

**2000 FOURTH QUARTER REPORT  
OCTOBER 1 – DECEMBER 31, 2000**



**NORTON SOUND ECONOMIC  
DEVELOPMENT CORPORATION**

## I. QUARTERLY HIGHLIGHTS

- NSEDC's standing committees held their 2000 third quarter meetings in Nome on November 13<sup>th</sup>.
- NSEDC's Board of Directors held their 2000 third quarter meetings in Nome on November 13<sup>th</sup> & 14<sup>th</sup>.
- NSEDC Board of Directors held their 2000 Annual meeting of the Members and Annual meeting of the Directors in Nome on November 15<sup>th</sup>.
- NSEDC Board of Directors held a board retreat
- Glacier Fish Company held their quarterly meeting on November 28<sup>th</sup> in Seattle, WA.
- NSEDC sponsored an entry-level seafood processing class on October 16-17, 2000, with fourteen residents successfully completing the class.
- NSEDC awarded \$4000 to four residents in vocational scholarships.
- Twenty-eight residents worked on the *F/T Northern Glacier*, *F/T Pacific Glacier* and the *F/V Norton Sound* earning a total of \$168,207.89 in wages.
- Two residents worked for Icicle Seafoods earning a total \$10,007.20 in wages.
- NSEDC President/CEO traveled with the Governor of Alaska and other delegation on a trade mission to Japan and China.
- NSEDC hired all fourteen contractors for the Community Outreach Liaison Positions.
- The NSEDC Board of Directors declared the 2000 Community Benefit Share of \$20,000. Letters were sent to each of the communities outlining the stipulations of this program.
- NSEDC sponsored the purchase of school banners for each of the public schools in NSEDC's member communities.
- NSEDC staff held a staff retreat/training on December 15<sup>th</sup>.

## **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 third quarter meetings in Nome on November 13<sup>th</sup> & 14<sup>th</sup>, 2000.

Activity: NSEDC Board of Directors held their 2000 Annual Meeting of the Members in Nome on November 15<sup>th</sup>, 2000.

Activity: NSEDC Board of Directors held their Annual Meeting of Directors in Nome on November 15<sup>th</sup>, 2000

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

Activity: The advisory committees held their third quarter meetings on November 13<sup>th</sup>, 2000.

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

Activity: Completed. 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: Completed. The NSEDC Annual Report was completed and went to print the last week of September. Distribution to the member communities was 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 third quarter 2000 were submitted on October 31<sup>st</sup>, 2000.

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

Activity: Completed. 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: Completed. 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: Completed. 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: Completed. 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 Glacier Fish Company. During the fourth quarter 3,046.44 mt of NSEDC CDQ pollock was harvested by Glacier Fish Company. NSEDC fishing operations for 2000 using the *F/V Northern Glacier* and the *F/V Pacific Glacier* resulted in the harvest of 25,040.98 mt of CDQ pollock or 99.93 % of the NSEDC CDQ allocation.

**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: There was no harvest of CDQ red king crab in the Norton Sound during the fourth quarter. For the year, five fishermen from NSEDC communities harvested approximately 15,220 lbs. of CDQ crab from the Norton Sound red king crab fishery.

There was no harvest of CDQ opilio crab in the Bering Sea during the fourth quarter. For the year, NSEDC contracted with The Adventure and the Viking Queen to harvest NSEDC's CDQ opilio crab. A total of 452,990 lbs. of CDQ opilio crab was harvested out of a total CDQ allocation of 453,377 lbs.

NSEDC conducted a CDQ fishery for red king crab in Bristol Bay in late October and early November. NSEDC contracted with the Adventure (64,784 lbs.) and the Viking Queen (56,230 lbs.) for a total harvest of 121,014 lbs.

**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 fourth 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: Completed. During the fourth quarter, NSEDC contracted with F/V Seafreeze to conduct targeted fishing operations for Atka mackerel. A total of 885.78 mt was harvested in the eastern, central and western Aleutian Islands.

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

Activity: NSEDC's key personnel were in attendance at the NPFMC quarterly meetings held the week of December 4<sup>th</sup>, 2000.

### **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 in the fourth quarter with confidential discussions.

**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 fourth 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: Completed. 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: Completed. 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: Completed. NSEDC continued with the intern program in the third quarter with the placements of three Norton Sound residents. Virginia Nashalook of Unalakleet as a Accounting/Administrative Intern in the main office, Simon Kinneen of Nome as a CDQ Harvest Management Intern in the main office 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: Completed. 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: Completed. The Financial Advisory Committee did their quarterly review on November 13, 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: Completed. 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: Completed. The Financial Advisory Committee did the annual review of the Revolving Loan Program at their 4th quarter meeting on January 21<sup>st</sup>, 2001.

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

Activity: Completed. The Financial Advisory Committee reviewed the Revolving Loan Program at their third quarter meeting on November 13, 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: Ongoing. 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: Ongoing. 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: Completed in the second and third quarters. The crab tagging survey that was conducted in Wales in the third quarter was completed with a written report in the fourth quarter. The conclusion to the report was to resume the study during a time of the year when the weather is more cooperative and less harsh.

### **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: Ongoing.

**MILESTONE: NSEDC WILL FUND AT LEAST ONE SALMON REHABILITATION AND ENHANCEMENT PROJECT BY THE END OF THE FOURTH QUARTER 2000.**

Activity: Completed. 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. At the third quarter Board of Directors meeting a motion was passed to fund \$100,000 to the Norton Sound Regional Aquaculture Association on approval by the Regional Planning Team (RPT). The RPT will meet on February 13<sup>th</sup>, 2001.

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

**MILESTONE: NSEDC WILL EVALUATE POTENTIAL SITE-SPECIFIC PROJECTS IN WHICH TO INVEST AT REGULARLY SCHEDULED MEETINGS OF THE FISHERIES DEVELOPMENT COMMITTEE AND BOARD OF DIRECTORS.**

Activity: Completed. 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: Completed. 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: Completed. 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: Completed. 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: Completed. 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: Completed. 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: This program has been discontinued by NSEDC.

### **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: Completed. 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: Completed. 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: Completed. Quarterly owner meetings held on November 28, 2000 in Seattle to review the third quarter financial information and other matters.

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

Activity: Completed. In 2000, Glacier sold for NSEDC 362,550 lbs. (red king crab 1999 and 2000 production, opilio 1999 and 2000 production and Norton Sound red king crab 2000 production) for \$2,502,545.

**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: Completed. 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: Completed. The amounts of capital improvements identified above were all met by the end of the 4<sup>th</sup> quarter.

