

January 27, 2000

Mr. Bryce Edgmon, CDQ Manager
Municipal & Regional Assistance Division
P.O. Box 110800
Juneau, AK 99811-0800

RE: NSEDC 1999 Fourth Quarter Activity Report

Dear Mr. Edgmon,

Following is NSEDC's 1999 Fourth Quarter Activity Report. Included in the report are copies of NSEDC's summary of activities, Balance Sheets, Income Statements, and Glacier Fish Company, LLC financial reports. In accordance with the State of Alaska Statutes 6AAC93.070, (b), (c) and (d), we request those documents marked "CONFIDENTIAL" be kept confidential and not released to the public. Thank you for your cooperation in this matter.

Please call me if you need any additional information or if you have any questions.

Sincerely,

Eugene Asicksik
President & CEO

cc: NSEDC Board of Directors
NSEDC Member Communities
File



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

**Fourth Quarter 1999 Activity Report
October –December 1999**

**Submitted to the State of Alaska
January 31, 2000**

I. QUARTERLY HIGHLIGHTS

- NSEDC held their Annual Meeting of the Membership for 1999 on November 15th.
- NSEDC's standing committees held their 1999 third quarter meetings in Nome on November 15th.
- NSEDC's Board of Directors held their 1999 third quarter meetings in Nome on November 16th.
- The NSEDC Board of Directors appointed the newly elected board members from the member communities of Stebbins, Golovin, Gambell, Wales and Koyuk at their annual meeting.
- NSEDC Board of Directors held election for their board officers (Executive Committee) and their Corporate Officers at their Annual Meeting of Directors and appoints committee members for the year 2000.
- NSEDC Staff attended a staff retreat on November 3 and 4 to continue with the process of building a stronger organization.
- NSEDC Board of Directors attended a board retreat on December 1 and 2.
- Glacier Fish Company held their quarterly managers meeting on December 14th.
- Norton Sound Fund Directors met on December 17th to discuss the disbursement of 1998 funds.
- NSEDC Board of Directors passed a motion to move ahead with the Norton Sound Seafood Center with regard to due diligence in support of this plant and its concept.
- NSEDC Board of Directors passed a motion to move ahead with the purchase of the Ben Eakon Sr. Property in Unalakleet.
- NSEDC made a \$10,000 Community Benefit Share disbursement to each of its member communities on December 17th.
- NSEDC sponsored an entry-level seafood processing class of 15 residents at the Alaska Vocational Technical Center in Seward on October 18 – 29.

II. COMMUNITY DEVELOPMENT

A. Progress Toward Goals, Objectives, Milestones

ADMINISTRATION

MILESTONE: NSEDC BOARD OF DIRECTORS WILL HOLD REGULARLY SCHEDULED MEETINGS DURING EACH QUARTER OF 1999

Activity: NSEDC Board of Directors held their third quarter meetings in Nome on November 15 & 16, 1999

Activity: NSEDC Board of Directors held their 1999 Annual Meeting of Members in Nome on November 15, 1999

Activity: NSEDC Board of Directors held their 1999 Annual Meeting of Directors in Nome on November 15 & 16, 1999

MILESTONE: NSEDC'S FIVE ADVISORY COMMITTEES WILL HOLD REGULARLY SCHEDULED MEETINGS DURING EACH QUARTER IN 1999

Activity: All five advisory committees held their third quarter meetings on November 15, 1999.

MILESTONE: NSEDC WILL FILE QUARTERLY REPORTS TO THE STATE OF ALASKA WITHIN 30 DAYS AT THE END OF EACH QUARTER

Activity: Quarterly reports for the third quarter of 1999 were filed on October 29, 1999.

MILESTONE: NSEDC WILL HAVE AN ANNUAL FINANCIAL AUDIT PERFORMED BY A NATIONAL ACCOUNTING FIRM TO BE COMPLETED BY MAY 31ST OF EACH YEAR

Activity: Completed in the first quarter.

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

Activity: Completed in the second quarter.

MILESTONE: NSEDC WILL ACCOUNT FOR UNSPENT AMOUNTS IN EACH OF THE PROGRAMS AS OF THE END OF THE PRECEDING CALENDAR YEAR AND FILE A PLAN AMENDMENT TO CARRY-FORWARD SOME OR ALL OF THE AMOUNTS TO THE NEXT CALENDAR YEAR BY THE END OF THE SECOND QUARTER EACH YEAR

Activity: Completed in the second quarter.

OTHER INCOME PRODUCING INVESTMENTS

MILESTONE: NSEDC WILL PROVIDE INVESTMENT OVERSIGHT AND MONITORING OF ALL INCOME-PRODUCING INVESTMENTS DURING EACH QUARTER OF 1999 & 2000

Activity: Done by staff regularly, and the financial advisory committee provides additional oversight and monitoring each quarter at the quarterly board meetings

CDQ HARVEST MANAGEMENT

MILESTONE: NSEDC & GFC WILL HARVEST ITS CDQ POLLOCK ALLOCATION, AS MUCH AS PRACTICABLE WITHOUT OVER-HARVEST, BY THE END OF THE FISHING SEASON IN 1999 AND 2000

Activity: Completed in the third quarter.

MILESTONE: NSEDC AND ITS HARVEST PARTNERS FOR CRAB WILL HARVEST ITS CDQ ALLOCATIONS, AS CLOSE AS REASONABLY POSSIBLE, WITHOUT OVERHARVEST, OF CRAB BY THE END OF THE FISHING SEASON IN 1999

Activity: NSEDC & the F/V Adventure harvested 115,997 pounds of CDQ king crab during the fourth quarter of 1999.

