 16% | 74,477 | 344,845 | 71.68% | 97.65 |
| TOTAL | 14,305,216 | 2,205,360 | 44,964 | 0.246 | - | 14,884 | 16,570,670 | 38,353,558 | | 127,177 | 38,480,735 | 43.06% | 21,910.06 |
| Bycatch % | 0.97% | 14.38% | 7.89% | 100.00% | - | 52.61% | | | | | | | |
| PROHIB SPECIES | | | | | | | | | | | | | |
| Halibut mortality (mt) | 1,809 | 10,294 | - | - | - | - | 12,103 | 41,175 | 12% | - | 41,175 | 29.39% | 29.07 |
| Opilio (no.) | - | - | - | - | - | - | - | 32,625 | 10% | - | 32,625 | 0.00% | 32,625.00 |
| Tanner Crab - Zone 1 (no.) | - | - | - | - | - | - | - | 4,380 | 8% | - | 4,380 | 0.00% | 4,380.00 |
| Tanner Crab - Zone 2 (no.) | - | - | - | - | - | - | - | 17,078 | 11% | - | 17,078 | 0.00% | 17,078.00 |
| Red King Crab (no.) | - | - | - | - | - | - | - | 509 | 7% | - | 509 | 0.00% | 509.25 |
| Chinook Salmon (no.) | 564 | - | - | - | - | - | 564 | 707 | 23% | - | 707 | 79.72% | 143.41 |
| Other Salmon (no.) | 71 | - | - | - | - | - | 71 | 693 | 22% | - | 693 | 10.30% | 621.61 |
| * Note: The amount of annual CDQ for various species and allocations 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. Trades/transfers are listed below: | | | | | | | | | | | | | |
| 1. CDP amendment 01-01NS: transfer from CVRF to NSEDC of 50 mt of Greenland turbot and assorted bycatch. | | | | | | | | | | | | | |
| 2. CDP amendment 01-04NS: transfer 72,477 mt from non-specific reserve to other species category, pending approval. | | | | | | | | | | | | | |

Table 4
2001 CDQ HARVEST – POLLOCK TARGET FISHERY
(in metric tons)

| | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter | Total Year to date |
|----------------------------|-------------|-------------|-------------|-------------|-----------------------|
| SPECIES | | | | | |
| Pacific Cod (BS/AI) | 35.169 | 10.690 | - | - | 45.859 |
| Sablefish (BS) | - | - | - | - | - |
| Sablefish (AI) | - | - | - | - | - |
| Trawl Sablefish (BS) | 0.062 | - | - | - | 0.062 |
| Trawl Sablefish (AI) | - | - | - | - | - |
| Greenland Turbot (BS) | 0.754 | 0.010 | - | - | 0.764 |
| Greenland Turbot (AI) | - | - | - | - | - |
| Atka Mackerel (Western AI) | - | - | - | - | - |
| Atka Mackerel (Central AI) | - | - | - | - | - |
| Atka Mackerel (Eastern AI) | 0.004 | - | - | - | 0.004 |
| Yellowfin Sole | 1.091 | 0.010 | - | - | 1.101 |
| Flathead Sole | 17.400 | 0.630 | - | - | 18.030 |
| Other Flatfish | 0.165 | - | - | - | 0.165 |
| Rock Sole | 39.785 | 3.270 | - | - | 43.055 |
| Bering Sea Pollock | | | | | |
| A/B season | 10,480.982 | 2,384.860 | - | - | 12,865.842 |
| C/D season | - | 1,301.160 | - | - | 1,301.160 |
| Aleutian Pollock | - | - | - | - | - |
| Bogoslof Pollock | - | - | - | - | - |
| Arrowtooth Flounder | 1.813 | 0.030 | - | - | 1.843 |
| True POP (BS) | 0.043 | - | - | - | 0.043 |
| Other Red Rockfish (BS) | 0.040 | - | - | - | 0.040 |
| True POP (Western AI) | - | - | - | - | - |
| True POP (Central AI) | - | - | - | - | - |
| True POP (Eastern AI) | - | - | - | - | - |
| Sharpchin/Northern (AI) | - | - | - | - | - |
| Shorotraker/Rougheye (AI) | - | - | - | - | - |
| Other Rockfish (BS) | 0.124 | - | - | - | 0.124 |
| Other Rockfish (AI) | - | - | - | - | - |
| Squid | 5.364 | - | - | - | 5.364 |
| Other Species | 20.080 | 1.680 | - | - | 21.760 |
| TOTAL | 10,602.876 | 3,702.340 | - | - | 14,305.216 |
| Bycatch % | 1.15% | 0.44% | - | - | 0.97% |
| PROHIB SPECIES | | | | | |
| Halibut mortality (mt) | 1.759 | 0.050 | - | - | 1.809 |
| Opilio (no.) | - | - | - | - | - |
| Tanner Crab - Zone 1 (no.) | - | - | - | - | - |
| Tanner Crab - Zone 2 (no.) | - | - | - | - | - |
| Red King Crab (no.) | - | - | - | - | - |
| Chinook Salmon (no.) | 552 | 12 | - | - | 564 |
| Other Salmon (no.) | 68 | 3 | - | - | 71 |

