

# 2000 THIRD QUARTER REPORT JULY 1 – SEPTEMBER 30, 2000



**NORTON SOUND ECONOMIC  
DEVELOPMENT CORPORATION**

## I. QUARTERLY HIGHLIGHTS

- NSEDC's standing committees held their 2000 second quarter meetings in Nome on July 24th.
- NSEDC's Board of Directors held their 2000 second quarter meetings in Nome on July 24<sup>th</sup> & 25<sup>th</sup>. Guests at the Board of Directors meeting included Sally Bibb from NMFS, Jeff Bush, Lamar Cotten, and Bryce Edgmon from the State Oversight Committee.
- The President/CEO and NSSP Operations Manager led a tour for Sally Bibb, Jeff Bush, Lamar Cotton and Bryce Edgmon of the NSSP operations in the region. On September 25<sup>th</sup> the group toured the Nome operations; on the 26<sup>th</sup> the group flew to Savoonga to tour the halibut plant then flew back to Nome and did an aerial observation of the ADF&G and Kawerak fish counting towers and weirs. The flight tour continued on over Council, White Mountain, Golovin, Elim, Shaktoolik and landing in Unalakleet. The group returned to Anchorage on September 27<sup>th</sup> after touring and observing the Unalakleet salmon operations.
- The NSEDC Executive Committee held a meeting to review the 2001-2002 Multi-species CDP application on July 10<sup>th</sup>.
- Glacier Fish Company held their quarterly managers meeting on September 19th.
- NSEDC submitted a 2001-2002 Multi-species CDP application on July 31<sup>st</sup> to the State of Alaska.
- NSEDC Executive Committee and staff attended the State of Alaska public hearing on September 20<sup>th</sup> and the private closed-door meeting on September 21<sup>st</sup> regarding the 2001-2002 Multi-species CDP allocation.
- NSEDC received approval for Substantial Amendment 00-06NS which described a contribution of up to \$3,000,000 to the Nome Navigational Improvements Project.
- NSEDC President/CEO attended and participated in the Governor of Alaska's salmon disaster meeting in Nome on August 1<sup>st</sup>.
- NSEDC Awarded \$68,000 to 68 residents in Post-Secondary Scholarships the third quarter of 2000.
- NSEDC Awarded \$6,000 to 6 residents in Vocational Education Scholarships in the third quarter of 2000.
- Twenty-four residents worked on the *F/T Northern Glacier*, *F/T Pacific Glacier* and the *F/V Norton Sound* earning a total of \$98,071 in wages.
- Twelve residents worked aboard the *F/V Galaxy* during the Norton Sound Salmon season earning \$23,495 in wages.

- GFC charter *F/V Galaxy* processed 368,475 lbs. of pinks and 24,907 lbs. of chum salmon during the fishery for a total value of \$36,847 and \$3,736 respectfully.
- NSEDC/NSSP purchased a total of 23,911 lbs. of chum salmon from Norton Sound fishermen for a total value of \$3,949. Approximately 15,000 lbs. of H&G chum were sold to the State (distributed in Nome) supporting the Western Alaska salmon disaster relief effort.
- NSEDC/NSSP purchased a total of 309,785 lbs. of coho salmon from Norton Sound fishermen for a total value of \$101,971.
- NSEDC/NSSP established a buying station in Kotzebue for the Kotzebue Sound chum fishery, purchasing a total of 265,180 lbs. from Kotzebue Sound fishermen for a total value of \$47,732 to 33 fishermen.
- NSEDC/NSSP charter *F/V Westward Wind* purchased a total of 292,525 lbs. of Norton Sound red king crab with a total value of \$658,183 to 13 permit holders (7 resident and 6 non resident).
- Norton Sound fishermen harvested 7,413 lbs. of CDQ halibut in 46 fishing trips and deliveries for a total value of \$12,972.75 to the fishermen.

## **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 second quarter meetings in Nome on July 24<sup>th</sup> & 25<sup>th</sup>.

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

Activity: All five advisory committees held their second quarter meetings on July 24<sup>th</sup>.

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

Activity: The 1999 audit for NSEDC 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: The NSEDC Annual Report was completed and went to print the last week of September. The distribution to the member communities will be completed by the second week of October.

**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 second quarter 2000 were submitted on July 31<sup>st</sup>.

**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: Done by the end of the second quarter 2000. NSEDC also completed and submitted CDP amendment 00-05NS the NSEDC omnibus budget amendment 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 completed negotiations for the harvest agreements and the NSEDC Board of Directors approved the agreements at the second quarter Board of Directors meeting in July 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: NSEDC & GFC harvested 10,000.66 mt of CDQ pollock during the "A" season in the first quarter. No pollock was harvested in the second quarter. During the third quarter 11,993.88 mt of NSEDC CDQ pollock was harvested by the F/V Northern Glacier and the F/V Pacific Glacier.

**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 IN 2000.**

Activity: During the third quarter, fishermen for NSEDC communities harvested approximately 15,220 lbs. of CDQ crab from the Norton Sound red king crab fishery. There was no harvest of any other species of CDQ crab for the third quarter.

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

Activity: There was no harvest of CDQ in this target fishery during the third quarter of 2000.

**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: There was no harvest of CDQ in this target fishery during the third quarter of 2000.

**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 10<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: Ongoing.

#### **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: Ongoing.

**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: Ongoing.

**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:** Outreach visits to each NSEDC member community were made in the first and second quarter of 2000 by the EET Coordinator.

### **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: Outreach visits to each NSEDC member community were made in the first and second quarter of 2000 by the EET Coordinator.

**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 third 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, George Sookiayak of Shaktoolik as a intern with Icicle Seafoods, and Harry Goldsberry of Nome as a intern with Glacier Fish Company in Seattle.

### **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 July 24, 2000.

### **Revolving Loan Program**

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

Activity: The Acting Revolving Loan Officer made outreach trips to each of the NSEDC member communities in the first and second quarter of 2000.

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

Activity: No activity this quarter.

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

Activity: The Financial Advisory Committee reviewed the Revolving Loan Program at their second quarter meeting on July 24, 2000.

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

Activity: 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 has retained an IFQ contractor/consultant to examine the market for potential sellers of IFQ's.