MILESTONE: NSEDC AND ITS HARVESTING PARTNERS, FOR PACIFIC COD, GREENLAND TURBOT AND SABLEFISH WILL HARVEST ITS CDQ ALLOCATIONS, AS MUCH AS PRACTICABLE, WITHOUT OVERHARVEST, BY THE END OF THE FISHING SEASON IN 1999

Activity: Completed in the third quarter.

MILESTONE: NSEDC AND ITS HARVESTING PARTNER FOR ROCK SOLE WILL HARVEST ITS CDQ ALLOCATION, AS MUCH AS PRACTICABLE, WITHOUT OVERHARVEST, BY THE END OF THE FISHING SEASON IN 1999

Activity: There was no CDQ harvest of rock sole in the fourth quarter of 1999

MILESTONE: NSEDC AND ITS HARVESTING PARTNER FOR ATKA MACKEREL WILL HARVEST ITS CDQ ALLOCATION, AS MUCH AS PRACTICABLE, WITHOUT OVERHARVEST, BY THE END OF THE FISHING SEASON IN 1999

Activity: NSEDC & F/V Seafreeze Alaska harvested 83 mt of CDQ Atka mackerel during the fourth quarter of 1999.

MILESTONE: NSEDC WILL WORK WITH SEA STATE TO HAVE THE CDQ MONITORING SYSTEM IN PLACE AND OPERATIONAL BY THE START OF CDQ FISHING UNDER THE EXPANDED PROGRAM

Activity: Completed in the first & second quarter.

MILESTONE: NSEDC WILL ATTEND NORTH PACIFIC FISHERIES MANAGEMENT COUNCIL (NPFMC) MEETINGS DURING 1999

Activity: NSEDC Management attended the NPFMC Council Meeting in Seattle the week of October 11th and attended the meetings held in Anchorage the week of December 6th.

MILESTONE: NSEDC MEMBERS WILL ATTEND WAFDA MEETINGS THROUGHOUT THE YEAR DURING 1999

Activity: WAFDA was dissolved in the second quarter of 1999

FUNDING FOR PURCHASE OF EQUITY INTEREST IN THE FISHING INDUSTRY

MILESTONE: NSEDC WILL EVALUATE THE POTENTIAL FOR EQUITY INVESTMENT IN *BARANOF FISHERIES* AND *COURAGEOUS SEAFOODS* AND/OR OTHER FISHING COMPANIES BY DECEMBER 31, 2000

Activity: The board of directors authorized management to do a CDP plan amendment to acquire two Crabbers at their July meeting; authorized the executive committee to complete the purchase of the *Arctic Venture*, after the due diligence process and after this was done, the deal was called-off on September 29th

FUNDING FOR HARVESTING & TENDERING VESSEL

MILESTONE: NSEDC WILL EVALUATE THE POTENTIAL FOR ACQUISITION OF A SECOND FREEZER LONGLINER BY DECEMBER 31, 1999

Activity: NSEDC & GFC Management agreed at their fourth quarter management meeting that GFC will pursue the concept of building a new state-of-the-art combination longliner with meal plant capable of using both pot and longline gear for cod, black cod and turbot.

MILESTONE: NSEDC WILL EVALUATE THE POTENTIAL FOR ACQUISITION AND OPERATION OF AN H&G TRAWL VESSEL BY DECEMBER 31, 1999

Activity: NSEDC & GFC Management evaluated the current conditions in the fisheries and markets during the fourth quarter, and decided to discontinue any active pursuit of an H&G trawler, but will revisit this project in the future.

EDUCATION, EMPLOYMENT & TRAINING PROGRAM

MILESTONE: NSEDC & NSSP WILL FACILITATE THE EMPLOYMENT OF 110 RESIDENTS OF THE REGION OR OF NEARBY COMMUNITIES ONTO FACTORY TRAWLERS, OTHER OFFSHORE FISHING VESSELS, NEAR-SHORE PROCESSORS AND FISHING VESSELS, AND IN SHORESIDE PROCESSING PLANTS BY THE END OF THE 4TH QUARTER IN 1999 AND 2000

Activity: See Table 1, Employment Data Form and Employment Summary of this report.

MILESTONE: NSEDC WILL PROVIDE FISHERIES SKILLS TRAINING FOR 90 RESIDENTS OF THE REGION OR OF NEARBY COMMUNITIES OF WHICH AT LEAST TEN TRAINING SLOTS WILL BE MADE AVAILABLE TO RESIDENTS OF NEARBY COMMUNITIES, BY THE END OF THE FOURTH QUARTER IN 1999 AND 2000

Activity: See Table 2, Training Data Form and Training Summary of this report

MILESTONE: NSEDC WILL AWARD AT LEAST 120 SCHOLARSHIPS TO STUDENTS BY THE END OF THE 4TH QUARTER IN 1999

Activity: See Table 2, Training Data Form and Training Summary , subsection "Scholarships" this report

MILESTONE: NSEDC WILL MAKE OUTREACH VISITS FOR THIS PROGRAM TO AT LEAST FIVE COMMUNITIES IN THE REGION AND TO AT LEAST TWO COMMUNITIES OUTSIDE OF THE REGION BY THE END OF THE 4TH QUARTER EACH YEAR

Activity: During the fourth quarter the EET Coordinator made outreach trips to Nome, Shaktoolik, Savoonga, Stebbins (joint meeting with St. Michael Students) and Unalakleet. Outreach was also made to Shishmaref and Kaltag, two communities outside the region.