Table 5
2001 CDQ HARVEST – PACIFIC COD TARGET FISHERY
(in metric tons)

| | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter | Total |
|----------------------------|-------------|-------------|-------------|-------------|--------------|
| SPECIES | | | | | Year to date |
| Pacific Cod (BS/AI) | 138.270 | 1,749.880 | - | - | 1,888.150 |
| Sablefish (BS) | - | 0.001 | - | - | 0.001 |
| Sablefish (AI) | - | - | - | - | - |
| Trawl Sablefish (BS) | - | - | - | - | - |
| Trawl Sablefish (AI) | - | - | - | - | - |
| Greenland Turbot (BS) | 0.010 | 0.080 | - | - | 0.090 |
| Greenland Turbot (AI) | 0.040 | 0.030 | - | - | 0.070 |
| Atka Mackerel (Western AI) | - | 1.210 | - | - | 1.210 |
| Atka Mackerel (Central AI) | - | - | - | - | - |
| Atka Mackerel (Eastern AI) | 0.480 | - | - | - | 0.480 |
| Yellowfin Sole | 0.320 | 17.440 | - | - | 17.760 |
| Flathead Sole | 0.160 | 0.660 | - | - | 0.820 |
| Other Flatfish | - | 1.057 | - | - | 1.057 |
| Rock Sole | 0.210 | 1.140 | - | - | 1.350 |
| Bering Sea Pollock | | | | | |
| A/B season | - | - | - | - | - |
| C/D season | - | - | - | - | - |
| Aleutian Pollock | - | - | - | - | - |
| Bogoslof Pollock | - | - | - | - | - |
| Non-quota Pollock | 2.530 | 58.920 | - | - | 61.450 |
| Arrowtooth Flounder | 0.090 | 10.900 | - | - | 10.990 |
| True POP (BS) | - | - | - | - | - |
| Other Red Rockfish (BS) | - | 0.007 | - | - | 0.007 |
| True POP (Western AI) | - | - | - | - | - |
| True POP (Central AI) | - | - | - | - | - |
| True POP (Eastern AI) | - | - | - | - | - |
| Sharpchin/Northern (AI) | 0.030 | 0.860 | - | - | 0.890 |
| Shortraker/Rougheye (AI) | - | 0.030 | - | - | 0.030 |
| Other Rockfish (BS) | - | 0.005 | - | - | 0.005 |
| Other Rockfish (AI) | 0.080 | 1.140 | - | - | 1.220 |
| Squid | - | - | - | - | - |
| Other Species | 7.320 | 212.460 | - | - | 219.780 |
| TOTAL | 149.540 | 2,055.820 | - | - | 2,205.360 |
| Bycatch % | 7.54% | 14.88% | - | - | 14.38% |
| PROHIB SPECIES | | | | | |
| Halibut mortality (mt) | 0.270 | 10.024 | - | - | 10.294 |
| Opilio (no.) | - | - | - | - | - |
| Tanner Crab - Zone 1 (no.) | - | - | - | - | - |
| Tanner Crab - Zone 2 (no.) | - | - | - | - | - |
| Red King Crab (no.) | - | - | - | - | - |
| Chinook Salmon (no.) | - | - | - | - | - |
| Other Salmon (no.) | - | - | - | - | - |