**MILESTONE\*: MAKE ANNUAL DISTRIBUTIONS TO NSEDC (AND OTHER OWNERS) BY THE END OF THE SECOND QUARTER 2000 BASED ON PROFITABILITY OF THE PRIOR YEAR.**

Activity: Completed in the second quarter.

**MILESTONE: CONDUCT AN ANNUAL AUDIT OF THE YEAR 1999 USING AN INDEPENDENT CPA FIRM TO BE COMPLETED BY THE END OF THE SECOND QUARTER 2000.**

Activity: Completed in the second quarter.

**MILESTONE: CONTINUE TO DEVELOP NEW MARKET CHANNELS AND PRODUCT FORMS FOR ALASKA COD.**

Activity: Completed. New markets established primarily in Sao Paulo and Rio De Janeiro, Brazil. Sales of dried saltcod continued to be primarily to Brazil in the fourth 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: Completed in the third quarter.

**MILESTONE\*: PROVIDE EMPLOYMENT OPPORTUNITIES TO NORTON SOUND RESIDENTS OF UP TO 185 TRIP/POSITIONS DURING 2000 AND PAY GROSS WAGES TO NORTON SOUND RESIDENTS TOTALING UP TO \$720,000.**

Activity: Completed. In calendar year ending 12/31/00, GFC provided 178 trip/positions and paid gross wages of \$932,046 to Norton Sound resident. Wages paid were significantly higher than goal, and trip/positions were slightly less than goal, indicating a higher retention rate than originally anticipated.

### **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: Completed. 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 fourth quarter meeting was in Nome on November 13-14, 2000. Glacier was represented by its Controller.

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

Activity: Completed. Harry Goldberry of Nome completed his internship with GFC on December 5, 2000 and returned to college.

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

Activity: Completed. During calendar year 2000, At-Sea-Processors Association, of which GFC is a member, established and pays for an on-going program to support CDQ interns by providing a support network. This is done by social events, airport pickups, assistance in finding apartments, a newsletter, and other assistance.

**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: Completed. Glacier participates in AVTECH training of Norton Sound residents. During 2000, new emphasis has been given to Glacier's drug and alcohol policies and how they apply while traveling. Combined terminations of Norton Sound residents due to drinking, failed drug tests and broken contracts has been reduced 52% in 2000, from 23 in 1999 to 12 in 2000. Other, new initiatives are planned for 2001.

**MILESTONE\*: BY THE END OF FOURTH QUARTER 2000, HIRE A NORTON SOUND RESIDENT AS PART OF THE MANAGEMENT TEAM.**

Activity: Not completed. Efforts continue to identify a person for this position.

**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: Completed.

**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: Completed in the third quarter.

**MILESTONE\*: BY THE END OF THIRD QUARTER 2000, CONTRIBUTE \$8,000 FOR UNIVERSITY RESEARCH ON STELLER SEA LIONS.**

Activity: Completed in the third quarter.

### **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: Completed. The concept of a cod facility on Adak was actively pursued at various times during the year including investment in a longliner with the same group. Because of uncertainties with Steller Sea Lions, and proposed RPA's, negotiations cooled and the parties sold to different buyer. Other longline opportunities have been pursued, including active discussions of joint ventures with two other CDQ groups. One vessel was bid on unsuccessfully. Efforts in this area are on-going.

### **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: Completed. This pledge was satisfied in full by a contribution of \$21,875 in the fourth quarter.

**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, all fourteen Community Outreach Liaisons have been retained as contractors by NSEDC.

## **Investment Oversight**

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

Activity: The Financial Advisory Committee held their third quarter meetings on November 13, 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: President & CEO attended GFC fourth quarter meeting on November 28, 2000.

### **Other Fund Management**

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

Activity: The Financial Advisory Committee held their third quarter meetings on November 13, 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: Completed. NSEDC Board of Directors attended board retreat on November 29, 2000 in Seattle, WA.

**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: Completed. At the board retreat on November 29, 2000, the board completed a training session on the Robert's Rules of Order.

### **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 fourth 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: Completed. To date, all funds were transmitted to each member community after acceptance of the terms of the community benefit share.

### **B. Outreach**

NSEDC management and staff performed a number of outreach projects/activities during the fourth quarter of 2000.

- NSEDC Board of Directors held their third quarter 2000 meeting in Nome on November 13<sup>th</sup> & 14<sup>th</sup> at the Bering Straits Native Corporation Board Room, this meeting was open to the public.
- NSEDC Board of Directors held the NSEDC Annual meeting of the Members and Annual meeting of the Directors in Nome on November 15<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 third Quarter 2000 meeting by placing an ad in the Nome Nugget Newspaper.
- The third quarter reports were mailed out to each of the member communities and to each board member on November 2<sup>nd</sup>.
- NSEDC President & CEO traveled to Tokyo, Hong Kong, and China to promote NSEDC and the CDQ program.
- NSEDC notified residents about a training opportunity for sea captains' 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.
- Community Outreach Liaison Position announcements were sent to Diomedes, Wales and Nome to be posted. These postings concluded the postings for the liaison positions.
- An employment ad was placed in the Nome Nugget for the Nome Community Outreach Liaison Position.
- Thirteen of the fourteen Community Outreach Liaison positions were filled in December, and all thirteen liaisons attended local meetings to introduce themselves as the new liaison.