MILESTONE: NSEDC WILL PLACE AT LEAST TWO INTERNSHIPS IN OFFICE OR FIELD SETTINGS BY THE END OF THE 4TH QUARTER EACH YEAR

Activity: A total of four interns were placed at NSEDC's main office and NSEDC's partners offices during 1999. Rebecca Derendoff of Huslia was placed in Icicle Seafoods Seattle office, George Sookiayak of Shaktoolik at their Petersburg plant, Elaine Towarak of Unalakleet continued with her placement at Glacier Fish Company's Seattle office, and Virginia Nashalook of Unalakleet was placed at NSEDC's main office in Anchorage.

EDUCATION ENDOWMENT

MILESTONE: NSEDC WILL CONTRIBUTE ADDITIONAL FUNDS TO THE EDUCATION, TRAINING AND SCHOLARSHIP ENDOWMENT FUND FROM CDQ REVENUES UNDER THIS CDP BY THE END OF DECEMBER 31, 2000

Activity: No activity this quarter

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

Activity: The committee did their quarterly review on November 15, 1999.

REVOLVING LOAN PROGRAM

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

Activity: NSEDC Revolving Loan Officer made outreach trips to Nome, and Unalakleet (two trips) during the fourth quarter.

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

Activity: The finance committee reviewed the loan program at their third quarterly meeting in November.

FUND FOR IFQ PURCHASES

MILESTONE: NSEDC WILL EVALUATE THE POTENTIAL TO PURCHASE QUOTA SHARE FOR THE *F/V NORTON SOUND* BY THE END OF THE 4TH QUARTER 2000

Activity: NSEDC & GFC Management discussed IFQ purchases for the *F/V Norton Sound* at their fourth quarter meeting and moved ahead with hiring an IFQ contractor/consultant to examine the market for potential sellers of IFQ's, and to update Management regularly on his progress.

FISHERIES DEVELOPMENT PROGRAM

MILESTONE: NSEDC WILL PROVIDE A DETAILED PLAN TO CONDUCT FISHERIES DEVELOPMENT ACTIVITIES BY THE END OF THE SECOND QUARTER EACH YEAR

Activity: Completed in the second quarter.

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

Activity: Completed in the second quarter.

SALMON REHABILITATION & ENHANCEMENT PROGRAM

MILESTONE: NSEDC WILL PREPARE A DETAILED PLAN TO FUND SALMON REHABILITATION AND ENHANCEMENT PROJECTS BY THE END OF THE SECOND QUARTER EACH YEAR

Activity: Completed in the second quarter.

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

Activity: NSEDC continued to make monthly payments in the fourth quarter to fund the continuing (3rd year of a five year program) salmon rehabilitation and enhancement project located at the Salmon and Glacial Lakes.

SHORESIDE INFRASTRUCTURE IMPROVEMENT PROGRAM

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

Activity: NSEDC Board of Directors made the motion to move ahead with the due diligence in support of evaluating the feasibility of the Norton Sound Seafood Center, proposed for Nome, based on the proposed building with equipment designed by ASCG, Incorporated.

Activity: NSEDC Board of Directors made the motion to purchase Mr. Ben Eakon Sr.'s property in Unalakleet to be evaluated for the use of centralizing all Unalakleet operations.

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: This milestone was met based on the fact that no payments were required during 1999, so no payments were made.

NORTON SOUND SEAFOOD PRODUCTS

MILESTONE: NSSP WILL EVALUATE THEIR CAPABILITIES FOR ASSUMING THE MARKETING OF EACH SPECIES OF CDQ CRAB ALLOCATED TO NSEDC BY JANUARY 1 OF EACH YEAR, AND EVALUATE OPERATIONS FOR FISHERIES IN THE REGION INCLUDING HERRING, SALMON, CRAB AND HALIBUT BY THE END OF THE SECOND QUARTER EACH YEAR

Activity: Completed in the first quarter.

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

Activity: Completed in the second quarter.

MILESTONE: NSEDC OR A NSEDC SUBSIDIARY WILL ASSUME THE MARKETING OF AT LEAST 30% (BY WEIGHT) OF THE CDQ CRAB ALLOCATED TO NSEDC BY THE END OF THE FOURTH QUARTER 1999

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

MILESTONE: NSEDC OR A NSEDC SUBSIDIARY WILL ASSUME THE MARKETING OF AT LEAST 50% (BY WEIGHT) OF THE CDQ CRAB ALLOCATED TO NSEDC BY THE END OF THE FOURTH QUARTER 2000

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

SMALL BUSINESS DEVELOPMENT ASSISTANCE

MILESTONE: NSEDC WILL PREPARE FOR IMPLEMENTATION OF THIS PROGRAM BY THE END OF THE SECOND QUARTER OF 1999

Activity: No activity this quarter.

MILESTONE: NSEDC BOARD WILL ACT UPON THE RECOMMENDATIONS NO LATER THAN THE FIRST QUARTER MEETING 2000

Activity: No activity this quarter.

NORTON SOUND FUND

MILESTONE: NSEDC WILL FILE ARTICLES OF INCORPORATION FOR THIS NON-PROFIT CORPORATION BY THE END OF THE FIRST QUARTER 1999

Activity: Completed in 1998.

NORTON SOUND VESSEL MANAGEMENT COMPANY (NSVM)

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

Activity: Completed in the second quarter.

MILESTONE: NSEDC BOARD WILL ACT UPON THE RECOMMENDATION OF NSVM NO LATER THAN THE END OF THE SECOND QUARTER EACH YEAR

Activity: Completed in the second quarter.

