

**NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION**

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

**Second Quarter 1999 Activity Report for April – June 1999**

**Submitted to: The State of Alaska  
July 31, 1999**

**1. QUARTERLY HIGHLIGHTS**

- NSEDC'S Executive Committee held a special teleconference committee meeting on April 9
- NSEDC'S Board of Directors held their First Quarterly 1999 meeting in Nome on April 28 & 29
- NSEDC'S standing committees held their first quarterly meetings in Nome on April 28
- NSEDC'S Executive committee and Rules/By-Laws committee held special meetings at the corporate offices on June 22
- NSEDC'S Board chairman, president and financial advisor met with State of Alaska CDQ oversight team in Juneau on May 24
- NSEDC president, loan manager, NSSP operation manager and assistant CDQ manager meets with Savoonga and Nome fishermen on June 29
- NSEDC chairman, president and key advisors attends GFC, LLC quarterly meeting in Seattle on June 24
- NSEDC board of directors approves CDQ halibut distribution plan for 1999 at their April meeting
- NSEDC board of directors develops a donation policy for donations to organizations not to exceed \$10,000.00
- NSEDC board of directors approves a standing \$500.00 donation to the Bering Straits Foundation every time they hold a meeting at the BSNC board room
- NSEDC board of directors approves appointment of the presidents of Kawerak, Inc., BSNC and NSEDC to sit on the board of the Norton Sound Fund

## II. COMMUNITY DEVELOPMENT

### A. Progress towards Goals, Objectives & Milestones

#### Administration

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

Activity: NSEDC board held their first quarterly 1999 meeting in Nome on April 28 & 29

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

Activity: NSEDC'S executive committee held a special teleconference meeting on April 9

Activity: all five advisory committees held their first quarterly meetings on April 28 in Nome

Activity: the Executive and Rules/By-Laws committees held special committee meetings at the corporate offices on June 22

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

Activity: Quarterly reports for the first quarter of 1999 were filed on April 30

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

Activity: the 1998 audit of NSEDC, which began on March 22, was completed on April 2, 1999

**Milestone: NSEDC will file an annual report to the State of Alaska by May 31<sup>st</sup> of each year**

Activity: the 1998 NSEDC Annual Report was completed and filed to the State of Alaska on May 28, 1999

**Milestone: NSEDC will account for unspent amounts in each of the programs as of the end of the preceding calendar year and file a plan amendment to carry-forward some or all of the amounts to the next calendar year by the end of the second quarter each year**

Activity: NSEDC CDP Amendment 99-1 for carry-forwards from 1998 to 1999 was submitted to the State of Alaska on June 29

### **Other Income-Producing Investments**

**Milestone: NSEDC will provide investment oversight and monitoring of all income-producing investments during each quarter of 1999 & 2000**

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

### **CDQ Harvest Management**

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

Activity: there was no CDQ Pollock fishing activity this quarter

**Milestone: NSEDC and its harvest partners for crab will harvest its CDQ allocations, as close as reasonably possible, without overharvest, of crab by the end of the fishing season in 1999**

Activity: NSEDC harvested **1,740,679 pounds** of **CDQ opilio** out of its CDQ allocation of **1,741,379 pounds** this quarter

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

Activity: NSEDC harvested **1,968.74 metric tons (mt)** of Pacific cod this quarter  
See Table #4

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

Activity: no activity this quarter

**Milestone: NSEDC and its harvesting partner for Atka mackerel will harvest its CDQ allocation, as much as practicable without over-harvest, by the end of the fishing season in 1999**

Activity: no activity this quarter

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

Activity: in progress

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

Activity: NSEDC'S key personnel attended the NPFMC meetings, which were held the week of April 19<sup>th</sup> at Anchorage

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

Activity: NSEDC'S president attended a WAFDA meeting on April 19<sup>th</sup>

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

**Milestone: NSEDC will evaluate the potential for equity investment in *Baranof Fisheries* and *Courageous Seafoods* and/or other fishing companies by December 31, 2000**