**C. Employment**

**1. Employment Data Form**

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

	Quarter		Year-to-Date	
	Positions/Trips	Wages	Positions/Trips	Wages
<b>Management/Administrative</b>				
NSEDC	12/-	152,132.01	13/-	564,908.76
NSSP	4/-	28,338.56	4/-	122,314.95
<b>Total Management/Administrative</b>	<b>16/-</b>	<b>\$180,470.57</b>	<b>17/-</b>	<b>\$687,223.71</b>
<b>CDQ Pollock Related*</b>				
A/B Season	0/0	0	38/7	440,941.58
C/D Season	26/4	159,529.87	49/10	249,971.51
<b>Total Pollock Related</b>	<b>26/4</b>	<b>\$159,529.87</b>	<b>87/17</b>	<b>\$690,913.09</b>
<b>CDQ Crab (Icicle Seafoods)</b>	<b>0/0</b>	<b>\$0.00</b>	<b>0/0</b>	<b>\$0.00</b>
<b>NSSP Employment</b>	<b>16/-</b>	<b>\$9,915.71</b>	<b>101/-</b>	<b>\$130,055.51</b>
<b>Other employment-NSEDC</b>	<b>0/-</b>	<b>\$0.00</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**	2/3	8678.02	5/9	56,608.31
GFC-Salmon	0/0	0.00	12/-	23,495.00
Icicle Seafoods	2/-	10,007.20	4/-	35,073.11
<b>Total Other Fishing</b>	<b>4/3</b>	<b>\$18,685.22</b>	<b>21/9</b>	<b>\$115,176.42</b>
<b>Interns</b>				
NSEDC/Main Office	2/-	14,738.00	2/-	33,466.65
NSEDC/GFC	1/-	3953.78	1/-	8600.02
NSEDC/Icicle	0/-	0.00	3/-	16,612.24
NSEDC: Kawerak/ADF&G	0/-	0.00	13/-	76,706.32
<b>Total Interns</b>	<b>3/-</b>	<b>\$18,694.78</b>	<b>19/</b>	<b>\$135,385.23</b>
<b>GRAND TOTALS</b>	<b>65/7</b>	<b>\$387,293.15</b>	<b>255/26</b>	<b>\$1,838,818.96</b>
	<b>NSEDC =</b>	<b>\$166,870.01</b>	<b>NSEDC =</b>	<b>\$755,146.73</b>
	<b>NSSP=</b>	<b>\$38,254.27</b>	<b>NSSP=</b>	<b>\$252,370.46</b>
	<b>Partners=</b>	<b>\$182,168.87</b>	<b>Partners=</b>	<b>\$831,301.77</b>

## 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 third and fourth quarters of 2000. Employment numbers reflect all employees paid in the fourth quarter. Twenty-six Norton Sound residents worked onboard the Glacier Fish Company vessels, the *F/V Northern Glacier* and *F/V Pacific Glacier*, harvesting the CDQ pollock in the “C/D” season fishery. The wages paid to NSEDC residents in the fourth quarter totaled \$159,529.87.

**NSSP Employment** – Sixteen residents were employed by NSEDC/NSSP as processors, beach gang, and clerical positions at the NSSP facilities in the region during the fourth quarter.

**Other Fishing** – Glacier Fish Company employed two residents on the longliner *F/V Norton Sound* during the fourth quarter. Icicle Seafoods employed two residents during the fourth quarter, one as a permanent full-time engineer and the other as a processor.

**Interns** – Two NSEDC residents were employed as interns during the fourth 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 in the main office.

One intern continued and completed an internship with Glacier Fish Company in Seattle during the fourth quarter.

**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			96*	\$115,853.88*
Vocational	4	\$4,000.00	18	\$18,000.00
<b>Voc-Tech</b>				
Basic			15	\$3,718.45
Advanced				
<b>Other Training</b>				
Fisheries related	16	\$28,989.73	52	\$108,829.66
Student Loans				
CDQ Staff/Board				
Other (Elec.Navigation)				
<b>Other Expenditures</b>				
To Educational Institute				
Education Endowment				
Other				
<b>TOTAL</b>	<b>20</b>	<b>\$32,989.73</b>	<b>181</b>	<b>\$246,401.99</b>

\*The year-to-date numbers reported here are correct. The third quarter numbers of 126 people and \$126,000 in expenditures were based on applicants qualifying and the scholarship committee awarding the scholarships in both the spring and fall semesters. Some students ended up not attending school and therefore the scholarships were returned to NSEDC.

**2. Training Summary**

**Scholarships** – Four residents received scholarship awards for vocational education and from NSEDC during the fourth quarter of 2000.

**Other Training** – Sixteen residents applied for Entry Level Seafood Processing (ELSP) training at Alaska Vocational Technical Center in Seward, and attended the class initiation in Nome. Of the sixteen, fourteen residents successfully completed the training in Seward.

### **III. Administration**

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

##### **1. Board of Director Elections**

Board Elections for five NSEDC communities were held in Teller, Nome, Elim, Savoonga and St. Michael. Following are the election results:

Teller	Issac Okleasik Jr. (newly elected)
Nome	Don Stiles (re-elected)
Elim	Oscar Takak (re-elected)
Savoonga	Truman Kava (re-elected)
St. Michael	Victor Joe (re-elected)

##### **2. Board of Director Meetings**

NSEDC Board of Directors held their third quarter 2000 meeting in Nome on November 13<sup>th</sup> and 14<sup>th</sup>, with the standing committees meeting on November 13<sup>th</sup>. The Board of Directors also held the Annual meeting of the Members and Annual meeting of the Directors on November 15<sup>th</sup>.

##### **3. Substantial Decisions**

At the third quarter meeting on November 13<sup>th</sup> and 14<sup>th</sup> in Nome the following items were approved by the NSEDC Board of Directors: approval to waive interest accrual for the year 2000 for NSEDC loans, in light of the salmon disaster in the Norton Sound; approval to increase the NSEDC scholarship to \$1250.00 per semester; approval to change the date of the NSEDC Annual meeting of the Members and Annual meeting of the Directors to the last Friday of October; approval of a funding request by the Bering Straits Regional Aquaculture Association contingent upon the approval of the Regional Planning Team; approval of bonuses for the top fishermen (totals of all fisheries) in the NSEDC communities who delivered to NSSP in the 2000 season; and approval of the NSEDC 2001-2002 CDP with the amended allocations.

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

Amendments to the 1998-2000 Multi-species Community Development Plan (CDP) submitted during the fourth quarter are listed below:

- CDP amendment 00-14NS: NSEDC submitted a substantial amendment to the CDP for the transfer of 10 mt of Greenland turbot in the Bering Sea, 1 mt of other rockfish in the Bering Sea, and 1 mt of other red rockfish in the Bering Sea from APICDA to NSEDC. This amendment was submitted to the state on November 3, 2000.
- CDP amendment 00-15NS: NSEDC submitted a substantial amendment to the CDP for the transfer of 30 mt of sharpchin/northern rockfish in the Aleutian Islands from

BBEDC to NSEDC. This amendment was submitted to the state on November 13, 2000 and approved on November 14.