### **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: NSEDC hired on a Fisheries Development Coordinator in the third quarter to oversee this program. The Fisheries Development Coordinator is currently developing a plan for conducting fisheries development activities.

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

Activity: During the second quarter 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. During the third quarter the new Fisheries Development Coordinator began a crab tagging survey in Wales, AK to determine the potential of a crab fishery in that area. The survey will be completed in the fourth quarter.

### **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 a CDQ Harvest Manager intern in the first quarter of 2000. One of the tasks for this position is to review and evaluate the relationship between NSEDC, NS/BSRAA and ADF&G. The CDQ Harvest Manager intern has been working with ADF&G to research new and existing projects and to determine the best approach to implement and modify them, in terms of both economic efficiency and sound biology.

**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. Construction documents and plans are being completed by ASCG, Inc. and will be ready to be sent out to bid in the fourth quarter 2000.

**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 received approval from the State of Alaska and the National Marine Fisheries for Substantial Amendment 00-06NS which describes a contribution of up to \$3,000,000 to the Nome Navigational Improvements Project during the third quarter.

#### **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: NSEDC received signed and completed lease documents on September 19, 2000 for the Unalakleet Processing Plant.

### **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: NSEDC sent the CDQ fees due to the State of Alaska on July 20, 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: The Norton Sound Vessel Management Company 2000 operations included tendering during the chinook salmon fishery, pink salmon fishery, and coho fishery. The vessels were not needed for the herring, crab and halibut fisheries.

**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 that included the operations 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 September 20, 2000 in Anchorage to review the second quarter financial information and other matters.

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

Activity:

**Red King Crab Bering Sea –in the third quarter  
1999 Production**

King Crab Sold – 3,779 lbs. –

Balance Remaining – 33,421 – Primarily 9-12 and 12-14 counts  
Russian Competition continues to set the market on 9-12's at  
substantially below our cost

**2000 Production**

Negotiations are under way with a Japanese customer to sell a mixed  
container (approx. 30,000 lbs.) of Cooked and raw processed crab.  
The balance (approx. 50,000 lbs.) will be brought to the domestic  
U. S. market.

**Norton Sound Red King Crab,**

**2000 Production –**

Sales efforts have resulted in a promotion and sales of 3,125 lbs for  
the Grade 'A'. A pending decision for promotion and sales of  
125,000 lbs. of the #1 Fancy Crab will clean out that inventory. We  
look forward to this being a successful and profitable project for  
NSEDC now and in the years to come.

**Opilio Snow Crab –**

**2000 Production**

Sales of # 1 Fancy were closed and that category cleaned out during  
October at \$4.50.

The 9,550 lbs. of Grade "A" inventory is selling in small quantities  
at \$4.50.

Sales efforts are pending on the remaining inventory of larger sizes (  
8oz 72,825 lbs. & 10 oz. 2,425lbs). The list prices of \$4.75 & \$5.10  
respectively appear to be competitive with comparable Canadian &  
Greenland Snow crab but the market has died for all snow crab at  
these higher levels.

**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**

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: \$626,000 in vessel capital improvements incurred in the third quarter; \$1,100,000 YTD. \$104,000 in capital improvements to the cod drying facility incurred in the third quarter; \$104,000 YTD.

**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: No Activity this 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) completed on May 2, 2000.

**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 of dried saltcod to Brazil increased in the third 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: This venture was a financial failure due to salmon run failure. Based on projected run strength, GFC had expected to purchase 2.2 million lbs. of pink salmon, but only 368,475 lbs. were delivered. Fish tickets in the total amount of \$41,967 were issued to 42 fishermen. Loss on the operation to GFC (cash basis) exceeded \$550,000.

**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 were served by Norton Sound residents; \$316,676 gross wages were paid. During the second quarter 28 trip/positions were served by Norton Sound Residents; \$164,566 gross wages were paid. During the third quarter, 45 trip/positions were served by Norton Sound resident; \$121,566 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 July 24-25, 2000.

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

Activity: Harry Goldsberry of Nome has been in the GFC office since July 20, 2000 working with each department to learn about GFC, NSEDC and the industry in general. He is currently focusing on Human Resources in the area of hiring and employment law. Harry's internship will end November 30, when he plans to return to college. GFC is currently in the process of selecting an intern to start in January 2001 for 3-6 months.

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

Activity: Prior to Harry's arrival, GFC HR worked with other CDQ partner companies to make sure that Harry's transition to life in Seattle was as smooth as possible. A learning plan was developed and communicated clearly, as well as our expectations for the internship. Harry has participated in several social activities organized by the APA intern coordinators and communicates regularly with several of the other interns currently living in Seattle.

**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: No activity this quarter.

## **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: All Pollock and cod harvest activity currently on schedule.

**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: The Norton Sound, the only vessel in the Bering Sea that uses the lining tube for bird bycatch avoidance, participated in this experimental program during the third quarter of 1999 and expected to do so again in 2000. However, the designers of the experiment decided that they had sufficient data on the lining tube from the 1999 tests and focused on other avoidance techniques in the 2000 experiment. As a result, GFC did not request to participate in the 2000 experimental fishery. Data from both years (1999 and 2000) will be used to propose additional bird bycatch avoidance regulations.

**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. An additional \$36,500 and \$10,000 was given to the University of Alaska and Alaska Pacific University, respectively, in the third quarter. From these amounts, more than \$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. During the October Council meeting in Sitka, Eugene Asicksik played point guard in a charity basketball game organized by At-Sea Processors Association that raised an additional \$12,000 for the school.

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

Activity: Completed in the first quarter.

## **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: The Community Outreach Coordinator was hired on July 10<sup>th</sup> to oversee this program. Notices of the Community Liaison positions were sent to eleven member communities to be posted in the second quarter, with the remaining three posted the first week of October.

**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: Interviews for four Community Liaison positions in four separate communities were conducted in the third quarter with four positions filled.

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

Activity: To date, five additional Community Liaison positions have been interviewed for with three additional positions filled.

### **Investment Oversight**

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

Activity: The Financial Advisory Committee held their second quarter meetings on July 24, 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 third quarter meeting on September 20, 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 second quarter meetings on July 24, 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 4<sup>TH</sup> QUARTER 2000.**

Activity: No activity this quarter.