Table 6
2001 CDQ HARVEST – SABLE FISH TARGET FISHERY
(in metric tons)

| | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter | Total |
|----------------------------|-------------|---------------|-------------|-------------|---------------|
| SPECIES | | | | | Year to date |
| Pacific Cod (BS/AI) | - | - | - | - | - |
| Sablefish (BS) | - | 2.282 | - | - | 2.282 |
| Sablefish (AI) | - | 39.135 | - | - | 39.135 |
| Trawl Sablefish (BS) | - | - | - | - | - |
| Trawl Sablefish (AI) | - | - | - | - | - |
| Greenland Turbot (BS) | - | 0.459 | - | - | 0.459 |
| Greenland Turbot (AI) | - | 1.681 | - | - | 1.681 |
| Atka Mackerel (Western AI) | - | - | - | - | - |
| Atka Mackerel (Central AI) | - | - | - | - | - |
| Atka Mackerel (Eastern AI) | - | - | - | - | - |
| Yellowfin Sole | - | - | - | - | - |
| Flathead Sole | - | - | - | - | - |
| Other Flatfish | - | 0.007 | - | - | 0.007 |
| Rock Sole | - | - | - | - | - |
| Bering Sea Pollock | | | | | |
| A/B season | - | - | - | - | - |
| C/D season | - | - | - | - | - |
| Aleutian Pollock | - | - | - | - | - |
| Bogoslof Pollock | - | - | - | - | - |
| Non-quota Pollock | - | 0.003 | - | - | 0.003 |
| Arrowtooth Flounder | - | 1.218 | - | - | 1.218 |
| True POP (BS) | - | - | - | - | - |
| Other Red Rockfish (BS) | - | - | - | - | - |
| True POP (Western AI) | - | - | - | - | - |
| True POP (Central AI) | - | - | - | - | - |
| True POP (Eastern AI) | - | - | - | - | - |
| Sharpchin/Northern (AI) | - | - | - | - | - |
| Shortraker/Rougheye (AI) | - | 0.098 | - | - | 0.098 |
| Other Rockfish (BS) | - | - | - | - | - |
| Other Rockfish (AI) | - | 0.033 | - | - | 0.033 |
| Squid | - | 0.002 | - | - | 0.002 |
| Other Species | - | 0.046 | - | - | 0.046 |
| TOTAL | - | 44.964 | - | - | 44.964 |
| Bycatch % | - | 7.89% | - | - | 7.89% |
| PROHIB SPECIES | | | | | |
| Halibut mortality (mt) | - | - | - | - | - |
| Opilio (no.) | - | - | - | - | - |
| Tanner Crab - Zone 1 (no.) | - | - | - | - | - |
| Tanner Crab - Zone 2 (no.) | - | - | - | - | - |
| Red King Crab (no.) | - | - | - | - | - |
| Chinook Salmon (no.) | - | - | - | - | - |
| Other Salmon (no.) | - | - | - | - | - |

Table 7
2001 CDQ HARVEST – GREENLAND TURBOT TARGET FISHERY
(in metric tons)

| | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter | Total Year to date |
|----------------------------|-------------|-------------|-------------|-------------|-----------------------|
| SPECIES | | | | | |
| Pacific Cod (BS/AI) | - | - | - | - | - |
| Sablefish (BS) | - | 0.011 | - | - | 0.011 |
| Sablefish (AI) | - | - | - | - | - |
| Trawl Sablefish (BS) | - | - | - | - | - |
| Trawl Sablefish (AI) | - | - | - | - | - |
| Greenland Turbot (BS) | - | - | - | - | - |
| Greenland Turbot (AI) | - | - | - | - | - |
| Atka Mackerel (Western AI) | - | - | - | - | - |
| Atka Mackerel (Central AI) | - | - | - | - | - |
| Atka Mackerel (Eastern AI) | - | - | - | - | - |
| Yellowfin Sole | - | - | - | - | - |
| Flathead Sole | - | 0.004 | - | - | 0.004 |
| Other Flatfish | - | - | - | - | - |
| Rock Sole | - | - | - | - | - |
| Bering Sea Pollock | | | | | |
| A/B season | - | - | - | - | - |
| C/D season | - | - | - | - | - |
| Aleutian Pollock | - | - | - | - | - |
| Bogoslof Pollock | - | - | - | - | - |
| Non-quota Pollock | - | - | - | - | - |
| Arrowtooth Flounder | | | | | |
| True POP (BS) | - | - | - | - | - |
| Other Red Rockfish (BS) | - | - | - | - | - |
| True POP (Western AI) | - | - | - | - | - |
| True POP (Central AI) | - | - | - | - | - |
| True POP (Eastern AI) | - | - | - | - | - |
| Sharpchin/Northern (AI) | - | - | - | - | - |
| Shorthead/Rougheye (AI) | - | - | - | - | - |
| Other Rockfish (BS) | - | - | - | - | - |
| Other Rockfish (AI) | - | - | - | - | - |
| Squid | - | - | - | - | - |
| Other Species | - | 0.231 | - | - | 0.231 |
| TOTAL | - | 0.246 | - | - | 0.246 |
| Bycatch % | - | 100.00% | - | - | 100.00% |
| PROHIB SPECIES | | | | | |
| Halibut mortality (mt) | - | - | - | - | - |
| Opilio (no.) | - | - | - | - | - |
| Tanner Crab - Zone 1 (no.) | - | - | - | - | - |
| Tanner Crab - Zone 2 (no.) | - | - | - | - | - |
| Red King Crab (no.) | - | - | - | - | - |
| Chinook Salmon (no.) | - | - | - | - | - |
| Other Salmon (no.) | - | - | - | - | - |

B. CDQ Fishing Activities

During the second quarter of 2001, NSEDC conducted CDQ fishing operations for pollock in the Bering Sea during the B and C seasons, for Pacific cod in the Bering Sea and Aleutian Islands, a minimal effort for Greenland turbot in the Bering Sea, halibut in area 4D and sablefish in the Bering Sea and Aleutian Islands. We did not conduct targeted CDQ fishing operations for any of the crab species, Atka mackerel, yellowfin sole and rock sole or any of the other directed fisheries during this period. To date, NSEDC has harvested a total of 16,573.138 metric tons of annual groundfish CDQ including both target and bycatch species. This amount of harvest represents approximately 43% of our total allocation of annual groundfish CDQ in 2001.

A summary of the harvest data of annual CDQ for the groundfish species by target fishery through the end of the second quarter is provided in Table 3. In addition, harvest information for each of the target fisheries by quarter are provided in Tables 4-7

Pollock

During the second quarter, NSEDC harvested a total of 3,686.02 metric tons of CDQ pollock – 2,384.86 mt in the pollock B season and 1,301.16 mt in the C season - using both of Glacier Fish Company's at-sea processing trawlers, the Pacific Glacier and the Northern Glacier. The B season runs from April 1 to June 10 and is the later portion of the pollock roe fishery. The C season that is now underway extends from April 10 to August 20 and is generally considered to be a non-roe pollock fishery. The Northern Glacier harvested 1,657.15 mt of CDQ pollock during the second quarter in eleven days – three days at the end of fishing in the B season in April and the remaining days during the C season in mid-June. The Pacific Glacier harvested 2,028.87 mt of CDQ pollock in seven days during the end of the B season in early April. The Pacific has not yet started CDQ pollock fishing in the C season. The harvest of CDQ pollock during this quarter was worth roughly \$590,000 in CDQ royalty payments to NSEDC, excluding roe royalty.

NSEDC fishing operations for CDQ pollock will continue in conjunction with the pollock coop fishery using both vessels throughout the C season and D season until November 1 when the pollock fishery closes for the year. See Table 4 for a summary of the CDQ and PSQ harvest through the end of the second quarter in the pollock fishery.

Summary of bycatch: The bycatch rate of other CDQ species in the pollock target fishery during the second quarter was forty-four hundredth of one percent (0.44%) of the total harvest. This low bycatch rate brings the average so far for

the year down to just below one percent. Most of the bycatch consisted of Pacific cod with lesser amounts of other species, rock sole and also some others. Bycatch of salmon was minimal. Refer to Table 4 for additional detailed information.