- CDP amendment 00-16NS: NSEDC submitted a substantial amendment to the CDP for the transfer of 32 mt of Atka mackerel in the central Aleutian Islands and 20 mt of sharpchin/northern rockfish in the Aleutian Islands from APICDA to NSEDC. This amendment was submitted to the state on November 16, 2000 and approved by NMFS on November 17.
- CDP amendment 00-17NS: NSEDC submitted a technical amendment to the CDP for the transfer of 29 mt of Atka mackerel in the central Aleutian Islands from YDFDA to NSEDC. This amendment was submitted to the state and approved by NMFS on November 16, 2000.
- CDP amendment 00-18NS: NSEDC submitted a substantial amendment to the CDP for the transfer of 25 mt of annual CDQ for Sharpchin/Northern Rockfish in the Aleutian Islands, 5 mt of AI Shortraker/Rougheye Rockfish, and 3 mt of AI Other Rockfish from APICDA to NSEDC. This amendment was submitted to the state on November 27, 2000 and approved by NMFS on November 28.
- CDP amendment 00-19NS: NSEDC submitted a technical amendment to the CDP in order to add the F/V Clipper Express to the list of vessels already approved by NMFS as eligible to participate in our CDQ fisheries. This vessel is a freezer longliner that will target CDQ Pacific cod in the Bering Sea. This CDP amendment was submitted to the state on December 6, 2000 and approved by NMFS on December 8.
- CDP amendment 00-20NS: NSEDC submitted a technical amendment to the CDP for the transfer of 20 mt of Pacific cod annual CDQ in the BSAI from NSEDC to BBEDC. This amendment was submitted to the state on December 18, 2000 and approved by NMFS on December 18.

### **C. Other Issues**

NSEDC is undergoing a re-organization of the corporate structure. Several meetings have taken place with a consultant and a new organizational chart is underdevelopment. One significant change would be to change the title and duties of the Administrative Director to a Chief Operating Officer.

## **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	Pollock	Pacific Cod	Sablefish	Turbot	Groundfish	Halibut	Total	NSEDC*	Percent	Remaining
GEAR TYPE	Trawl	H&L	Pot	H&L	Trawl	H&L	Harvest	CDQ	Harvested	CDQ
SPECIES										
Halibut (4D)						40.99	40.99	71.82	57.07%	30.84
Pacific Cod (BS/AI)	65.455	2,147.583	0.020	-	89.749	171.470	2,474.28	2,625.500	94.24%	151.223
Sablefish (BS)	-	0.625	-	1.608	-	-	2.23	29.400	7.60%	27.167
Sablefish (AI)	-	0.649	44.449	-	-	-	45.10	72.800	61.95%	27.702
Greenland Turbot (BS)	2.317	1.502	-	84.165	-	-	87.98	113.400	77.59%	25.416
Greenland Turbot (AI)	-	0.061	2.235	-	8.935	-	11.23	59.800	18.78%	48.569
Atka Mackerel (Western AI)	-	3.774	-	-	177.410	-	181.18	573.320	31.60%	392.136
Atka Mackerel (Central AI)	-	0.115	-	-	520.190	-	520.31	533.320	97.56%	13.015
Atka Mackerel (Eastern AI)	0.010	-	-	-	306.502	-	306.51	314.800	97.37%	8.288
Yellowfin Sole	10.723	2.761	-	-	-	0.400	13.88	462.200	3.00%	448.316
Flathead Sole	41.885	7.714	-	0.079	0.010	0.510	50.20	592.200	8.48%	542.002
Other Flatfish	0.507	0.182	-	0.016	0.140	-	0.85	942.751	0.09%	941.906
Rock Sole	57.328	0.806	-	-	0.720	0.080	58.93	2,021.400	2.92%	1,962.466
Bering Sea Pollock							-			
A/B season	10,000.657	-	-	-	-	-	10,000.66	10,023.200	99.78%	22.543
C/D season	15,040.320	-	-	-	-	-	15,040.32	15,034.800	100.04%	(5.520)
Aleutian Pollock	-	-	-	-	-	-	-	-	N/A	-
Bogoslof Pollock	-	-	-	-	-	-	-	-	N/A	-
Non-quota Pollock	N/A	120.975	-	-	8.690	13.260	142.93	-	N/A	N/A
Arrowtooth Flounder	13.419	43.580	1.207	1.046	1.780	1.470	62.50	1,336.200	4.68%	1,273.698
Trawl Sablefish (BS)	0.095	-	-	-	-	-	0.10	9.900	0.96%	9.805
Trawl Sablefish (AI)	-	-	-	-	0.398	-	0.40	8.100	4.91%	7.702
True POP (BS)	0.094	-	-	-	-	0.010	0.10	31.200	0.33%	31.096
Other Red Rockfish (BS)	0.101	0.031	-	0.054	-	0.430	0.62	3.240	19.01%	2.624
True POP (Western AI)	-	0.002	-	-	76.860	-	76.86	98.000	78.43%	21.138
True POP (Central AI)	-	-	-	-	52.940	-	52.94	62.080	85.28%	9.140
True POP (Eastern AI)	-	0.003	-	-	36.513	-	36.52	57.440	63.57%	20.924
Sharpchin/Northern (AI)	-	2.859	-	-	143.363	-	146.22	156.760	93.28%	10.538
Shortraker/Rougheye (AI)	-	0.987	0.090	-	2.160	-	3.24	16.880	19.18%	13.643
Other Rockfish (BS)	0.344	0.026	-	0.681	-	0.850	1.90	6.130	31.01%	4.229
Other Rockfish (AI)	-	2.886	0.023	-	8.955	-	11.86	19.690	60.25%	7.826
Squid	19.404	-	-	-	0.930	-	20.33	27.489	N/A	N/A
Other Species	27.263	344.526	-	1.876	14.860	15.940	404.47	593.450	68.15%	188.985
TOTAL	25,279.922	2,681.647	48.024	89.525	1,451.105	245.406	29,795.629	35,897.273	83.00%	6,101.644
Bycatch %	0.95%	19.92%	7.44%	4.19%	30.80%	83.30%				
PROHIB SPECIES										
Halibut mortality (mt)	1.345	15.302	-	0.110	7.134	4.460	28.351	48.020	59.04%	19.669
Opilio (no.)	21	-	-	-	-	-	21	26,100	0.08%	26,079
Tanner Crab - Zone 1 (no.)	-	-	-	-	-	-	-	5,603	0.00%	5,603
Tanner Crab - Zone 2 (no.)	-	-	-	-	-	-	-	17,010	0.00%	17,010
Red King Crab (no.)	-	-	-	-	-	-	-	1,091	0.00%	1,091
Chinook Salmon (no.)	182	-	-	-	31	-	212	792	26.81%	580
Other Salmon (no.)	326	-	-	-	-	-	326	693	47.08%	367
* Note: The amount of annual CDQ for various species and allocations to target fisheries and vessels may change as in-season adjustments are made between target fisheries and the NSEDC reserve, and transfers are approved between CDQ groups.										