### **Substance Abuse Prevention**

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

Activity: NSEDC Substance Abuse Policies continued to be followed during the third 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 third 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: The Executive Committee, acting under the authority granted to it at the July 21, 2000 Board of Directors meeting declared a \$20,000 Community Benefit Share for the year 2000 at the September 18<sup>th</sup> executive committee meeting in Anchorage.

**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 third quarter of 2000.

- NSEDC Board of Directors held their second quarter 2000 meeting in Nome on July 24<sup>th</sup> & 25<sup>th</sup> at the Bering Straits Native Corporation Board Room, this meeting was open to the public.
- NSEDC Board of Directors notified residents of the second Quarter 2000 meeting by placing an ad in the Nome Nugget Newspaper.
- The second quarter reports were mailed out to each of the member communities and to each board member on August 3rd.
- NSEDC notified residents about the deadline to file for candidacy as representative to the NSEDC Board by placing an ad in the Nome Nugget Newspaper.
- NSEDC notified residents about Six Pack License Training and Entry-Level Seafood Processing Training by placing an ad in the Nome Nugget Newspaper.
- NSEDC notified residents about an employment opportunity with NSEDC by placing an ad in the Nome Nugget Newspaper.
- NSEDC has a web page on the internet ([www.nsedc.com](http://www.nsedc.com)) in which constituents can access quarterly reports; newsletters; applications; and information regarding programs and employment opportunities.
- NSEDC sent out the 2001-2002 Multi-species CDP application executive summary was sent to each community prior to submitting the entire CDP application to the State of Alaska on July 31<sup>st</sup>.
- Community Outreach Liaison Position announcements were sent to St. Michael, Stebbins, Shaktoolik, Koyuk, Elim, Golovin, White Mountain, Savoonga, Brevig Mission, Gambell, and Teller to be posted.

**C. Employment**

**1. Employment Data Form**

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

	Quarter		Year-to-Date	
	Positions/Trips	Wages	Positions/Trips	Wages
Management/Administrative				
NSEDC	12/-	144,135.05	13/-	412,776.75
NSSP	4/-	48,469.43	4/-	93,976.39
<b>Total Management/Administrative</b>	<b>16/-</b>	<b>\$192,604.48</b>	<b>17/-</b>	<b>\$506,753.14</b>
CDQ Pollock Related*				
A/B Season	19/5	151,095.31	38/7	440,941.58
C/D Season	23/6	90,441.64	23/6	90,441.64
<b>Total Pollock Related</b>	<b>42/11</b>	<b>\$241,536.95</b>	<b>61/13</b>	<b>\$531,383.22</b>
<b>CDQ Crab (Icicle Seafoods)</b>	<b>0/-</b>	<b>\$0.00</b>	<b>0/-</b>	<b>\$0.00</b>
<b>NSSP Employment</b>	<b>101/-</b>	<b>\$110,467.50</b>	<b>101/-</b>	<b>\$120,139.80</b>
<b>Other employment-NSEDC</b>	<b>10/-</b>	<b>\$63,540.00</b>	<b>10/-</b>	<b>\$80,065.00</b>
<b>Other Fishing</b>				
GFC-trawl cod	0/0	0.00	0/0	0.00
GFC-longline**	1/1	7,629.36	3/6	47,930.29
GFC-Salmon	12/	23,495.00	12-/	23,495.00
Icicle Seafoods	1/	8,282.26	2/-	25,065.91
<b>Total Other Fishing</b>	<b>14/1</b>	<b>\$39,406.62</b>	<b>17/6</b>	<b>\$96,491.20</b>
<b>Interns</b>				
NSEDC/Main Office	2/-	11,500.36	2/-	18,728.65
NSEDC/GFC	1/-	4,646.24	1/-	4,646.24
NSEDC/Icicle	1/-	4,015.20	3/-	16,612.24
NSEDC: Kawerak/ADF&G	10/-	61,452.82	13/-	76,706.32
<b>Total Interns</b>	<b>9/-</b>	<b>\$81,614.62</b>	<b>19/</b>	<b>\$116,693.45</b>
<b>GRAND TOTALS</b>	<b>197/12</b>	<b>\$729,170.17</b>	<b>225/19</b>	<b>\$1,451,525.81</b>
	<b>NSEDC =</b>	<b>\$280,628.23</b>	<b>NSEDC =</b>	<b>\$588,276.72</b>
	<b>NSSP=</b>	<b>\$158,936.93</b>	<b>NSSP=</b>	<b>\$214,116.19</b>
	<b>Partners=</b>	<b>\$289,605.01</b>	<b>Partners=</b>	<b>\$649,132.90</b>

\*CDQ Pollock Related Employment Data has been changed to reflect the proper fishing seasons.

\*\*Employment statistics for GFC-longline was improperly reported in the second quarter report as GFC-trawl cod.

## 2. Employment Summary

**Management/Administrative** – Seven personnel were employed at NSEDC’s main office in Anchorage, four at the NSEDC Office in Unalakleet, and five were located at NSSP regional plants. Fourteen 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 second and third quarter of 2000 but were paid in the third quarter. Twenty-three Norton Sound residents worked onboard the Glacier Fish Company vessels, *F/V Northern Glacier* and *F.V/ Pacific Glacier*, harvesting the CDQ pollock “C/D” season fishery. The wages paid to NSEDC residents in the third quarter totaled \$241,536.95.

**NSSP Employment** – One hundred and one residents were employed by NSEDC/NSSP as processors, beach gang, and clerical positions at the NSSP facilities in the region.

**Other Employment** – Nine 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** – One resident was employed by Glacier Fish Company on the longliner *F/V Norton Sound* during the third quarter. Twelve residents were employed by Glacier Fish Company on board the charter *F/V Galaxy* during the salmon season in the Norton Sound. One resident was employed by Icicle Seafoods as a permanent full-time engineer.

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

One intern was placed with Glacier Fish Company in Seattle during the third quarter. Please see Attachment 10 for more information on the GFC Internship Program.