B. Outreach

NSEDC management and staff performed a number of outreach projects/activities during the fourth quarter of 1999.

- NSEDC Board of Directors held their Annual Meeting of the Membership and the Third Quarter 1999 meeting in Nome on November 15 and 16 at the Bering Straits Native Corporation Board Room, both meetings were open to all member communities and their constituents of NSEDC.
- NSEDC produced the Fall 1999 Newsletter and mailed it to all 3160 boxholders in the region.
- The Administrative Director completed and mailed out the Third Quarter reports to each of the member communities and to each board member.
- NSEDC had an informational booth/exhibit at the AFN Conference in Anchorage to promote NSEDC's services and the CDQ Program.
- NSEDC had an informational booth/exhibit at the Fish Expo in Seattle, WA to promote NSEDC and the CDQ Program.
- NSEDC produced an informative flyer on NSEDC and its programs that was handed out at both the AFN Convention and the Fish Expo
- NSEDC has a web page on the internet (www.nsedc.com) which constituents can access quarterly reports; newsletters; applications; and information regarding programs and employment opportunities
- NSEDC President & CEO participated as a CDQ Issues panelist for the Rural Economic Development Students of University of Fairbanks.
- The NSEDC EET Coordinator made outreach trips to promote the NSEDC EET Program to Nome, Shaktoolik, Savoonga, Stebbins and Unalakleet. Made an outreach trip to Shishmaref and teleconferenced with the Kaltag Tribal Office to do the same.
- The Revolving Loan Officer made three outreach trips Nome and Unalakleet (two trips), to promote the NSEDC Revolving Loan Program in the fourth quarter.

C. Employment

1. Employment Data Form

**Table 1.
EMPLOYMENT DATA FORM
December 31, 1999**

	Quarter		Year-to-Date	
	Positions/Trips	Wages	Positions/Trips	Wages
Management/Administrative				
NSEDC	13/-	151,170.78	13/-	590,358.26
NSSP	1/	13,010.54	1/	46,955.18
Total Management/Administrative	14/-	\$164,181.32	14/-	\$637,313.44
CDQ Pollock Related				
A Season	0/	0.00	28/3	370,603.67
B Season	0/	353,037.44	31/5	353,037.44
Total Pollock Related		\$353,037.44	59/8	\$723,641.11
CDQ Crab (Icicle Seafoods)	1/	\$7,487.75	6/-	\$16,865.48
NSSP Employment	16	\$13,086.13	68/	\$139,658.89
Other employment-NSEDC	5	\$14,950.00	10/	\$89,810.00
Other Fishing				
GFC-trawl cod	0/	0.00	20/1	201,014.62
GFC-longline	3/5	43,782.14	7/14	109,706.54
Icicle Seafoods-open access	0/	0.00	8/	39,483.18
Total Other Fishing	3/5	\$43,782.14	35/15	\$350,204.34
Interns				
NSEDC/Main Office	1/	726.00	1/	726.00
NSEDC/GFC	0/	0.00	1/	13,541.71
NSEDC/Icicle	1/	5,455.94	1/	12,446.83
NSEDC: Kawerak/ADF&G	0/	0.00	9/	63,676.58
Total Interns	2/	\$6181.94	12/	\$90,391.12
GRAND TOTALS	41	\$602,706.72	204/23	\$2,047,884.38
	NSEDC =	\$166,846.78	NSEDC =	\$744,570.84
	NSSP=	\$26,096.67	NSSP=	\$186,614.07
	Partners=	\$409,763.27	Partners=	\$1,116,699.47

2. Employment Summary

Management/Administrative –Eleven personnel were employed at NSEDC’s main office in Anchorage, two at the EET Office in Unalakleet, and one at the Plant in Unalakleet. Twelve of the personnel are permanent full-time positions and two were temporary full-time positions.

CDQ Pollock –CDQ Pollock was not harvested during the fourth quarter. The wages paid to NSEDC residents in the fourth quarter were earned during the B season pollock fishery in the third quarter.

NSSP Employment –Sixteen residents were employed by NSSP in the Norton Sound Region in the fourth quarter. The employees worked in various capacities in Nome, Unalakleet and Savoonga at the seafood processing plants. The reduction in workforce in comparison to the third quarter is due to the closing of the fishing season in the Norton Sound Region.

Other Employment –NSEDC –Five residents were employed by NSEDC in the Norton Sound Region to maintain and operate the two NSEDC tender vessels.

Other Fishing –Three residents were employed by Glacier Fish Company on the F/V Norton Sound.

Interns –Two NSEDC residents were employed as interns during the fourth quarter. One resident began an internship in the NSEDC main office as an Accounting/Administrative Intern, and one resident was employed by Icicle Seafoods in their Seattle office as a Safety Intern.

D. Training

1. Training Data Form

**Table 2
TRAINING DATA FORM
December 31, 1999**

	Quarter		Year-to-Date	
	People	Expenditures	People	Expenditures
Scholarships				
Post-Secondary			94	\$94,000.00
Vocational			17	\$17,000.00
Voc-Tech				
Basic				
Advanced				
Other Training				
Fisheries related	20	\$30,080.82	53	\$89,595.12
Student Loans				
CDQ Staff/Board				
Other (Elec.Navigation)			16	\$4534.48
Other Expenditures				
To Educational Institute				
Education Endowment				
Other				
TOTAL	20	\$30,080.82	180	\$205,129.60

2. Training Summary

Scholarships – No activity this quarter.