**Table 4**  
**2000 CDQ HARVEST – POLLOCK TARGET FISHERY**  
**(in metric tons)**

					Total
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year to date
<b>SPECIES</b>					
Pacific Cod (BS/AD)	15.685	-	38.260	11.510	65.455
Sablefish (BS)	-	-	-	-	-
Sablefish (AD)	-	-	-	-	-
Greenland Turbot (BS)	1.327	-	0.510	0.480	2.317
Greenland Turbot (AD)	-	-	-	-	-
Atka Mackerel (Western AD)	-	-	-	-	-
Atka Mackerel (Central AD)	-	-	-	-	-
Atka Mackerel (Eastern AD)	-	-	0.010	-	0.010
Yellowfin Sole	1.633	-	3.020	6.070	10.723
Flathead Sole	20.495	-	8.670	12.720	41.885
Other Flatfish	0.307	-	0.140	0.060	0.507
Rock Sole	55.128	-	1.440	0.760	57.328
<b>Bering Sea Pollock</b>					
A/B season	10,000.657	-	-	-	10,000.657
C/D season	-	-	11,993.880	3,046.440	15,040.320
Aleutian Pollock	-	-	-	-	-
Bogoslof Pollock	-	-	-	-	-
<b>Arrowtooth Flounder</b>					
Trawl Sablefish (BS)	0.339	-	6.020	7.060	13.419
Trawl Sablefish (AD)	0.095	-	-	-	0.095
True POP (BS)	-	-	-	-	-
Other Red Rockfish (BS)	0.094	-	-	-	0.094
True POP (Western AD)	0.101	-	-	-	0.101
True POP (Central AD)	-	-	-	-	-
True POP (Eastern AD)	-	-	-	-	-
Sharpchin/Northern (AD)	-	-	-	-	-
Shortraker/Rougheye (AD)	-	-	-	-	-
Other Rockfish (BS)	-	-	-	-	-
Other Rockfish (AD)	0.334	-	-	0.010	0.344
Squid	-	-	-	-	-
Other Species	19.404	-	-	-	19.404
	10.383	-	9.210	7.670	27.263
<b>TOTAL</b>	<b>10,125.982</b>	<b>-</b>	<b>12,061.160</b>	<b>3,092.780</b>	<b>25,279.922</b>
<b>Bycatch %</b>	<b>1.24%</b>	<b>-</b>	<b>0.56%</b>	<b>1.50%</b>	<b>0.95%</b>
<b>PROHIB SPECIES</b>					
Halibut mortality (mt)	0.305	-	0.790	0.250	1.345
Opilio (no.)	3	-	10	8.340	21
Tanner Crab - Zone 1 (no.)	-	-	-	-	-
Tanner Crab - Zone 2 (no.)	-	-	-	-	-
Red King Crab (no.)	-	-	-	-	-
Chinook Salmon (no.)	138	-	28	15.840	182
Other Salmon (no.)	8	-	261	57.500	326

**Table 5**  
**2000 CDQ HARVEST – PACIFIC COD TARGET FISHERY**  
**(in metric tons)**

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
SPECIES					Year to date
Pacific Cod (BS/AI)	356.220	637.540	782.190	371.633	2,147.583
Sablefish (BS)	-	0.305	0.300	0.020	0.625
Sablefish (AI)	-	0.049	0.600		0.649
Greenland Turbot (BS)	-	0.927	0.240	0.335	1.502
Greenland Turbot (AI)	0.033	0.028	-		0.061
Atka Mackerel (Western AI)	0.079	2.725	0.970		3.774
Atka Mackerel (Central AI)	0.115	-	-		0.115
Atka Mackerel (Eastern AI)	-	-	-		-
Yellowfin Sole	-	1.837	0.920	0.004	2.761
Flathead Sole	0.652	1.710	3.630	1.722	7.714
Other Flatfish	0.078	0.050	0.020	0.034	0.182
Rock Sole	0.173	0.150	0.440	0.043	0.806
<b>Bering Sea Pollock</b>					
A/B season	-	-	-		-
C/D season	-	-	-		-
Aleutian Pollock	-	-	-		-
Bogoslof Pollock	-	-	-		-
Non-quota Pollock	18.807	33.680	24.090	44.398	120.975
<b>Arrowtooth Flounder</b>	0.447	1.630	31.210	10.293	43.580
Trawl Sablefish (BS)	-	-	-		-
Trawl Sablefish (AI)	-	-	-		-
True POP (BS)	-	-	-		-
Other Red Rockfish (BS)	0.031	-	-		0.031
True POP (Western AI)	-	0.002	-		0.002
True POP (Central AI)	-	-	-		-
True POP (Eastern AI)	0.003	-	-		0.003
Sharpchin/Northern (AI)	0.039	0.380	2.440		2.859
Shortraker/Rougheye (AI)	0.227	0.060	0.700		0.987
Other Rockfish (BS)	0.016	0.010	-		0.026
Other Rockfish (AI)	0.050	0.496	2.340		2.886
Squid	-	-	-		-
Other Species	48.240	121.270	121.730	53.286	344.526
<b>TOTAL</b>	<b>425.210</b>	<b>802.849</b>	<b>971.82</b>	<b>481.77</b>	<b>2,681.647</b>
<b>Bycatch %</b>	<b>16.22%</b>	<b>20.59%</b>	<b>19.51%</b>	<b>22.86%</b>	<b>19.92%</b>
<b>PROHIB SPECIES</b>					
Halibut mortality (mt)	0.670	3.200	9.280	2.152	15.302
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)**

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total Year to date
<b>SPECIES</b>					
Pacific Cod (BS/AI)	-	-	-	0.020	0.020
Sablefish (BS)	-	-	-	-	-
Sablefish (AI)	-	-	17.500	26.949	44.449
Greenland Turbot (BS)	-	-	-	-	-
Greenland Turbot (AI)	-	-	1.530	0.705	2.235
Atka Mackerel (Western AI)	-	-	-	-	-
Atka Mackerel (Central AI)	-	-	-	-	-
Atka Mackerel (Eastern AI)	-	-	-	-	-
Yellowfin Sole	-	-	-	-	-
Flathead Sole	-	-	-	-	-
Other Flatfish	-	-	-	-	-
Rock Sole	-	-	-	-	-
<b>Bering Sea Pollock</b>					
A/B season	-	-	-	-	-
C/D season	-	-	-	-	-
Aleutian Pollock	-	-	-	-	-
Bogoslof Pollock	-	-	-	-	-
Non-quota Pollock	-	-	-	-	-
<b>Arrowtooth Flounder</b>	-	-	0.600	0.607	1.207
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)	-	-	0.040	0.050	0.090
Other Rockfish (BS)	-	-	-	-	-
Other Rockfish (AI)	-	-	0.010	0.013	0.023
Squid	-	-	-	-	-
Other Species	-	-	-	-	-
<b>TOTAL</b>	-	-	19.680	28.344	48.024
<b>Bycatch %</b>			11.08%	4.92%	7.44%
<b>PROHIB SPECIES</b>					
Halibut mortality (mt)	-	-	-	-	-
Opilio (no.)	-	-	-	-	-
Tanner Crab - Zone 1 (no.)	-	-	-	-	-
Tanner Crab - Zone 2 (no.)	-	-	-	-	-
Red King Crab (no.)	-	-	-	-	-
Chinook Salmon (no.)	-	-	-	-	-
Other Salmon (no.)	-	-	-	-	-

