

**YUKON DELTA FISHERIES DEVELOPMENT ASSOCIATION
COMMUNITY DEVELOPMENT QUOTA
FIRST QUARTER REPORT
FOR THE PERIOD January 1 – March 31, 2000**

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January 22, 2000

January 31, 2000

February 29, 2000

March 22, 2000

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YDFDA Newsletter

LYEDC Quarterly Report

I. QUARTERLY HIGHLIGHTS January – March 2000

January 2000

- Negotiations continue on the possible purchase of a portion of Golden Alaska.
- F/V Lisa Marie departed Seward for fishing grounds. Fished for Pacific cod out of Adak. Three residents were aboard as crew members.
- Two skiffs completed at Seward Skiff Production Facility
- Attended Halibut Commission Meetings - Lynnwood, WA
- Two residents aboard Golden Alaska catcher vessels Ocean Leader and American Beauty
- Twenty-one residents were aboard the Golden Alaska mothership for Pollock A Season
- Attended Magnuson-Stevens Reauthorization Hearings –Anchorage, AK
- Attended CDQ/NMFS meeting to review 1999 and plan 2000 multi-species fisheries – Juneau, AK
- Special Board Meeting in Emmonak, AK with residents to discuss the Value Added Plant.
- Board Meeting by Teleconference
- Emmonak Tribal in Seattle to discuss marketing of Value Added Plant fish. Also met with Pio Park and Joe Stensgar.

February 2000

- Received letter from NMFS disapproving investment in the F/V Tradition
- Negotiations continue on the possible purchase of a portion of Golden Alaska.
- F/V Lisa Marie fished for Pacific cod out of Adak, AK. Three residents were aboard as crew members and one resident as a trainee.
- Attended NPFMC meetings in Anchorage, AK
- Attended CDQ group meeting with State Oversight Committee in Anchorage, AK
- Sent letters of support on passage of HB 334 and S 240
- Two skiffs completed at Seward Skiff Production Facility
- Attended CDQ group meeting in Anchorage, AK
- YDFDA Board Meeting by Teleconference

March 2000

- F/V Lisa Marie fished for Pacific cod out of Dutch Harbor, AK and prepared for the Opilio crab season in April. Three residents were aboard as crew members and one resident as a trainee.
- Received earnest money on the sale of two 32' Vessels; Grace C and Yukon Mist
- Received earnest money on the sale of the F/V Blue Dolphin
- Attended Crab Coalition Meetings –Seattle, WA
- Attended YRDFA Meetings - Fort Yukon, AK
- Four skiffs completed at Seward Skiff Production Facility
- Attended Yukon River Salmon Meetings –Vancouver, BC
- Board Meeting by Teleconference
- Attended Lower Yukon Feasibility Study with EDA –St Marys, AK
- Attended 9 Leading Communities with USDA Rural Development Meeting –Bethel, AK
- Met with State Oversight Committee re: Investments –Juneau, AK
- Attended CDQ Meetings –Anchorage, AK

COMMUNITY DEVELOPMENT

A. PROGRESS TOWARD GOALS, OBJECTIVES, MILESTONES

Initiative 1. Comprehensive Vocational and Educational and Rehabilitative Training Programs

Goal: Provide training for up to 100 by the end of 2000

Including: 4 Internships

3 Job Placements (resulting from internships)

7 College Scholarships

Milestone:

- ◆ Training Programs –See Below
- ◆ 14 Yukon Delta residents are enrolled in courses at AVTEC
- ◆ 16 college students are enrolled for the Spring semester
 - 2 Sheldon Jackson College
 - 11 University of Alaska
 - 3 Alaska Pacific University
- ◆ The balance in Yukon Delta's scholarship fund at the University of Alaska after funding the current semester is approximately \$242,000
- ◆ The balance in Yukon Delta's scholarship fund at Sheldon Jackson College after funding the current semester is approximately \$106,019
- ◆ The balance in Yukon Delta's scholarship fund at Alaska Pacific University after funding the current semester is approximately \$150,000
- ◆ The balance in Yukon Delta's education fund is \$163,000
- ◆ 2 Internships

Objectives:

- ◆ Assure that an appropriately skilled native work force is available for all opportunities created in CDQ enterprises.
- ◆ Provide technical knowledge to native work force to assure that skills are developed to move into higher paying senior positions.