Activity: The Executive committee authorized staff to proceed with negotiations for investment in two crabbers this quarter

#### **Funding for Harvesting & Tending Vessel**

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

Activity: no significant activity this quarter

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

Activity: no significant activity this quarter

#### **Education, Employment & Training Program**

**Milestone: NSEDC & NSSP will facilitate the employment of 110 residents of the region or of nearby communities onto factory trawlers, other offshore fishing vessels, near-shore processors and fishing vessels, and in shoreside processing plants by the end of the 4<sup>th</sup> quarter in 1999 and 2000**

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

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

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

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

Activity: See Table #2, and training narrative, subsection Scholarships this report

**Milestone: NSEDC will make outreach visits for this program to at least five communities in the region and to at least two communities outside of the region by the end of the 4<sup>th</sup> quarter each year**

Activity: no activity this quarter

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

Activity: one business management intern is in place at the **GFC, LLC** offices in **Seattle** and one intern in place with **Icicle Seafoods** in **Petersburg**

### **Education Endowment**

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

Activity: no activity this quarter

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

Activity: the committee did their quarterly review on April 28

### **Revolving Loan Program**

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

Activity: the program manager made outreach visits to **Unalakleet & Nome** this quarter

**Milestone: NSEDC will conduct annual reviews of the revolving loan program by the end of the 4<sup>th</sup> quarter each year**

Activity: no activity this quarter

### **Fund for IFQ Purchases**

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

Activity: NSEDC held discussions with its consultant on quota shares to assess market conditions. This activity is ongoing

### **Fisheries Development Program**

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

Activity: the board approved NSSP to facilitate a herring roe on kelp fishery and to implement the experimental halibut fishery off **Wales & Diomede**

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

Activity: The Executive committee approved funding not to exceed \$41,221.00 for the schematic design of the Nome Harbor NSEDC multipurpose plant

Activity: the board approved NSSP facilitating a herring roe on kelp fishery

### **Salmon Rehabilitation & Enhancement Program**

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

Activity: NSEDC has been operating its salmon rehabilitation and enhancement under a multi-year comprehensive plan, which was adopted in 1998

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

Activity: no activity this quarter

### **Shoreside Infrastructure Improvements Program**

**Milestone: NSEDC will evaluate site-specific projects in which to invest at regularly scheduled meetings of the Fisheries Development committee and Board of Directors**

Activity: The Executive committee authorized staff and ASCG, an engineering firm, to complete a schematic drawing for the Nome Harbor multipurpose facility and calendered it for further discussion at the next regularly scheduled meeting of the FDC and board

### **CDQ Fees**

**Milestone: NSEDC will make any required payments of CDQ fees within 60 days of the end of the quarter in which they are determinable**

Activity: no activity this quarter

### **Norton Sound Seafood Products**

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

Activity: NSSP completed their ability to market CDQ crab in the first quarter; NSSP completed their operations plans for herring, salmon, crab & halibut at the April board meeting

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

Activity: completed at their April meeting

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

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

**Milestone: NSEDC or a NSEDC subsidiary will assume the marketing of at least 50% (by weight) of the CDQ crab allocated to NSEDC by the end of the fourth quarter 2000**

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

### **Small Business Development & Assistance**

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

Activity: a Community Development Specialist has been on board and is prepared to receive and evaluate any proposals