**Table 7**  
**2000 CDQ HARVEST FOR GREENLAND TURBOT TARGET FISHERIES**  
**(in metric tons)**

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total Year to date
<b>SPECIES</b>					
Pacific Cod (BS/AI)	-	-	-	-	-
Sablefish (BS)	-	1.608	-	-	1.608
Sablefish (AI)	-	-	-	-	-
Greenland Turbot (BS)	-	84.165	-	-	84.165
Greenland Turbot (AI)	-	-	-	-	-
Atka Mackerel (Western AI)	-	-	-	-	-
Atka Mackerel (Central AI)	-	-	-	-	-
Atka Mackerel (Eastern AI)	-	-	-	-	-
Yellowfin Sole	-	-	-	-	-
Flathead Sole	-	0.079	-	-	0.079
Other Flatfish	-	0.016	-	-	0.016
Rock Sole	-	-	-	-	-
<b>Bering Sea Pollock</b>					
A/B season	-	-	-	-	-
C/D season	-	-	-	-	-
Aleutian Pollock	-	-	-	-	-
Bogoslof Pollock	-	-	-	-	-
Non-quota Pollock	-	-	-	-	-
<b>Arrowtooth Flounder</b>	-	1.046	-	-	1.046
Trawl Sablefish (BS)	-	-	-	-	-
Trawl Sablefish (AI)	-	-	-	-	-
True POP (BS)	-	-	-	-	-
Other Red Rockfish (BS)	-	0.054	-	-	0.054
True POP (Western AI)	-	-	-	-	-
True POP (Central AI)	-	-	-	-	-
True POP (Eastern AI)	-	-	-	-	-
Sharpchin/Northern (AI)	-	-	-	-	-
Shortraker/Rougheye (AI)	-	-	-	-	-
Other Rockfish (BS)	-	0.681	-	-	0.681
Other Rockfish (AI)	-	-	-	-	-
Squid	-	-	-	-	-
Other Species	-	1.876	-	-	1.876
<b>TOTAL</b>	-	89.525	-	-	89.525
Bycatch %		5.99%	-	-	5.99%
<b>PROHIB SPECIES</b>					
Halibut mortality (mt)	-	0.110	-	-	0.110
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)**

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total Year to date
<b>SPECIES</b>					
Pacific Cod (BS/AI)	-	26.019	-	63.730	89.749
Sablefish (BS)	-	-	-	-	-
Sablefish (AI)	-	-	-	-	-
Greenland Turbot (BS)	-	-	-	-	-
Greenland Turbot (AI)	-	0.145	-	8.790	8.935
Atka Mackerel (Western AI)	-	-	-	177.410	177.410
Atka Mackerel (Central AI)	-	-	-	520.190	520.190
Atka Mackerel (Eastern AI)	-	118.322	-	188.180	306.502
Yellowfin Sole	-	-	-	-	-
Flathead Sole	-	-	-	0.010	0.010
Other Flatfish	-	-	-	0.140	0.140
Rock Sole	-	0.050	-	0.670	0.720
<b>Bering Sea Pollock</b>					
A/B season	-	-	-	-	-
C/D season	-	-	-	-	-
Aleutian Pollock	-	-	-	-	-
Bogoslof Pollock	-	-	-	-	-
Non-quota Pollock	-	-	-	8.690	8.690
<b>Arrowtooth Flounder</b>					
Trawl Sablefish (BS)	-	-	-	-	-
Trawl Sablefish (AI)	-	0.048	-	0.350	0.398
True POP (BS)	-	-	-	-	-
Other Red Rockfish (BS)	-	-	-	-	-
True POP (Western AI)	-	-	-	76.860	76.860
True POP (Central AI)	-	-	-	52.940	52.940
True POP (Eastern AI)	-	1.673	-	34.840	36.513
Sharpchin/Northern (AI)	-	21.423	-	121.940	143.363
Shortraker/Rougheye (AI)	-	-	-	2.160	2.160
Other Rockfish (BS)	-	-	-	-	-
Other Rockfish (AI)	-	6.255	-	2.700	8.955
Squid	-	-	-	0.930	0.930
Other Species	-	1.830	-	13.030	14.860
<b>TOTAL</b>					
TOTAL	-	175.765	-	1,275.340	1,451.105
Bycatch %		32.68%	-	30.55%	30.80%
<b>PROHIB SPECIES</b>					
Halibut mortality (mt)	-	5.084	-	2.050	7.134
Opilio (no.)	-	-	-	-	-
Tanner Crab - Zone 1 (no.)	-	-	-	-	-
Tanner Crab - Zone 2 (no.)	-	-	-	-	-
Red King Crab (no.)	-	-	-	-	-
Chinook Salmon (no.)	-	-	-	30.500	31
Other Salmon (no.)	-	-	-	-	-

## **B. CDQ Fishing Activities**

During the fourth quarter of 2000, NSEDC conducted CDQ fishing operations for pollock in the Bering Sea, Pacific cod in the Bering Sea, sablefish in the Aleutian Islands, halibut in Area 4D/4E, Atka mackerel in eastern, central and western Aleutian Islands, and red king crab in Bristol Bay. We did not conduct fishing operations for Greenland turbot, opilio and king crab other than in Bristol Bay, and the various other species of groundfish CDQ during this period. Through the end of the fourth quarter, NSEDC has harvested a total of 29,805.48 metric tons of annual groundfish CDQ including both target and bycatch species. This amount of harvest represents approximately 83% 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 fourth 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 fourth quarter, the Pacific Glacier harvested 3,046.44 metric tons of CDQ pollock in 17 fishing days at the beginning of October. This harvest was worth about \$386,000 in CDQ royalty payments to NSEDC. The Northern Glacier completed CDQ fishing for pollock during the last quarter. NSEDC fishing operations for the year using these vessels resulted in the harvest of 25,040.98 metric tons of CDQ pollock or 99.93% of the CDQ allocation. See Table 2 for a summary of the cumulative harvest through the fourth quarter of 2000.