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

Ten 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**

	<b>Quarter</b>		<b>Year-to-Date</b>	
	<b>People</b>	<b>Expenditures</b>	<b>People</b>	<b>Expenditures</b>
<b>Scholarships</b>				
Post-Secondary	68	\$68,000.00	126	\$126,000.00
Vocational	6	\$6,000.00	14	\$14,000.00
<b>Voc-Tech</b>				
Basic			15	\$3,718.45
Advanced				
<b>Other Training</b>				
Fisheries related			36	\$79,839.93
Student Loans				
CDQ Staff/Board				
Other (Elec.Navigation)				
<b>Other Expenditures</b>				
To Educational Institute				
Education Endowment				
Other				
<b>TOTAL</b>	<b>74</b>	<b>\$74,000.00</b>	<b>191</b>	<b>\$223,558.38</b>

**2. Training Summary**

**Scholarships** – Sixty-eight residents received scholarship awards for post-secondary education and six residents received scholarship awards for vocational education from NSEDC during the third quarter of 2000.

### **III. Administration**

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

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

NSEDC Board of Directors held their second quarter 2000 meeting in Nome on July 24<sup>th</sup> and 25<sup>th</sup>, with the standing committees meeting on July 24<sup>th</sup>. The Executive Committee held two meetings (July 10, 2000 & September 18, 2000) during the third quarter to deal with various issues including the 2001-2002 Multi-species CDP application, the public hearing regarding the CDQ allocations and the private closed door meeting with the state oversight committee regarding the CDQ allocation.

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

At the second quarter meeting on July 24<sup>th</sup> and 25<sup>th</sup> in Nome the following items were approved by the NSEDC Board of Directors: approval to adopt the revisions to the capital investment guidelines; approval to add the following sentence to the NSEDC Candidacy Form after the sentence regarding the Permanent Fund, "I am a registered voter, 18 years or older and am an U.S. Citizen."; approval of the NSEDC 2001-2002 Multi-species CDP application; approved the harvesting agreements for CDQ Atka Mackerel, Rock Sole, Crab, Cod and other hook & line fish, Pacific Cod, Greenland Turbot, Sablefish and Other longline species, Pollock, and Sablefish; approval to fund Norton Sound residents travel to attend the Governor of Alaska's Norton Sound Disaster meeting; and approval to increase the post-secondary scholarship amount.

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

- CDP amendment 00-05NS: NSEDC submitted the omnibus CDP budget amendment during this quarter.
- CDP amendment 00-06NS: NSEDC submitted a substantial amendment to the CDP for the purpose of gaining approval to contribute up to \$3 million to the Nome Navigation project. This amendment was approved by NMFS in the third quarter.
- CDP amendment 00-07NS: NSEDC submitted a technical amendment to the CDP for the transfer of 293.57 mt of non-specific reserve CDQ into the other species CDQ category. This amendment was approved by NMFS in the third quarter.
- CDP amendment 00-08NS: NSEDC submitted a substantial amendment to the CDP for the transfer of 1 mt of AI other rockfish annual CDQ from Central Bering Sea Fishermen's Association to NSEDC. This amendment was submitted by NSEDC and approved by NMFS during the third quarter.

- CDP amendment 00-09NS: NSEDC submitted a technical amendment to the CDP for the transfer of 2 mt of Atka mackerel annual CDQ in Area 543 of the western Aleutian Islands from NSEDC to APICDA. This amendment was submitted to the state on August 8, 2000. However, it was not approved since the state and NMFS determined that this transfer was intended to cover an over-harvest of CDQ in conflict with CDQ regulations.
- CDP amendment 00-10NS: NSEDC submitted a substantial amendment to the CDP for the transfer of 11,950 pounds of red king crab annual CDQ in the Norton Sound fishery from Yukon Delta to NSEDC. This amendment was submitted to the state on August 28, 2000 and approved by the state outside of the amendment process.
- CDP amendment 00-11NS: NSEDC submitted a substantial amendment to the CDP for the transfer of 25 mt of sablefish annual CDQ in the Aleutian Islands, 10 mt of Greenland turbot in the Bering Sea, and 3 mt of Other rockfish in the Aleutian Islands from BBEDC to NSEDC. This amendment was submitted to the state on September 18, 2000 and approved by NMFS.
- CDP amendment 00-12NS: NSEDC submitted a technical amendment to the CDP for the addition of the Westward Seafoods shoreside processing facility in Dutch Harbor. This amendment was submitted to the state on September 18, 2000 and approved by NMFS.
- CDP amendment 00-13NS: NSEDC submitted a technical amendment to the CDP for the addition of the fishing vessel American Viking to the list of qualified vessels eligible to harvest CDQ. This amendment was submitted to the state on September 18, 2000 and approved by NMFS.