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

Activity: no activity this quarter

### **Norton Sound Fund**

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

Activity: completed in 1998

### **Norton Sound Vessel Management Company (NSVM)**

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

Activity: completed at the April board meeting

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

Activity: completed at their April meeting

- B. **Outreach** – NSEDC’S management firmly believes in maintaining communication and working with its member communities on its CDQ community development plan programs and other issues vital to the economic arena in the region presently and into the future. The NSEDC Board of Directors held their First Quarterly 1999 meeting in **Nome** on April 28 and 29 and utilized the **Bering Straits Native Corporation Board Room** for their deliberations. The Executive committee held a special teleconference meeting with members in their individual communities on April 9. At their April meeting, the board developed a donation policy that will allow donations to organizations in the region not to exceed \$10,000.00; developed a standing policy to donate \$500.00 to the **Bering Straits Foundation**, a non-profit foundation set up by the **Bering Strait Native Corporation** that gives scholarships to students in the region, assists in the maintaining of cultural and traditional aspects of the indigenous

peoples of the region, historical site identification and restoration and identifying areas of contamination left by the military in the area, every time the NSEDC Board of Directors utilizes their board room; and adopted the policy of appointing the standing presidents of **Kawerak, Inc., Bering Straits Native Corporation** and **NSEDC** to sit on the board of the **Norton Sound Fund**. The corporation completed their 1998 Corporate Annual Report in early June, and it was sent out to each box-holder in every member community and the State of Alaska CDQ team's office. On the management side, the president and the administrative director participated in a state-wide teleconference with the Governor's Rural Governance Task Force on April 1 on the impact of the CDQ groups in rural Alaska; the president participated in a regional freight symposium held at **Nome** on April 15; on May 6 he was invited to the **Shaktoolik school** to be their high school graduation commencement speaker; on May 18 he met with Arctic Slope Consulting Group (ASCG), an engineering firm, to draw up preliminary plans for the **Nome Harbor processing facility**; on June 4 he traveled to **Unalakleet** and met with the commercial fishermen; the president and administrative director also utilized their herring permits and fished in the commercial herring fishery in the first part of June; the president, NSSP operations manager, loan program manager and the assistant CDQ manager traveled to **Savoonga** and **Nome** on June 29 and held meetings with the fishermen in the respective communities. The Administrative Director completed the first quarter activity reports on April 30 and they were all mailed all member communities and to each board member; he also completed the 1998 Annual Report and it was mailed to the State and federal agencies, plus all member communities and board members on May 28; as Revolving Loan Program manager he made two outreach visits to the communities of **Nome** and **Unalakleet** and two vessel upgrade loans to fishermen in **Elim** and **White Mountain**. The Education, Employment and Training manager provided staff support to the **NSEDC scholarship committee** when they met in **Nome** on May 5 and reviewed scholarship applications from graduating high school seniors of the **Bering Strait School District** and **Nome High School** – they awarded **11** scholarships from **Nome High School**; **11** from **Unalakleet**, **one** from out-of-region **Shishmaref**, **one** from **Shaktoolik** and **one** from **Elim**; the NSSP operations manager was busy this quarter setting up logistical and buying operations in the region for the processing stations at **Savoonga, Nome, Shaktoolik** and **Unalakleet**; in May he met with **Sahalee** in regards to the herring roe on kelp fishery in the region; in April he met with the Fisheries Development Committee (FDC) and finalized the plan of operations for NSSP for the 1999 season; he relocated to his base of operations, **Unalakleet** on June 7; joined the president and key staff for fishermen's meetings held in **Nome** and **Savoonga** and hired the crews out of the region for **M/V Norton Bay & M/V Golovin Bay**, the tendering vessels. The Community Development Specialist was on maternity leave during this quarter but managed to create and send out an informational flier on kelp pounding to all fishermen in the region and developed a brochure on the **Norton Sound fisheries** to be taken to the **European Seafood Trade Mission**. The assistant CDQ fishing manager developed and is monitoring the CDQ halibut plan for the region – the board of directors approved the plan at their April meeting; completed the operations plan for the experimental halibut fishery off the waters of **Diomedes** and **Wales**; installed NSSP'S

computers and configured their payroll system in **Unalakleet**, plus serviced the EET department's computers while there and accompanied the president and his program managers at the **Nome & Savoonga fishermen's** meetings in June. On other general corporation outreach issues, the president sent a letter to the governing body of the community of **Grayling** inviting them to become a member of NSEDC (attached); is working closely and cooperatively with the **City of Nome** on the plans for the NSEDC multipurpose facility at the **Nome Small Boat Harbor** (correspondence attached) and is working with the **Bering Straits Fishermen's Association (BSFA)** on a "CDQ EXPO" to be held in conjunction with the "FISH EXPO Workboat Northwest" convention to be held in Seattle in November which will highlight the NSEDC activities in their region. All newsletters, brochures, reports and other attachments are at the end of this report