**Summary of bycatch:** The bycatch rate of other CDQ species in the pollock target fishery during the fourth quarter was one and one-half percent (1.50%) of the total harvest. This bycatch rate was higher than the previous quarter but overall still relatively low. Most of the bycatch was Pacific cod, flathead sole, other species such as skate, sculpin and shark, and arrowtooth flounder. For the year, the bycatch rate in our CDQ pollock fishery was less than one percent. 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:** To the best of our knowledge, NSEDC-contracted vessels conducted CDQ pollock fishing operations in compliance with applicable federal and state laws and regulations governing the fisheries in the BSAI.

### **2. Pacific Cod**

NSEDC harvested 371.633 metric tons of Pacific cod in targeted CDQ fishing operations in the Bering Sea during the fourth quarter. This harvest took place during a ten-day period after the close of the open access fishery on December 9. We made arrangements with five freezer longline vessels - the Baranof, Clipper Epic, Clipper

Express, Northern Aurora, in addition to the Norton Sound - to harvest the remaining amount of available CDQ cod. The cod catch rate in December during the open access fishery and CDQ fishery were unusually low. These fishing conditions contributed to extending the open access fishery and delaying the start of CDQ fishing. A sense of uncertainty within the fishing industry caused by proposed sea lion restrictions and the holiday season resulted in some of our vessels terminating fishing operations earlier than expected. This harvest was worth about \$75,000 in royalty payments to NSEDC.

For the year, NSEDC-contracted vessels harvested about 2,148 metric tons of CDQ cod in targeted fishing operations leaving about 150 metric tons that was available for harvest. Additional amounts of CDQ cod were harvested as bycatch during pollock, Atka mackerel and halibut fishing operations from which NSEDC also derived value in royalty payments. NSEDC reserves various amounts of CDQ cod as bycatch in these fisheries and reapports to the cod target for longline vessels once the other fisheries have finished operations. This year we simply ran out of time at the end of the season following the open access fisheries to complete our harvest of CDQ cod. The 2,474 metric tons of CDQ cod harvested this year represents about 94% of the allocation. See Table 3 for a summary of the CDQ and PSQ harvest in the cod target fishery.

**Summary of bycatch:** The catch of other CDQ species in the Pacific cod target fishery accounted for approximately twenty-three percent (22.86%) of the total harvest, up somewhat from the previous quarter. This bycatch primarily consisted of ‘other species’ including skate and sculpin, arrowtooth flounder, halibut and non-quota pollock. The bycatch of all other species during this quarter was again minimal. 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:** To the best of our knowledge, NSEDC-contracted vessels conducted CDQ Pacific cod fishing operations in compliance with applicable federal and state laws and regulations governing the fisheries in the Bering Sea and Aleutian Islands. There were no violations reported by NMFS Enforcement.

### **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.

The F/V Miss Conception and F/V American Viking harvested about 27 metric tons of sablefish in October and November prior to the close of the fishery on November 15. The Miss Conception is a catcher boat delivering to shoreside processing facilities and the American Viking is a catcher processor – both using pot gear to harvest sablefish. Only a small portion of this sablefish harvest came

from the American Viking as the vessel just started CDQ operations. This harvest of CDQ was worth about \$20,000 in royalty payments to NSEDC.

For the year, NSEDC harvested more than 44 metric tons of sablefish in the Aleutian Islands and over 84 metric tons of Greenland turbot in the Bering Sea during targeted fishing operations. NSEDC was unable to target sablefish in the Bering Sea mainly due to rockfish bycatch concerns and conflicts with whale, and Greenland turbot in the Aleutian Islands due to product quality problems. See Table 4 for a summary of the sablefish harvest, and Table 5 for Greenland turbot harvest for the year.

**Summary of bycatch:** The bycatch rate of other CDQ species in the sablefish target fishery during this quarter was a little less than five percent (4.92%) of the total harvest. The bycatch primarily consisted of Greenland turbot and arrowtooth flounder with lesser amounts of shortraker/rougheye rockfish and other rockfish. Bycatch for the year during the sablefish fishery using pot gear was very low. 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:** To the best of our knowledge, NSEDC-contracted vessels conducted CDQ sablefish fishing operations during the quarter 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**

During the fourth quarter, NSEDC conducted targeted fishing operations for Atka mackerel in the three areas of the Aleutian Islands. There was no fishing activity for yellowfin sole and rock sole. The F/V Seafreeze Alaska harvested 188.18 metric tons of Atka mackerel in the eastern Aleutian Islands, 520.19 metric tons in the central area and 177.41 metric tons in the western area. The Seafreeze Alaska started CDQ fishing operations on November 2 and finished on December 6. Fishing operations were terminated due to the excessive bycatch of northern/sharpchin rockfish and POP. The harvest of mackerel and related bycatch during the quarter was worth about \$50,000 in royalty payments to NSEDC.

For the year, NSEDC harvested about 307 metric tons or more than ninety-nine percent (99.5%) of the Atka mackerel CDQ available in the eastern area, about 520 metric tons or almost ninety-nine percent (98.7%) in the central, and 177 metric tons or thirty-two percent (32%) in the western area. Throughout the year, NSEDC obtained additional amounts of Atka mackerel and bycatch species CDQ from other CDQ groups to help make their operations more economically viable and to allow fishing operations to continue. See Table 6 for a summary of the Atka mackerel harvest for the year.

**Summary of bycatch:** The bycatch rate of other species in the Atka mackerel target fishery during this quarter was a little more than thirty percent (30.55%) of the total harvest. The Seafreeze Alaska experienced high levels of bycatch of Pacific cod, sharpshin/northern rockfish, and POP. Refer to Table 5 for additional detailed information.

**Processing report:** Products from the Atka mackerel fishery were H&G fish frozen in 40-pound blocks.

**Compliance/enforcement issues:** To the best of our knowledge, the NSEDC-contracted vessel conducted CDQ Atka mackerel 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.