Voc-tech Classes – No activity this quarter.

Other Training – A pool of twenty residents applied for an Entry Level Seafood Processing (ELSP) Class at the Alaska Vocational Technical Center in Seward, and attended the class initiation in Nome. Of this pool, nine residents attended the ELSP Class in Seward.

Other Expenditures – No activity this quarter

III. Administration

A. Board Activities

1. Board of Director Elections

Board Elections for in five NSEDC communities were held this quarter. Stebbins, Golovin, Gambell, and Wales held their elections on October 5th, and Koyuk held their election on November 2nd. Following are the election outcomes:

Stebbins	Wilfred Katcheak (re-elected)
Golovin	Dean Peterson (re-elected)
Gambell	Gilbert Ungott (re-elected)
Wales	Luther Komonaseak (re-elected)
Koyuk	Danny Adams (newly elected)

2. Board of Director Meetings

NSEDC Board of Directors held their 1999 Annual Meeting of the Members in Nome on November 15th. They also held their Third Quarter 1999 meeting in Nome on November 16th, with the standing committees meeting on November 15th.

The NSEDC Board of Directors held a board retreat on December 1 and 2 in Seattle, and met with Glacier Fish Company and toured *the F/T Northern Glacier*, *F/T Pacific Glacier*, and *F/V Norton Sound*, and the Glacier Saltcod Plant.

3. Substantial Decisions

The Board of Directors developed NSEDC's purpose, core values and vision statement during the board retreat on December 1 and 2. These three strategic guides will set a new foundation for NSEDC to plan the future of the organization and continue to develop a stronger organization.

B. Amendment Status

- **CDP Amendment 99-10:** NSEDC submitted and then withdrew a substantial amendment to the 1998-2000 Multi-species CDP for the purchase of the combination longliner and crab fishing vessel, the *F/V Arctic Venture*.
- **CDP amendment 99-11:** NSEDC submitted a technical amendment in order to transfer 65 mt of Pacific cod annual CDQ from CBSFA to NSEDC. This amendment was approved by NMFS on November 1, 1999.
- **CDP amendment 99-12:** NSEDC submitted a substantial amendment to the 1998-2000 Multi-species CDP to transfer 2 mt of AI other rockfish annual CDQ and 16 mt of sharpchin/northern rockfish annual CDQ from APICDA to NSEDC. This amendment was approved by NMFS on November 15, 1999.

- **CDP amendment 99-13:** NSEDC submitted a technical amendment in order to transfer 300 kg of BS other red rockfish annual CDQ and 2 mt of BS other rockfish annual CDQ from NSEDC to YDFDA.. This amendment was approved by NMFS on November 8, 1999.
- **CDP amendment 99-14:** NSEDC submitted a technical amendment in order to transfer 9 mt of BS Greenland turbot annual CDQ from NSEDC to APICDA. This amendment was approved by NMFS on November 9, 1999.
- **CDP amendment 99-15:** NSEDC submitted a substantial amendment to the 1998-2000 Multi-species CDP to propose an alternative method for our freezer longliners to determine catch weights of CDQ Pacific cod. Approval of this amendment is pending.
- **CDP amendment 99-16:** NSEDC submitted a technical amendment in order to transfer 23 mt of Pacific cod annual CDQ from NSEDC to CBSFA. This amendment was approved by NMFS on December 8, 1999.
- **CDP amendment 99-17:** NSEDC submitted a technical amendment in order to transfer 5 mt of EA/BS Atka mackerel annual CDQ from APICDA to NSEDC. This amendment was approved by NMFS on December 14, 1999.

C. Other Issues

The Administrative Director/Revolving Loan Officer was terminated as of December 10, 1999.

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: 1999 CDQ Harvest – Pollock Target Fishery
- Table 5: 1999 CDQ Harvest – Sablefish & Greenland Turbot Target Fisheries
- Table 6: 1999 CDQ Harvest – Pacific Cod Target Fishery
- Table 7: 1999 CDQ Harvest – Other Groundfish Target Fisheries

Table 3
ANNUAL CDQ HARVEST BY ALL GROUND FISH TARGET FISHERIES
through Fourth Quarter 1999

TARGET FISHERY		Pacific Cod	Sablefish/Turbot	Pollock	Other Groundfish	Halibut	Total	NSEDC *	Percent	Remaining
VESSEL / COMPANY		NS/B&C	DP	GFC	OP/USS	NS	Harvest	Annual CDQ	Harvested	Allocation
GEAR TYPE		H&L	H&L	Trawl	Trawl	H&L		1999		
CDQ Total										
SPECIES	7.5%									
Halibut (AD)						63.51	63.51	71.84	88.41%	8.33
Pacific Cod (BS/AD)	13,275	2,199.052	-	107.695	64.708	57.910	2,429.365	2,431.500 *	99.91%	2.135
Sablefish (BS)	134	0.050	2.488	-	-	-	2.538	26.800	9.47%	24.262
Sablefish (AD)	207	-	-	-	-	-	-	41.400	0.00%	41.400
Greenland Turbot (BS)	452	0.170	4.720	0.304	-	-	5.194	81.400 *	6.38%	76.206
Greenland Turbot (AD)	223	-	-	-	-	-	-	57.720	0.00%	57.720
Atka Mackerel (Western AD)	2,025	-	-	-	0.520	-	0.520	324.000	0.16%	323.480
Atka Mackerel (Central AD)	1,680	-	-	-	-	-	-	268.800	0.00%	268.800
Atka Mackerel (Eastern AD)	1,275	0.050	-	0.010	203.095	-	203.155	209.000		
Bering Sea Pollock										
Non-quota Pollock										
Arrowtooth Flounder										
Trawl Sablefish (BS)										
Trawl Sablefish (AD)										
Other Red Rockfish (EBS)										
True POP (Western AD)										
True POP (Central AD)										
True POP (Eastern AD)										
Sharpchin/Northern (AD)										
Shortraker/Rougheye (AD)										
Other Rockfish (EBS)										
Other Rockfish (AD)										
Halibut mortality (mt)										
Tanner Crab - Zone 1 (no.)										
Tanner Crab - Zone 2 (no.)										
Red King Crab (no.)										
Chinook Salmon (no.)										
Other Salmon (no.)										
QUOTA AMOUNTS AFTER NON-SPECIFIC RESERVE ESTABLISHED							New Quotas	Original Quotas		
Arrowtooth Flounder							1,370.336	1,612.160		
Squid							-	-		
Other Species							314.160	369.600		
Total Non-specific Reserve							297.264			