**C. Employment**

1. See Table #1 as follows:

**Table 1.  
NSEDC EMPLOYMENT FORM  
June 30, 1999**

<b>Category</b>	<b>Quarter Positions/Trips</b>	<b>Quarter Wages</b>	<b>Year To Date Positions</b>	<b>Year To Date Wages</b>
<b>Management &amp; Administrative</b>				
<u>NSEDC</u>	<u>13</u>	<u>\$143,270.07</u>	<u>13</u>	<u>\$293,455.48</u>
<u>NSSP</u>	<u>1</u>	<u>11,217.96</u>	<u>1</u>	<u>23,237.22</u>
<b>Total M&amp;A</b>	<b>14</b>	<b>\$154,488.03</b>	<b>14</b>	<b>\$316,692.70</b>
<b>CDQ Pollock</b>				
<u>"A" season</u>	<u>-/-</u>	<u>=</u>	<u>28/3</u>	<u>\$307,781.85</u>
<u>"B" season</u>	<u>-/-</u>	<u>=</u>	<u>=</u>	
<b>Total Pollock</b>	<b>=</b>	<b>=</b>	<b>28/3</b>	<b>\$307,781.85</b>
<b>CDQ Crab</b>				
Icicle Seafoods	<b>6</b>	<b>\$9,377.73</b>	<b>6</b>	<b>\$9,377.73</b>
<b>NSSP</b>				
<b>Employment</b>	<b>13</b>	<b>\$12,814.70</b>	<b>13</b>	<b>\$12,814.70</b>
<b>Other employ.</b>				
<b>NSEDC</b>	<b>5</b>	<b>\$13,050.00</b>	<b>5</b>	<b>\$13,050.00</b>
<b>Other fishing</b>				
<u>GFC-trawl cod</u>	<u>*Note</u>	<u>\$201,014.62</u>	<u>20/1</u>	<u>\$201,014.62</u>
<u>GFC-longline</u>	<u>*Note/5</u>	<u>39,081.73</u>	<u>4/9</u>	<u>65,924.40</u>
Icicle Seafoods (open access)	<u>-</u>	<u>=</u>	<u>8/</u>	<u>25,367.27</u>
<b>Total Other Fishing</b>		<b>*\$240,096.35</b>	<b>32/1</b>	<b>\$292,306.29</b>
<b>Interns</b>				
<u>NSEDC/GFC</u>	<u>1</u>	<u>\$6,250.02</u>	<u>1</u>	<u>\$12,500.04</u>
<u>NSEDC/Icicle</u>	<u>1</u>	<u>1,049.76</u>	<u>1</u>	<u>2,159.78</u>
<u>NSEDC/ADF&amp;</u>	<u>7</u>	<u>20,471.94</u>	<u>7</u>	<u>20,471.94</u>
<b>Total Interns</b>	<b>9</b>	<b>\$27,771.72</b>	<b>9</b>	<b>\$35,131.76</b>
<b>Grand Totals</b>	<b>47/5</b>	<b>\$457,598.53</b>	<b>107/13</b>	<b>\$987,155.03</b>

Quarter NSEDC - \$176,792.01

Year To Date - \$326,977.42

NSSP - \$ 24,032.66

\$36,051.92

\*NOTE – GFC –trawl cod - \$201,014.62, these wages were earned in the first quarter.  
See first quarter report

\*Note/5 – these wages were earned in the first quarter for the processors onboard *F/V  
NORTON SOUND*