## 5. Halibut

During the fourth quarter of 2000, NSEDC harvested 82,289 pounds of CDQ halibut using fishing boats from the region and the F/V Norton Sound – the Glacier Fish Company owned freezer longliner. Seven local fishermen based out of Nome harvested 8,750 pounds of CDQ halibut in 10 fishing trips and deliveries. Most of these trips were made during the first two weeks of October within the near-shore waters of area 4E. As a cleanup of the remaining quota in our halibut fishery, the Norton Sound harvested another 73,539 pounds in thirteen fishing days in November. The vessel was unable to harvest the entire remaining CDQ halibut prior to the closure of the IFQ/CDQ halibut fishery on November 15 due to poor weather conditions and unusually slow fishing.

In total for the 2000 fishing season, NSEDC vessels harvested 90,357 pounds of CDQ halibut out of 158,340 pounds available, leaving another 67,983 pounds not harvested. Eight locally-owned fishing boats from Nome and one from Savoonga harvested 16,163 pounds of CDQ halibut in area 4D/4E in 66 deliveries while the Norton Sound harvested the rest. NSEDC does not charge local fishermen a CDQ royalty for the harvest of CDQ halibut. NSEDC however received \$37,505 in royalty payment from GFC for the halibut harvested by the Norton Sound.

NSEDC was unable to harvest the full amount of CDQ halibut primarily due to an attempt to maximize harvest and value in the region, the inability of the local fleet to harvest the CDQ, timing conflicts with the Pacific cod open access fishery and basically running out of time with the halibut fishery closing on November 15.

**Summary of bycatch:** There was no reported bycatch from the local halibut fishery within the region. The Norton Sound reported a significant bycatch of Pacific cod and lesser amounts of other species and some flatfish while harvesting CDQ halibut in area 4D (See Table 1).

**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. The Norton Sound processed the halibut into headed and gutted frozen product.

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

6. **Bering Sea Opilio Crab**

There was no harvest of CDQ opilio crab in the Bering Sea during the fourth quarter. For the year, NSEDC-contracted crab harvesting vessels – the Adventure and Viking Queen - harvested and delivered a total of 452,990 pounds of CDQ opilio crab out of a total CDQ allocation of 453,377 pounds.

7. **Norton Sound Red King Crab**

There was no harvest of CDQ red king crab in the Norton Sound fishery during the fourth quarter. For the year, five 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.

8. **Bristol Bay Red King Crab**

NSEDC conducted a CDQ fishery for red king crab in Bristol Bay in late October and early November. Our contracted harvesting vessels, the Adventure and Viking Queen, each had one delivery with a total harvest of 121,014 pounds. The Adventure caught 64,784 pounds including dead loss and the Viking Queen 56,230 pounds. Only 1,039 pounds was not harvested. Dead loss accounted for only 209 pounds or about 0.17% of the total harvest. Average size of the crab was a little smaller than last year at about 6.60 pounds. The ex-vessel price was \$4.80 per pound, down from \$6.25 per pound a year ago. This CDQ king crab harvest was worth \$278,153.51 in harvest royalties to NSEDC.

**Summary of Bycatch:** There was no reported bycatch of other crab species in the Bristol Bay CDQ red king crab fishery.

**Processing Report:** Icicle Seafood processed the catch of CDQ red king crab on-board the processing barge Arctic Star located in Dutch Harbor. Icicle custom processed the CDQ crab under contract to NSEDC. Product included various sizes and grades of frozen sections packed in 25-pound boxes.

**Compliance/Enforcement Issues:** To the best of our knowledge, NSEDC-contracted vessels operated in compliance with applicable federal and state laws and regulations governing the fisheries in the Bering Sea and Aleutian Islands. NSEDC crab harvesting vessels each carried a fisheries observer.

## **9 St. Matthew Blue King Crab**

There was no harvest of CDQ king crab at St. Matthew during the fourth quarter. This commercial crab fishery was closed again to CDQ harvest in 2000.

### **C. Projection of Annual CDQ in 2001**

Attachment 1 provides a projection of annual CDQ in 2001. This projection assumes that the CDQ allocations recommended by the state CDQ team will be approved by NMFS and implemented for the 2001-2002 fishing season. The greatest increase in annual CDQ is for pollock due mainly to a 1% rise in allocation and a jump in the total allowable catch (TAC) for the pollock fisheries. The annual CDQ for halibut, sablefish and central Aleutian Islands Atka mackerel have slightly increased, while most other target and bycatch CDQ species show a decrease.

### **D. Other Activities**

During the fourth quarter, NSEDC participated in meetings of the North Pacific Fisheries Management Council during the month of October in Sitka and December 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.

### **E. CDQ Crab Marketing Activities**

During the fourth quarter, NSEDC continued working with Glacier Seafood International (GSI) – a division of Glacier Fish Company - in sales of crab product from the 2000 CDQ opilio fishery and the 1999 and 2000 Bristol Bay red king crab fishery. 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. 2000 Opilio**

By the end of the fourth quarter, NSEDC and GSI sold or committed for sale about 203,700 pounds of #1 fancy and grade A opilio clusters for total revenues of \$936,786. 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 85,725 pounds includes mostly 8 oz. up and 10 oz. up clusters with some grade A and bits and pieces. IPC has reprocessed the bits and pieces for sale as cocktail claws and broken pieces. At current market prices, we are projecting a breakeven financial return or perhaps a small positive cash flow on projected revenues of about \$1.28 million.

2. **1999 Bristol Bay red king crab**

Through the end of the fourth quarter, NSEDC and GSI have sold 52,642 pounds of red king crab product from the 1999 Bristol Bay CDQ fishery for gross revenues of \$632,195. Product sales so far have consisted of 6/9, 9/12, 12/14 and 14/17 count legs. Another 18,798 pounds of various grades of legs and byproduct remain in inventory. 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 \$844,000.

3. **2000 Bristol Bay red king crab**

In November of 2000, Icicle Seafoods custom processed red king crab from the Bristol Bay CDQ fishery on behalf of NSEDC. The Arctic Star produced 53,350 pounds of No.1 sections or 69.2% of the total production, 14,025 pounds of grade A product for 18.2% of the production, and 9,742 pounds of raw, blast frozen product or 12.6%. The entire production of king crab product was sold for about \$742,000 in gross revenues. NSEDC realized a small profit from the sales of CDQ product from this fishery.

**F. Other**

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

- 1999 Community Benefit Share Listing (10)
- NSEDC newspaper ad announcing the Third Quarter Board of Directors Meeting, Executive Committee Meeting, Annual Meeting of the Members and Annual Meeting of the Directors (11)
- NSEDC newspaper ad announcing Basic Training for Sea Captains (12)
- NSEDC Community Outreach Liaison Position Announcement (13)
- NSEDC newspaper ad for the Nome Community Outreach Position (14)