* Note that NSEDC's annual CDQ for various species were adjusted throughout the year with transfers to and from other CDQ groups.

**Table 4
CDQ HARVEST –POLLOCK TARGET FISHERY
Fourth Quarter 1999**

	Initial						
	Pollock Target					Total	Remaining
	Allocation	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year to date	Allocation
SPECIES							
Pacific Cod (BS/AD)	110.813	30.570	-	77.125	-	107.695	3.118
Sablefish (BS)		-	-	-	-	-	-
Sablefish (AD)		-	-	-	-	-	-
Greenland Turbot (BS)	2.182	0.160	-	0.144	-	0.304	1.878
Greenland Turbot (AD)		-	-	-	-	-	-
Atka Mackerel (Western AD)		-	-	-	-	-	-
Atka Mackerel (Central AD)		-	-	-	-	-	-
Atka Mackerel (Eastern AD)	1.000	0.010	-	-	-	0.010	0.990
Yellowfin Sole							
Bering Sea Pollock							
Arrowtooth Flounder							
Trawl Sablefish (BS)							
Trawl Sablefish (AD)							
Other Red Rockfish (EBS)							
True POP (Western AD)							
True POP (Central AD)							
True POP (Eastern AD)							
Sharpchin/Northern (AD)							
Shortraker/Rougheye (AD)							
Other Rockfish (EBS)							
Other Rockfish (AD)							
Halibut mortality (mt)							
Tanner Crab - Zone 1 (no.)							
Tanner Crab - Zone 2 (no.)							
Red King Crab (no.)							
Chinook Salmon (no.)							
Other Salmon (no.)							

Table 5
1999 CDQ HARVEST –SABLEFISH & GREENLAND TURBOT
TARGET FISHERIES
through Fourth Quarter 1999

	Initial						
Sablefish/Turbot Target						Total	Remaining
	Allocation	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year to date	Allocation
SPECIES							
Pacific Cod (BS/AD)	2.930	-	-	-	-	-	2.930
Sablefish (BS)	26.520	-	-	2.488	-	2.488	24.032
Sablefish (AD)	41.260	-	-	-	-	-	41.260
Greenland Turbot (BS)	72.020	-	-	4.720	-	4.720	67.300
Greenland Turbot (AD)	57.200	-	-	-	-	-	57.200
Atka Mackerel (Western AD)	-	-	-	-	-	-	-
Atka Mackerel (Central AD)	-	-	-	-	-	-	-
Atka Mackerel (Eastern AD)	-	-	-	-	-	-	-
Yellowfin Sole	-	-	-	-	-	-	-
Flathead Sole	5.000	-	-	-	-	-	5.000
Other Flatfish	2.000	-	-	-	-	-	2.000
Rock Sole	2.000	-	-	-	-	-	2.000
Bering Sea Pollock							
A season	N/A						
Non-quota Pollock							
Arrowtooth Flounder							
Trawl Sablefish (BS)							
Trawl Sablefish (AD)							
Other Red Rockfish (EBS)							
True POP (Western AD)							
True POP (Central AD)							
True POP (Eastern AD)							
Sharpchin/Northern (AD)							
Shortraker/Rougheye (AD)							
Other Rockfish (EBS)							
Other Rockfish (AD)							
Halibut mortality (mt)							
Tanner Crab - Zone 1 (no.)							
Tanner Crab - Zone 2 (no.)							
Red King Crab (no.)							
Chinook Salmon (no.)							
Other Salmon (no.)							