### **C. Other Issues**

NSEDC Administration hired Willa Eckenweiler of Unalakleet to fill the NSEDC Community Outreach Coordinator position, Marzianno Piccinich as the NSSP Production Manager and William Johnson as the Fisheries Development Coordinator. Administration 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/NA	GFC	Concept	NA	OP/USS	NS	Harvest	Annual CDQ	Harvested	Allocation
GEAR TYPE		H&L	Trawl	Pot	H&L	Trawl	H&L		1999		
<b>CDQ Total</b>											
<b>SPECIES 75% of TAC</b>											
Halibut (4D)								-	71.84	000%	71.84
Pacific Cod (BS/AD)	14,475	1,775,952	53,945	-	-	26,019	-	1,855,916	2,605,500	71.23%	749,584
Sablefish (BS)	147	0,605	-	-	1,608	-	-	2,213	29,400	7.53%	27,187
Sablefish (AI)	364	0,649	-	17,500	-	-	-	18,149	72,800	24.93%	54,651
Greenland Turbot (BS)	467	1,167	1,837	-	84,165	-	-	87,169	93,400	93.33%	6,231
Greenland Turbot (AD)	230	0,061	-	1,530	-	0,145	-	1,736	59,800	2.90%	58,064
Atka Mackerel (Western AD)	2,227	3,774	-	-	-	-	-	3,774	356,320	1.06%	352,546
Atka Mackerel (Central AD)	1,852	0,115	-	-	-	-	-	0,115	296,320	0.04%	296,205
Atka Mackerel (Eastern AD)	1,230	-	0,010	-	-	118,322	-	118,332	196,800	60.13%	78,468
Yellowfin Sole	9,244	2,757	4,633	-	-	-	-	7,410	462,200	1.60%	454,790
Flathead Sole	3,948	5,979	29,165	-	0,079	-	-	35,223	592,200	5.95%	556,977
Other Flatfish	6,285	0,161	0,447	-	0,016	-	-	0,624	942,751	0.07%	942,127
Rock Sole	10,107	0,782	56,568	-	-	0,050	-	57,400	2,021,400	2.84%	1,964,000
Beiring Sea Pollock	113,900										
A/B season			10,000,657	-	-	-	-	10,000,657	10,023,200	99.78%	22,543
C/D season			11,993,880	-	-	-	-	11,993,880	15,034,800	79.77%	3,040,920
Aleutian Pollock	200	-	-	-	-	-	-	-	-	N/A	-
Bogoslov Pollock	100	-	-	-	-	-	-	-	-	N/A	-
Non-quota Pollock		75,394	N/A	-	-	-	-	75,394	-	N/A	N/A
Aroowtooth Flounder	9,825	33,297	6,359	0,600	1,046	-	-	41,302	1,336,200	3.09%	1,294,898
Trawl Sablefish (BS)	55	-	0,005	-	-	-	-	0,005	9,900	0.06%	9,805
Trawl Sablefish (AD)	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 AD)	425	0,002	-	-	-	-	-	0,002	68,000	0.00%	67,998
True POP (Central AD)	263	-	-	-	-	-	-	-	42,080	0.00%	42,080
True POP (Eastern AD)	234	0,003	-	-	-	1,673	-	1,676	37,440	4.48%	35,764
Sharpchin/Northern (AI)	386	2,879	-	-	-	21,423	-	24,302	61,760	39.35%	37,458
Shortraker/Rougheye (AD)	66	0,961	-	0,040	-	-	-	1,021	11,880	8.59%	10,859
Other Rockfish (BS)	27	0,031	0,334	-	0,681	-	-	1,046	5,130	20.39%	4,084
Other Rockfish (AI)	51	2,886	-	0,010	-	6,255	-	9,151	9,690	94.44%	0,539
Squid	147	-	19,404	-	-	-	-	19,404	27,489	N/A	N/A
Other Species	2,352	291,254	19,593	-	1,876	1,830	-	314,553	299,880	104.89%	(14,673)
<b>TOTAL</b>	<b>178,861</b>	<b>2,198,700</b>	<b>22,187,142</b>	<b>19,680</b>	<b>89,525</b>	<b>175,765</b>	<b>-</b>	<b>24,670,872</b>	<b>34,809,722</b>	<b>70.87%</b>	<b>10,138,850</b>
Bycatch %		19.23%	0.87%	11.08%	4.19%	32.68%					
<b>PROHIB SPECIES</b>											
Halibut mortality (mt)	343	13,191	1,095	-	0,110	5,084	-	19,480	48,020	40.57%	28,540
Oplio (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	-	166	-	-	-	-	166	792	20.96%	626
Other Salmon (no.)	3,150	-	269	-	-	-	-	269	693	38.78%	424
<b>QUOTA AMOUNTS AFTER NON-SPECIFIC RESERVE ESTABLISHED</b>								<b>New Quotas</b>	<b>Original Quotas</b>		
Aroowtooth 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
<b>SPECIES</b>								
Pacific Cod (BS/AI)	155.235	15.685	-	38.260		53.945	34.75%	101.290
Sablefish (BS)	-	-	-	-		-		-
Sablefish (AI)	-	-	-	-		-		-
Greenland Turbot (BS)	2.506	1.327	-	0.510		1.837	73.30%	0.669
Greenland Turbot (AI)	-	-	-	-		-		-
Atka Mackerel (Western AI)	-	-	-	-		-		-
Atka Mackerel (Central AI)	2.506	-	-	-		-		2.506
Atka Mackerel (Eastern AI)	1.000	-	-	0.010		0.010	1.00%	0.990
Yellowfin Sole	22.552	1.633	-	3.020		4.653	20.63%	17.899
Flathead Sole	52.622	20.495	-	8.670		29.165	55.42%	23.457
Other Flatfish	15.035	0.307	-	0.140		0.447	2.97%	14.588
Rock Sole	90.209	55.128	-	1.440		56.568	62.71%	33.641
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	-	-	11,993.880		11,993.880	79.77%	3,040.920
Aleutian Pollock	-	-	-	-		-		-
Bogoslof Pollock	-	-	-	-		-		-
Arrowtooth Flounder	40.093	0.339	-	6.020		6.359	15.86%	33.734
Trawl Sablefish (BS)	-	0.095	-	-		0.095		(0.095)
Trawl Sablefish (AI)	-	-	-	-		-		-
True POP (BS)	5.012	0.094	-	-		0.094	1.88%	4.918
Other Red Rockfish (BS)	-	0.101	-	-		0.101		(0.101)
True POP (Western AI)	-	-	-	-		-		-
True POP (Central AI)	-	-	-	-		-		-
True POP (Eastern AI)	-	-	-	-		-		-
Sharpchin/Northern (AI)	-	-	-	-		-		-
Shortraker/Rougheye (AI)	-	-	-	-		-		-
Other Rockfish (BS)	-	0.334	-	-		0.334		(0.334)
Other Rockfish (AI)	-	-	-	-		-		-
Squid	N/A	19.404	-	-		19.404		-
Other Species	33.610	10.383	-	9.210		19.593	58.30%	14.017
<b>TOTAL</b>	<b>25,478.380</b>	<b>10,125.982</b>	<b>-</b>	<b>12,061.160</b>		<b>22,187.142</b>	<b>87.08%</b>	<b>3,291.238</b>
Bycatch %		1.24%	-	0.56%		0.87%		
<b>PROHIB SPECIES</b>								
Halibut mortality (mt)	3.000	0.305	-	0.790		1.095	36.50%	1.905
Opilio (no.)	-	-	-	-		-		-
Tanner Crab - Zone 1 (no.)	-	-	-	-		-		-
Tanner Crab - Zone 2 (no.)	-	-	-	-		-		-
Red King Crab (no.)	-	-	-	-		-		-
Chinook Salmon (no.)	576	138	-	28		166	28.82%	410
Other Salmon (no.)	504	8	-	261		269	53.33%	235