Processing report: Products from B season processing of CDQ pollock included roe, surimi, mince and fillet blocks. Seafood products produced during the C season are basically the same as the B season with the exception of little or no pollock roe.

Compliance/enforcement issues: To the best of our knowledge, NSEDC-contracted vessels conducted CDQ pollock fishing operations in compliance with applicable federal and state laws and regulations governing the fisheries in the BSAI.

Pacific Cod

NSEDC harvested 1,749.88 metric tons of Pacific cod in targeted CDQ fishing operations in the Bering Sea and Aleutian Islands during the second quarter. The F/V Norton Sound took 1,541 mt of CDQ cod in two full trips and two partial trips in seventy-one days of continuous fishing from April 1 through the end of June. The Norton Sound fished mostly in the Bering Sea except for a short time in the Aleutians Islands in early April and late May. The fish were bigger and production was better in the Aleutian Islands but the bycatch of other species (skate and sculpin) was considerably higher.

The F/V Courageous harvested 208.88 mt of CDQ cod in two partial trips and twenty-five fishing days in the Bering Sea. The Courageous was forced to discontinue fishing for NSEDC due to catch rates of other species exceeding bycatch limits established for our CDQ cod target fishery.

NSEDC will complete the target fishery for CDQ cod prior to the start of the open access cod B season that is scheduled to start on August 15. The catch rates were slower than were experienced in the CDQ cod fishery last year and the size of the fish was considerably smaller. Bycatch of other species was definitely a limiting factor in this fishery. The harvest of CDQ cod in the target fisheries during this quarter was worth about \$350,000 in royalty payments to NSEDC. See Table 5 for a summary of the CDQ and PSQ harvest in the cod target fishery.

Summary of bycatch: The catch of other CDQ species in the Pacific cod target fishery accounted for approximately fifteen percent (14.98%) of the total harvest. This bycatch primarily consisted of 'other species' including skate and sculpin, non-quota pollock, yellowfin sole and arrowtooth flounder. The vessels continued to make a considerable effort to avoid bycatch, even at the expense of fish quality and size, and productivity. See the attached harvest summary in Table 5 for more detailed information.

Processing report: Products from our Pacific cod CDQ fishery were primarily headed and gutted, eastern-cut and western cut cod packaged and frozen in approximately 40-pound and 50-pound blocks. A portion of this H&G product is intended on feeding the Glacier Saltfish plant in Seattle for further processing into wet and dry salt cod products.

Compliance/enforcement issues: To the best of our knowledge, NSEDC-contracted vessels 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 by NMFS Enforcement.

Sablefish

NSEDC harvested 39.135 metric tons of sablefish CDQ in the Aleutian Islands and 2.282 metric tons of CDQ in the Bering Sea using the catcher pot boat, F/V Miss Conception, and the catcher/processor pot vessel, F/V American Viking. The Miss Conception caught most of the CDQ in four trips and delivered the product into the Westward Seafoods' plant in Dutch Harbor. The American Viking on the other hand had a more challenging fishing experience in their first trip using pot gear. The vessel caught a small amount of CDQ sablefish in eighteen days of fishing.

The four deliveries of sablefish CDQ from the Miss Conception was worth about \$24,790.25 in royalty payments to NSEDC. The amount of royalty from the American Viking is estimated at about \$6,000. The Miss Conception will continue fishing for our CDQ sablefish in the Aleutian Islands during the third quarter in July and August while the American Viking will focus on the Bering Sea quota. See Table 6 for a summary of CDQ harvest in the sablefish target fisheries.

Summary of bycatch: The catch of other CDQ species in the sablefish target fishery was almost eight percent (7.89%) of the total harvest. This bycatch was mostly Greenland turbot and arrowtooth flounder with a little bit of some flatfish species, rockfish and other species. The use of pot gear for the sablefish fishery reduces the risk of bycatch of rockfish and minimizes conflicts with whales. See the attached harvest summary in Table 6 for more detailed information.

Processing report: The Miss Conception produced iced headed and gutted product delivered fresh to a shoreside processing plant in Dutch Harbor. The American Viking produced headed and gutted frozen product for sale in the open market.