Table 6
1999 CDQ HARVEST –PACIFIC COD TARGET FISHERY
through Fourth Quarter 1999

	Initial					Total	Remaining
	Pacific Cod Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year to date	Allocation
	Allocation						
SPECIES							
Pacific Cod (BS/AI)	2,120.000	-	1,968.742	185.350	44.960	2,199.052	(79.052)
Sablefish (BS)	-	-	-	0.050	-	0.050	(0.050)
Sablefish (AI)	-	-	-	-	-	-	-
Greenland Turbot (BS)	8.000	-	0.090	0.080	-	0.170	7.830
Greenland Turbot (AI)	-	-	-	-	-	-	-
Atka Mackerel (Western AD)	-	-	-	-	-	-	-
Atka Mackerel (Central AD)	-	-	-	-	-	-	-
Atka Mackerel (Eastern AD)	0.800	-	-	-	0.050	0.050	0.750
Yellowfin Sole	40.000	-	18.318	0.800	-	19.118	20.882
Flathead Sole	20.000	-	4.246	1.130	0.140	5.516	14.484
Other Flatfish	5.400	-	0.722	-	-	0.722	4.678
Rock Sole	10.000	-	0.179	0.010	0.070	0.259	9.741
Bering Sea Pollock							
A season	N/A	-	-	-	-	-	-
B season	N/A	-	-	-	-	-	-
Aleutian Pollock	N/A	-	-	-	-	-	-
Bogoslof Pollock	N/A	-	-	-	-	-	-
Non-quota Pollock		-	157.824	19.620	0.320	177.764	
Arrowtooth Flounder	34.800	-	2.167	4.350	0.520	7.037	27.763
Trawl Sablefish (BS)	2.400	-	-	-	-	-	2.400
Trawl Sablefish (AI)	-	-	-	-	-	-	-
True POP (EBS)	4.000	-	-	-	-	-	4.000
Other Red Rockfish (EBS)	0.100	-	-	0.010	-	0.010	0.090
True POP (Western AI)	5.000	-	-	-	-	-	5.000
True POP (Central AI)	5.000	-	-	-	-	-	5.000
True POP (Eastern AD)	5.000	-	-	-	-	-	5.000
Sharpshin/Northern (AI)	0.400	-	-	-	-	-	0.400
Shortraker/Rougheye (AI)	4.000	-	-	-	-	-	4.000
Other Rockfish (EBS)	2.270	-	-	0.060	-	0.060	2.210
Other Rockfish (AI)	-	-	-	-	-	-	-
Squid	-	-	-	-	-	-	-
Other Species	250.000	-	223.732	18.460	4.500	246.692	3.308
TOTAL	2,517.17	-	2376.02	229.92	50.56	2,656.50	
Bycatch %			17.14%	19.39%	11.08%	17.22%	
PROHIB SPECIES							
Halibut mortality (mt)	20.000	-	12.861	2.590	0.770	16.221	3.779
Opilio (no.)	-	-	-	-	-	-	-
Tanner Crab - Zone 1 (no.)	-	-	-	-	-	-	-
Tanner Crab - Zone 2 (no.)	-	-	-	-	-	-	-
Red King Crab (no.)	-	-	-	-	-	-	-
Chinook Salmon (no.)	-	-	-	-	-	-	-
Other Salmon (no.)	-	-	-	-	-	-	-

Table 7
1999 CDQ HARVEST –OTHER GROUND FISH TARGET FISHERIES
through Fourth Quarter

	Initial						
	AM/YES/RS Target					Total	Remaining
	Allocation	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year to date	Allocation
SPECIES							
Pacific Cod (BS/AI)							
Greenland Turbot (BS)							
Greenland Turbot (AI)							
Atka Mackerel (Western AI)							
Atka Mackerel (Central AI)							
Atka Mackerel (Eastern AI)							(8.095)
Yellowfin Sole	707.960	-	0.005	-	-	0.005	707.955
Flathead Sole	776.991	-	0.002	-	0.030	0.032	776.959
Other Flatfish	1,661.921	-	0.008	-	0.030	0.038	1,661.883
Rock Sole	1,620.851	-	0.135	-	0.270	0.405	1,620.446
Bering Sea Pollock							
A season	N/A	-	-	-	-	-	
B season	N/A	-	-	-	-	-	
Aleutian Pollock	N/A	-	-	-	1.060	1.060	
Bogoslof Pollock	N/A	-	-	-	-	-	
Non-quota Pollock		-	0.126	-	-	0.126	
Arrowtooth Flounder	1,253.792	-	0.028	-	1.400	1.428	1,252.364
Trawl Sablefish (BS)	4.800	-	-	-	-	-	4.800
Trawl Sablefish (AI)	0.078	-	-	-	-	-	0.078
True POP (EBS)	5.500	-	-	-	-	-	5.500
Other Red Rockfish (EBS)	0.500	-	-	-	-	-	0.500
True POP (Western AI)	65.000	-	-	-	10.900	10.900	54.100
True POP (Central AI)	31.000	-	-	-	-	-	31.000
True POP (Eastern AI)	31.720	-	3.854	-	26.450	30.304	1.416
Sharpchin/Northern (AI)	47.274	-	18.464	-	9.610	28.074	19.200
Shortraker/Rougheye (AI)	3.233	-	0.039	-	0.070	0.109	3.124
Other Rockfish (EBS)	0.480	-	-	-	-	-	0.480
Other Rockfish (AI)	5.103	-	3.877	-	0.230	4.107	0.996
Squid	-	-	-	-	-	-	
Other Species	103.442	-	1.336	-	3.050	4.386	99.056
TOTAL	7,218.873	-	189.217	-	160.080	349.297	
Bycatch %			36.41%		47.96%	41.86%	
PROHIB SPECIES							
Halibut mortality (mt)	15.100	-	0.884	-	2.520	3.404	11.696
O pilio (no.)	23,000	-	2	-	-	2	22,998
Tanner Crab - Zone 1 (no.)	4,200	-	-	-	-	-	4,200
Tanner Crab - Zone 2 (no.)	11,200	-	-	-	-	-	11,200
Red King Crab (no.)	1,800	-	2	-	-	2	1,798
Chinook Salmon (no.)	160	-	-	-	-	-	160
Other Salmon (no.)	140	-	-	-	-	-	140

B. CDQ Fishing Activities

During the fourth quarter of 1999, NSEDC conducted targeted CDQ fishing operations for Pacific cod in the Bering Sea, Atka mackerel in the Aleutian Islands, halibut in Area 4D, and red king crab in the Bristol Bay fishery. Through the end of the fourth quarter and for the year, NSEDC has harvested about 25,200 mt of annual CDQ – both target species and bycatch species - during CDQ fishing operations. This amount of harvest represents approximately 77% of NSEDC's total CDQ allocation for the year (see Table 3).