**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	782.190		1,775.952	88.80%	224.048
Sablefish (BS)	2.000	-	0.305	0.300		0.605	30.25%	1.395
Sablefish (AI)	-	-	0.049	0.600		0.649		(0.649)
Greenland Turbot (BS)	8.000	-	0.927	0.240		1.167	14.59%	6.833
Greenland Turbot (AI)	2.000	0.033	0.028	-		0.061	3.05%	1.939
Atka Mackerel (Western AI)	2.000	0.079	2.725	0.970		3.774	188.70%	(1.774)
Atka Mackerel (Central AI)	2.000	0.115	-	-		0.115	5.75%	1.885
Atka Mackerel (Eastern AI)	0.800	-	-	-		-	0.00%	0.800
Yellowfin Sole	40.000	-	1.837	0.920		2.757	6.89%	37.243
Flathead Sole	20.000	0.652	1.697	3.630		5.979	29.90%	14.021
Other Flatfish	5.400	0.078	0.063	0.020		0.161	2.98%	5.239
Rock Sole	10.000	0.173	0.169	0.440		0.782	7.82%	9.218
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	24.090		75.394		
Arrowtooth Flounder	34.800	0.447	1.640	31.210		33.297	95.68%	1.503
Trawl Sablefish (BS)	-	-	-	-		-		-
Trawl Sablefish (AI)	-	-	-	-		-		-
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 AI)	5.000	-	0.002	-		0.002	0.04%	4.998
True POP (Central AI)	2.000	-	-	-		-	0.00%	2.000
True POP (Eastern AI)	2.000	0.003	-	-		0.003	0.15%	1.997
Sharpchin/Northern (AI)	4.000	0.039	0.400	2.440		2.879	71.98%	1.121
Shortraker/Rougheye (AI)	2.000	0.227	0.054	0.700		0.981	49.05%	1.019
Other Rockfish (BS)	2.000	0.016	0.015	-		0.031	1.55%	1.969
Other Rockfish (AI)	4.000	0.043	0.503	2.340		2.886	72.15%	1.114
Squid	-	-	-	-		-		-
Other Species	250.000	44.426	125.098	121.730		291.254	116.50%	(41.254)
TOTAL	2,402.10	416.269	810.671	971.82		2,198.760	91.53%	
Bycatch %		15.44%	20.83%	19.51%		19.23%		
PROHIB SPECIES								
Halibut mortality (mt)	16.000	0.644	3.267	9.280		13.191	82.44%	2.809
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
<b>SPECIES</b>								
Pacific Cod (BS/AI)	11.061	-	-	-		-	0.00%	11.061
Sablefish (BS)	17.000	-	-	-		-	0.00%	17.000
Sablefish (AI)	70.000	-	-	17.500		17.500	25.00%	52.500
Greenland Turbot (BS)	2.000	-	-	-		-	0.00%	2.000
Greenland Turbot (AI)	4.010	-	-	1.530		1.530	38.15%	2.480
Atka Mackerel (Western AI)	-	-	-	-		-		-
Atka Mackerel (Central AI)	-	-	-	-		-		-
Atka Mackerel (Eastern AI)	-	-	-	-		-		-
Yellowfin Sole	-	-	-	-		-		-
Flathead Sole	2.000	-	-	-		-	0.00%	2.000
Other Flatfish	2.000	-	-	-		-	0.00%	2.000
Rock Sole	2.000	-	-	-		-	0.00%	2.000
<b>Bering Sea Pollock</b>								
A/B season	N/A	-	-	-		-		-
C/D season	N/A	-	-	-		-		-
Aleutian Pollock	N/A	-	-	-		-		-
Bogoslof Pollock	N/A	-	-	-		-		-
Non-quota Pollock	N/A	-	-	-		-		-
<b>Arrowtooth Flounder</b>	18.392	-	-	0.600		0.600	3.26%	17.792
Trawl Sablefish (BS)	-	-	-	-		-		-
Trawl Sablefish (AI)	-	-	-	-		-		-
True POP (BS)	-	-	-	-		-		-
Other Red Rockfish (BS)	-	-	-	-		-		-
True POP (Western AI)	-	-	-	-		-		-
True POP (Central AI)	-	-	-	-		-		-
True POP (Eastern AI)	-	-	-	-		-		-
Sharpchin/Northern (AI)	-	-	-	-		-		-
Shortraker/Rougheye (AI)	4.074	-	-	0.040		0.040	0.98%	4.034
Other Rockfish (BS)	0.200	-	-	-		-	0.00%	0.200
Other Rockfish (AI)	2.000	-	-	0.010		0.010	0.50%	1.990
Squid	-	-	-	-		-		-
Other Species	12.523	-	-	-		-	0.00%	12.523
<b>TOTAL</b>	147.260	-	-	19.680		19.680	13.36%	127.580
Bycatch %				11.08%				
<b>PROHIB SPECIES</b>								
Halibut mortality (mt)	1.500	-	-	-		-	0.00%	1.500
Opilio (no.)	-	-	-	-		-		-
Tanner Crab - Zone 1 (no.)	-	-	-	-		-		-
Tanner Crab - Zone 2 (no.)	-	-	-	-		-		-
Red King Crab (no.)	-	-	-	-		-		-
Chinook Salmon (no.)	-	-	-	-		-		-
Other Salmon (no.)	-	-	-	-		-		-