Compliance/enforcement issues: To the best of our knowledge, NSEDC-contracted vessels conducted CDQ sablefish 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 by NMFS Enforcement.

Greenland Turbot

NSEDC conducted directed fishing for CDQ Greenland turbot with the F/V Northern Aurora for a single set just prior to the start of the open access turbot fishery on May 1. The Northern Aurora did not harvest any of our CDQ turbot in this set. Only a small amount of skate, flathead sole and sablefish were taken amounting to about a quarter of a metric ton. See Table 7.

As of the end of the second quarter, the open access fishery for Greenland turbot has not yet closed. Low catch rates due to poor fishing conditions, conflict with whales, low production in the fleet and less than ideal product quality have encouraged the normal fleet to pursue other fishing opportunities. The open access fishery may remain open through the end of the year. As such, we may not conduct the CDQ fishery for turbot as planned this year. The Northern Aurora and NSEDC will re-evaluate fishing plans for the CDQ fishery later this fall and perhaps conduct a fishery after the close of the open access cod B season.

Atka Mackerel, Yellowfin Sole and Rock Sole

There was no directed harvest of CDQ Atka mackerel, yellowfin sole and rock sole during the second quarter. NSEDC will commence targeted fishing operations for Atka mackerel during the third quarter of the year.

Halibut

During the second quarter, NSEDC harvested 15,552 pounds or 7.054 metric tons of CDQ halibut in Area 4D during directed fishing operations using the F/V Norton Sound. The Norton Sound fished for a single day in late June targeting CDQ halibut. Halibut fishing will continue during the third quarter in the region using local fishermen and boats to deliver to Norton Sound Seafood Products operations in Nome.

Summary of bycatch: The catch of other CDQ species in the halibut target fishery was about fifty-two percent (52.61%) of the total harvest. This bycatch was mostly other species (primarily skate) and cod with a small amount of flathead sole and arrowtooth flounder. See the attached harvest summary in Table 3 for more detailed information.

Processing report: The Norton Sound produced individually frozen, headed and gutted product from the harvested CDQ halibut.

Compliance/enforcement issues: To the best of our knowledge, the NSEDC-contracted vessel conducted CDQ halibut 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 by NMFS Enforcement.

Bering Sea Opilio Crab

There was no harvest of CDQ opilio crab in the Bering Sea during the second quarter. This CDQ fishery was conducted during the first quarter of 2001.

Norton Sound Red King Crab

There was no harvest of CDQ red king crab in the Norton Sound fishery during the second quarter. The GHL for this fishery was set by ADF&G at 303,000 pounds. The open access fishery is scheduled to open on July 1 while the CDQ fishery will probably start during the third quarter of the year after the conclusion of the open fishery.

Bristol Bay Red King Crab

There was no harvest of CDQ red king crab in the Bristol Bay fishery during the second quarter. A groundfish crab survey to assess the status of the crab stocks will be conducted by ADF&G this summer. The GHL for this coming season - starting in October or November - will be set sometime thereafter. NSEDC will commence targeted fishing operations after the open access harvest probably during the fourth quarter.

St. Matthew Blue King Crab

There was no harvest of CDQ king crab at St. Matthew during the second quarter. This commercial crab fishery will probably be closed again to open access and CDQ harvest in 2001. The fishery was closed in 1999 and 2000. NSEDC will continue to monitor information from the North Pacific Fisheries Management Council and NMFS regarding status of these stocks, the preparation of the rebuilding plan and progress towards reopening this crab fishery.

C. Other Related Management Items

Fisheries Management Meetings

During the quarter, NSEDC staff attended management meetings of the North Pacific Fishery Management Council in Anchorage during the week of April 8 and in Kodiak during the week of June 4 to monitor issues of significance to

CDQ groups and CDQ fishing operations. NSEDC also participated in meetings with NMFS personnel and other CDQ groups in Anchorage and Juneau to review CDQ fishing operations in 2001 and to discuss CDQ fisheries management issues such as shortages of the “other species” CDQ and related changes to regulations. NSEDC also attended meetings of the North Pacific Council’s RPA committee and CDQ policy committee.