1. Pollock

NSEDC did not harvest CDQ pollock during the fourth quarter of 1999. See Table 4 for a summary of the harvest to date by quarter in the pollock CDQ target fishery.

2. Pacific Cod

NSEDC harvested a modest amount of CDQ Pacific cod in the Bering Sea and various species of bycatch in targeted fishing operations during this quarter. The F/V Norton Sound took about 45 mt of Pacific cod in three days of fishing from November 16 to November 18. See Table 6 for a summary of the harvest of CDQ and PSQ to date by quarter in the cod target fishery. The Norton Sound took the remaining available CDQ cod in what basically amounted to a mop-up operation. NSEDC internally transferred quota from bycatch categories originally allocated to rock sole and yellowfin sole CDQ fisheries to our target cod longline fisheries after it became apparent that these fisheries would not commence.

Summary of bycatch: During the fourth quarter, the bycatch rate of other CDQ species in the Pacific cod target fishery was about eleven percent (11%) of the total harvest. The bycatch primarily consisted of other species such as skate and sculpin. See the attached harvest summary in Table 6 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 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. Atka Mackerel, Yellowfin Sole and Rock Sole

NSEDC harvested CDQ Atka mackerel and associated bycatch in the eastern and western Aleutian Islands during the quarter. The F/V Seafreeze Alaska took about 83 mt of CDQ mackerel in eastern Aleutians/Bering Sea

and less than 1 mt of CDQ mackerel in the western Aleutians in six days of fishing from October 18 to November 12. During this time period, the Seafreeze Alaska interspersed days of open access fishing for Atka mackerel and Pacific cod with CDQ fishing for NSEDC and CBSFA. See Table 7 for a summary of the harvest to date by quarter of Atka mackerel and associated bycatch.

Summary of bycatch: The bycatch rate of other species in the Atka mackerel target fishery during this quarter was about forty-eight percent (48%) of the total harvest. The Seafreeze Alaska experienced high levels of bycatch of Pacific cod, sharpshin/northern rockfish, and POP. Refer to Table 7 for additional detailed information.

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

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

4. Sablefish and Greenland Turbot

NSEDC did not harvest CDQ sablefish and Greenland turbot in target fisheries during the fourth quarter of 1999. The primary reasons for lack of CDQ fishing in these target fisheries during the quarter were a timing conflict with the open access Pacific cod fishery for fixed gear boats and the November 15 closure date. See Table 5 for a summary of the harvest to date by quarter in the sablefish/turbot CDQ target fisheries.

5. Halibut

NSEDC conducted a clean-up fishery for CDQ halibut in Area 4D during the quarter. The Norton Sound harvested 139,986 pounds (63.51 mt) of CDQ halibut in nine days of fishing from October 24 to November 1.

Summary of bycatch: The Norton Sound harvested about 58 mt of CDQ cod, and lesser amounts of yellowfin sole, pollock and other species such as skate and sculpin as bycatch in the halibut fishery. Refer to Table 3 for additional harvest information in the halibut target.

Processing report: The halibut were headed and gutted and then frozen.

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

6. Bering Sea Opilio Crab

There was no harvest of CDQ opilio crab during the fourth quarter. Based on the announced GHF for opilio in 2000 of approximately 28 million pounds, NSEDC is estimating a CDQ of about 384,000 pounds. This amount is substantially less than the approximate 1.7 million pounds NSEDC received in opilio CDQ last year. NSEDC is anticipating that the open access opilio fishery will probably open on January 15 and the CDQ fishery probably sometime in early February.

7. St. Matthew Blue King Crab

ADF&G had announced earlier this year that the St. Matthew blue king crab fishery would be closed for the 1999 fishing season. NMFS categorized the St. Matthew crab stocks as over fished. This status requires that NMFS must develop a rebuilding plan for the stocks. ADF&G must thereafter modify the harvest strategy for the fishery to reflect requirements and conditions established by the plan. NSEDC will continue to monitor information regarding status of these stocks, the preparation of the rebuilding plan and progress towards reopening this crab fishery.

8. Bristol Bay Red King Crab

An NSEDC-contracted fishing vessel harvested red king crab in the Bristol Bay CDQ fishery during the first week of November 1999. The F/V Adventure harvested 115,997 pounds of king crab out of the 116,128-pound CDQ allocation. Dead loss accounted for only 91 pounds of the harvest. Average size of the crab was about 6.75 pounds. At the ex-vessel price of \$6.25 per pound, this harvest was worth about \$350,905 in royalty payments to NSEDC.

C. 1999 CDQ Harvesting Royalties

NSEDC harvesting royalties in 1999 exceeded preseason projections by about 13%. Royalties for CDQ pollock, opilio and king crab, and halibut were substantially higher, Pacific cod moderately higher, while CDQ sablefish/turbot and the flatfish complexes were significantly lower.

D. Projection of Annual CDQ in 2000

A comparison of CDQ allocations to NSEDC in 1998, 1999 and 2000 is provided in Attachment 3. Most notably in 2000, the allocations of CDQ pollock (almost 15%) and Pacific cod CDQ (9%) are increasing while the allocations of the flatfish complexes (about -40%) and various key rockfish species used primarily as bycatch are decreasing.