**Table 7**  
**2000 CDQ HARVEST 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/AD)	103.120	-	-	-	-	-	0.00%	103.120
Sablefish (BS)	10.000	-	1.608	-	-	1.608	16.08%	8.392
Sablefish (AD)	2.250	-	-	-	-	-	0.00%	2.250
Greenland Turbot (BS)	70.000	-	84.165	-	-	84.165	120.24%	(14.165)
Greenland Turbot (AD)	50.000	-	-	-	-	-	0.00%	50.000
Atka Mackerel (Western AD)	-	-	-	-	-	-		-
Atka Mackerel (Central AD)	-	-	-	-	-	-		-
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	29.000	-	1.046	-	-	1.046	3.61%	27.954
Trawl Sablefish (BS)	-	-	-	-	-	-		-
Trawl Sablefish (AD)	-	-	-	-	-	-		-
True POP (BS)	-	-	-	-	-	-		-
Other Red Rockfish (BS)	1.000	-	0.054	-	-	0.054	5.40%	0.946
True POP (Western AD)	-	-	-	-	-	-		-
True POP (Central AD)	-	-	-	-	-	-		-
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 (AD)	0.605	-	-	-	-	-	0.00%	0.605
Squid	-	-	-	-	-	-		-
Other Species	31.000	-	1.876	-	-	1.876	6.05%	29.124
TOTAL	309.501	-	89.525	-	-	89.525	28.93%	219.976
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	-	-	-	-	-	-	-
Alutian Pollock	N/A	-	-	-	-	-	-	-
Bogoslof Pollock	N/A	-	-	-	-	-	-	-
Non-quota Pollock		-	-	-	-	-	-	-
Arrowtooth Flounder	1,103.874	-	-	-	-	-	0.00%	1,103.874
Trawl Sablefish (BS)	5.400	-	-	-	-	-	0.00%	5.400
Trawl Sablefish (AI)	0.081	-	0.048	-	-	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.								

## B. CDQ Fishing Activities

During the third quarter of 2000, NSEDC conducted CDQ fishing operations for pollock in the Bering Sea, Pacific cod in the Bering Sea and Aleutian Islands, sablefish in the Aleutian Islands, halibut in Area 4D, and red king crab in Norton Sound. We did not conduct fishing operations for Greenland turbot, opilio and king crab other than in Norton Sound, and the various other species of groundfish CDQ during this period. Through the end of the third quarter, NSEDC has harvested a total of 24,670.87 metric tons of annual groundfish CDQ including both target and bycatch species. This amount of harvest represents approximately 71% of our total allocation of annual groundfish CDQ in 2000.

A summary of the harvest of annual CDQ for the groundfish species by target fishery through the end of the third quarter is provided in Table 1. In addition, harvest information for each of the target fisheries by quarter are provided in Tables 2-6.

### 1. Pollock

During the third quarter, NSEDC harvested 11,993.88 metric tons of CDQ pollock using the Northern Glacier and Pacific Glacier. This pollock was taken from the non-roe season or the C/D season apportionment of our pollock CDQ allocation. The Northern Glacier harvested 6,002.35 metric tons in three trips and 35 days of fishing in July and August. The Pacific Glacier harvested 5,991.53 metric tons of CDQ pollock in 23 days of fishing in September. This harvest was worth about \$1.9 million in CDQ royalty payments to NSEDC. The Northern Glacier has finished CDQ pollock fishing for the year while the Pacific Glacier will continue during the fourth quarter. See Table 2 for a summary of the cumulative harvest through the third quarter.

**Summary of bycatch:** The bycatch rate of other CDQ species in the pollock target fishery was roughly one-half of one percent (.56%) of the total harvest. This bycatch rate represents a reduction of more than 50% from the previous fishing period in the first quarter during the roe season. Most of the bycatch during this quarter was Pacific cod with lesser amounts of flathead sole, arrowtooth flounder, other species such as skate and shark, and miscellaneous species. There was a slight rise in the bycatch of other salmon in the pollock fishery during the quarter, presumably mostly chum salmon. Refer to Table 2 for additional detailed information.

**Processing report:** Products from C/D season processing of CDQ pollock included surimi, mince and fillet blocks.

**Compliance/enforcement issues:** GFC voluntarily notified NMFS Enforcement that the Northern Glacier and Pacific Glacier had inadvertently

fished in the sea lion critical habitat areas surrounding St. Paul and St. George Islands during the month of August. These vessels and nine other trawler processors fishing under the at-sea pollock cooperative may have violated regulations implementing Judge Silly's August 7 ruling prohibiting fishing inside sea lion critical habitat areas. Apparently, there was considerable confusion, not only within the fishing industry but also with the U.S. Coast Guard and NMFS, regarding these regulations and definitions of the areas and boundaries of the sea lion critical habitat and the more recently established sea lion conservation areas (SCA) and regulations regarding a sea bird conservation zone. This matter is currently under investigation by NMFS Enforcement.

The Northern Glacier harvested CDQ pollock in five tows on August 9-10 within this area in question; the Pacific Glacier did not harvest CDQ pollock in this area. Other than this issue currently under review, NSEDC conducted CDQ pollock fishing operations in compliance with applicable federal and state laws and regulations governing the fisheries in the BSAI.

## 2. **Pacific Cod**

NSEDC harvested approximately 782.19 metric tons of Pacific cod in targeted CDQ fishing operations in the Bering Sea and Aleutian Islands during the third quarter of 2000. The Norton Sound took 748.9 metric tons in two trips (Norton Sound trips 7 and 8) and 39 days of fishing from July 11 to August 28. The Northern Aurora also took 33.29 metric tons of CDQ Pacific cod in four days of directed fishing operations at the end of August. Catch data from this abbreviated fishery are contained within the Pacific cod harvest information. See Table 3 for a summary of the CDQ and PSQ harvest in the cod target fishery. The harvest during the third quarter was worth roughly \$202,000 in royalty payments to NSEDC.

**Summary of bycatch:** Other CDQ species in the Pacific cod target fishery accounted for approximately nineteen percent (19.51%) of the total harvest, down slightly from the previous quarter. This bycatch primarily consisted of 'other species' including skate and sculpin, arrowtooth flounder and non-quota pollock. The bycatch of all other species during this quarter was again minimal however the mortality bycatch rate of halibut showed a substantial increase from about 5.09 kg/mt of Pacific cod to about 11.87 kg/mt. See the attached harvest summary in Table 3 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 sablefish in the Aleutian Islands. There were no targeted fishing operations for Greenland turbot in the Bering Sea and Aleutian Islands and sablefish in the Bering Sea. See Table 4 for a summary of the sablefish harvest, and Table 5 for Greenland turbot harvest for the year.