D. CDQ Crab Marketing Activities

2000 Norton Sound red king crab

In addition to the CDQ fisheries, NSEDC has also been working with Glacier Seafood International (the GFC sales division) in the production and sales of red king crab product from the open access fishery in Norton Sound. Of the more than 178,000 pounds of frozen sectioned product produced in the 2000 fishery, about 94,200 pounds still remain to be sold. Originally most of this production was committed to Red Lobster for sale in restaurants in eastern Canada. However, due to a change in corporate strategy, Red Lobster delayed purchases until this season’s production. As a result, NSEDC and GSI are continuing to pursue other avenues for higher end revenue sales of this product. Ivar’s Restaurants continues to promote the Norton Sound king crab in their Seattle restaurants but the volumes are limited to roughly 5,000 pounds per quarter. Based on current projections, NSEDC is still expecting a small profit on estimated revenues in this operation of about \$1.2 million.

The 2001 Norton Sound red king crab fishery commences July 1 and NSEDC/GSI are continuing efforts begun last year to promote this crab product. These promotional efforts generally take several years to mature and fully develop with committed customers counting on a reliable supply of quality product.

1999 Bristol Bay red king crab

Through the end of the second quarter, NSEDC and GSI have sold almost the entire inventory of red king crab product from the 1999 Bristol Bay CDQ fishery. Only 90 pounds of mixed claws and miscellaneous product remain in cold storage. This remaining small amount of product will be sold during the next quarter. We are anticipating a negative cash flow on projected total revenues of about \$833,795 and almost \$890,000 in expenses.

2000 Bering Sea opilio crab

By the end of the second quarter, NSEDC and GSI has sold 211,391 pounds of #1 fancy and grade A opilio clusters for total revenues of \$967,270. These sales included almost the entire inventory of 5-8 oz. clusters at a market price of \$4.50 per pound. The remaining inventory of 77,575 pounds includes mostly 8

oz. up and 10 oz. up clusters with some grade A and bits and pieces. IPC has reprocessed the bits and pieces for sale as cocktail claws and broken pieces. At current market prices, we are projecting a small negative cash flow on projected revenues of about \$1.2 million.

2001 Bering Sea opilio crab

By the end of the second quarter, NSEDC and GSI has sold 186,075 pounds of mostly 5 oz. up No. 1 clusters, 5-8 oz. No.1 clusters, and 8 oz. up No. 1 clusters for total revenues of 703,657. The remaining 31,000 pounds of product consists of grade A product and bits and pieces. With the current projections at current market prices for the remaining product and sales to date, NSEDC is anticipating either a breakeven or a small loss from the sales of CDQ product from this fishery of roughly \$800,000.

V. Confidential Issues

A. Financial Statements

NSEDC Statement of Activities (Attachment 1)
NSEDC Statement of Financial Position (Attachment 2)
NSEDC Statement of Cash Flows (Attachment 3)
Glacier Fish Company Report
 Comparative Schedule of Operations (Attachment 4)
 Balance Sheet (Attachment 5)
 Statement of Cash Flows (Attachment 6)
NSEDC Administrative Expense Schedule (Attachment 7)
NSEDC Budget to Actuals (Attachment 8)
NSEDC Species Royalty Analysis (Attachment 9)

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. Tax Issues

None

C. Imminent Major Investments

None, other than anything that NSEDC may have provided to the State of Alaska under a confidentiality petition.

D. Other

Also included as attachments to this report are the following items:

- NSEDC newspaper ad announcing the first quarter Board of Directors meeting (11)
- NSEDC newspaper ad announcing an Employment Opportunity – Chief Operating Officer(Attachment 12)
- NSEDC newspaper ad announcing an Employment Opportunity – Chief Financial Officer(Attachment 13)
- NSEDC newspaper ad announcing an Employment Opportunity – Port Engineer (Attachment 14)
- NSEDC newspaper ad announcing the NSEDC CDQ Halibut Fishery (Attachment 15)
- NSEDC flier announcing an Employment Opportunity – Seafood Processors (Attachment 16)
- CVRF flier announcing an Employment Opportunity – Salmon Processors (Attachment 17)

- NSEDC fliers on the Norton Sound Herring Fishery (Attachment 18)
- Iicle fliers announcing Employment Opportunities (Attachment 19)