The F/V Miss Conception harvested about 17.5 metric tons of sablefish in ten days of fishing in late September. The Miss Conception is a catcher boat using pot gear to harvest sablefish, and delivering chilled headed and gutted product to shoreside processing facilities in Adak and Dutch Harbor. This harvest of CDQ was worth about \$11,000 in royalty payments to NSEDC. The Miss Conception is planning on harvesting additional CDQ sablefish in the Aleutian Islands during the next quarter.

In addition to the Miss Conception, NSEDC is planning on using the catcher/processor F/V American Viking to harvest CDQ sablefish in the Aleutian Islands during the next quarter. The American Viking also uses pot gear to harvest sablefish. NSEDC submitted a proposal and obtained approval from NMFS to modify the fishing plan for the F/V American Viking to allow the vessel to use only one CDQ observer in the conduct of CDQ fishing operations targeting sablefish. Subsequently, the vessel used one CDQ lead observer within a shortened fishing day as specified by CDQ regulations. We feel that harvesting CDQ sablefish using pot gear is effective for avoiding the loss of catch due to interaction with whale and reducing bycatch of other CDQ species including those in low supply such as various species of rockfish.

**Summary of bycatch:** The bycatch rate of other CDQ species in the sablefish target fishery was about eleven percent (11.08%) of the total harvest. The bycatch primarily consisted of Greenland turbot and arrowtooth flounder with lesser amounts of shortraker/rougheye rockfish and other rockfish. See the attached harvest summary in Table 4 for more detailed information.

**Processing report:** Products from this fishery consisted of chilled headed and gutted sablefish delivered to shoreside processing facilities.

**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**

There was no harvest of CDQ in these target fisheries during the third quarter of 2000. The CDQ Atka mackerel fishery is expected to resume in late October or early November 2000 for approximately one month.

5. **Halibut**

During the third quarter of 2000, fishermen from NSEDC communities harvested 7,413 pounds of CDQ halibut in 46 fishing trips and deliveries. A total of 9 small locally-owned fishing vessels participated in the CDQ halibut fishery. A single vessel in Savoonga made only one delivery for 383 pounds while 8 vessels in Nome made 45 deliveries for 7,030 pounds. Unseasonably poor weather and rough sea conditions mostly prevented fishermen in Savoonga from participating in the halibut fishery as in the past several years. NSEDC does not charge local fishermen a CDQ royalty for the harvest of CDQ halibut.

**Summary of bycatch:** There was no reported bycatch.

**Processing report:** Halibut harvested by local fishermen were bought by Norton Sound Seafood Products – NSSP - in Nome and Savoonga. NSSP processed this halibut into filets and steaks and sold them into markets in Anchorage and Seattle.

**Compliance/enforcement issues:** There were no violations reported by NMFS although NSSP in Nome had a few problems with catch reporting using the electronic transaction terminal.

6. **Norton Sound Red King Crab**

During the third quarter, fishermen from NSEDC communities harvested approximately 15,220 pounds of CDQ crab from the Norton Sound red king crab fishery. After NSEDC received a transfer of quota from Yukon Delta Fisheries Development Association, the total amount of CDQ crab available to fishermen was 23,900 pounds. NSEDC provided the crab CDQ free of charge to the local fishermen and gave logistical and market support but did not participate in buying and processing the crab. Five fishing vessels primarily from Nome and Unalakleet participated in this fishery during the month of September.

**Summary of bycatch:** There was no reported bycatch.

**Processing report:** Fishermen were responsible for securing their own markets for their crab although NSEDC did provide some assistance. Most of the crab was flown into Anchorage and sold as live crab.

**Compliance/enforcement issues:** There were no violations reported.

7. **Bering Sea Opilio Crab**

There was no harvest of CDQ opilio crab in the Bering Sea during the third quarter.

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

There was no harvest of CDQ king crab at St. Matthew during the third quarter. This commercial crab fishery will be closed again this year.

9. **Bristol Bay Red King Crab**

There was no harvest of CDQ king crab at Bristol Bay during the third quarter. The Bristol Bay crab fishery will open October 15 with the CDQ fishery starting sometime towards the end of October.

C. **Other Activities**

During the third quarter, NSEDC participated in meetings of the North Pacific Fisheries Management Council during the week of September 4 in Anchorage. 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 third 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. NSEDC has also been working with GSI in the production and sales of king crab product from the open access fishery in Norton Sound.

1. **1999 Bristol Bay red king crab**

Sales of red king crab product from the 1999 Bristol Bay CDQ fishery continues to be slow. About 2,500 pounds were sold during the third quarter with a value of just over \$13 per pound. Approximately 34,927 pounds of product – mainly 9-12 and 12-14 count legs – remain in inventory out of a total production of 71,942 pounds (less production losses) of various grades of legs and byproduct. A little more than one-half of the crab product has been sold to date. Through the end of the quarter, NSEDC and GSI have sold about 37,015 pounds of king crab product for revenues of about \$465,354. The market for king crab product continues to be tight and prices have declined since the end of

the last quarter. The market and price outlook do not appear to be improving in the near future. If prices continue at the current level, we are anticipating a negative cash flow on projected total revenues of about \$880,000.

NSEDC will have additional red king product from the 2000 Bristol Bay CDQ fishery for sale by the middle of November. GSI is exploring possible sales of raw/blast frozen and cooked/brine frozen crab product to a market in Japan.

**2. 2000 Opilio**

During the third quarter, NSEDC and GSI sold or committed for sale 192,850 pounds of #1 fancy and grade A clusters for total revenues of \$887,340. 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 96,575 pounds includes mostly 8 oz. up and 10 oz. up clusters with some grade A and bits and pieces. The bits and pieces product is going to be reprocessed for sales as cocktail claws and broken pieces. At current market prices, we are now anticipating a breakeven financial return or perhaps a small positive cash flow on projected revenues of about \$1.29 million

**F. Other**

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

- Glacier Fish Company Internship Program (Attachment 8)
- NSEDC Newspaper ad for the Second Quarter Board of Directors Meeting (Attachment 9)
- NSEDC Newspaper ad announcing the deadline for candidacy (Attachment 10)
- NSEDC Newspaper ad announcing Six Pack License and ELSP Training (Attachment 11)
- NSEDC Newspaper ad announcing and Employment Opportunity (Attachment 12)
- NSEDC Community Outreach Liaison Position Announcement (Attachment 13)