TRAINING PROGRAM 1: Heavy Equipment

One student was enrolled in the Heavy Equipment course at AVTEC this quarter.

TRAINING PROGRAM 2: Business and Office Technology

Eight students were enrolled in the Business and Office Technology course at AVTEC this quarter.

TRAINING PROGRAM 3: Diesel Engine Technology

One student was enrolled in the Diesel Engine Technology course at AVTEC this quarter.

TRAINING PROGRAM 4: Office Interns

Two residents were employed as office interns during this quarter at Icycle Seafoods' Everett plant. One was new this quarter and one was a carry-over from last quarter.

TRAINING PROGRAM 5: Advanced Welding

Four residents are participating in an advanced welding program building 22' aluminum skiffs in Seward. The finished skiffs are available for sale to Yukon Delta residents. This project is on a trial basis in Seward. If successful, the skiff building project will be continued in one of our villages.

TRAINING PROGRAM 6: Fishing and Seamanship

Two residents were aboard Golden Alaska's catcher boats the F/V American Beauty and the F/V Ocean Leader during this quarter as trainees. One resident was aboard the F/V Lisa Marie during this quarter as a trainee.

TRAINING PROGRAM 7: Junior Achievement

The Junior Achievement program funded by YDFDA is a pilot project currently being offered in the communities of Emmonak and Alakanuk. This program is a learning tool for the juniors and seniors to gain knowledge and understanding about the jobs involved with the fishing industry in the Bering Sea. Classes are taught by the village representatives with assistance from the training and employment coordinator. Classes are one hour per week. This program offers students an opportunity to secure jobs with YDFDA's fishing partners. Other villages may be added.

Scholarship Program:

Sixteen students are currently enrolled for the 2000 spring semester. Two students are seniors at Sheldon Jackson College. They are currently student teaching and will graduate in May 2000. Two students are enrolled at the University of Alaska –Fairbanks Distance Learning Program. Nine full-time students are enrolled at the University of Alaska. Three full-time students are enrolled at the Alaska Pacific University.

Guidelines are being developed for the Yukon Delta Education Fund and are to be approved by the Board at their April 2000 meeting. This scholarship fund is for students who wish to continue their education outside the State of Alaska in areas of study not available within the state and at institutions where the fishery tax credits may not be used.

Initiative 2. Placement of YDFDA Community Residents in Bering Sea Harvesting & Processing, Factory Trawlers

Goal: Train 169 individuals by the end of 2000

Milestone:

- ◆ 13 Yukon Delta residents were first time trainees during this quarter

- ◆ 16 Yukon Delta residents were re-hired during in this quarter

Objective:

- ◆ Provide on-the-job training and experience in offshore and onshore fisheries and generate employment and income-earning opportunities to community residents.

Golden Alaska Seafoods, Inc.

Twenty-one residents were aboard the M/V Golden Alaska for the Pollock A Season. Ten were new-hires, eleven were returning crew.

Golden Alaska Catcher Boats

Two residents were aboard the Golden Alaska catcher boats fishing for Pollock. One on the F/V Ocean Leader and one on the F/V American Beauty.

Lisa Marie

Four residents were aboard the F/V Lisa Marie fishing for Pacific cod. One was a first time trainee, three were returning crew.

Kodiak Fish Co.

One resident was aboard the F/V Legacy for bottom-fish in open access fishing. He was a returning crewmember.

Icicle Seafoods

One residents was aboard the F/V Bering Star fishing for crab. He was a returning crewmember.

Initiative 3. Salmon and Herring Permit Buy-Back and IFQ Acquisition Program

Goal: Provide up to \$100,000 for salmon or herring permits and up to \$100,000 for IFQ Purchases

Milestone:

- ◆ IFQ purchases –YDFDA is currently examining the purchases of A shares for Sablefish and Halibut IFQ for fisheries appropriate to the Lisa Marie
- ◆ One resident bought a permit and one resident transferred his permit to a family member through the loan program with Division of Investments. Due to the fact that ADF&G is again predicting a poor Yukon salmon season for 2000, YDFDA is not actively promoting nor encouraging new salmon permit loan applicants. The Norton Sound herring fishery has also been predicted to

have very low prices for the upcoming year and therefore we do not encourage anyone to pursue the purchase of one of these permits at this time.

- ◆ YDFDA continues to work with the Division of Investments to execute modification agreements to refinance and delay payments for several loans in arrears due to the poor fishing. At this time no loan packages through the Division of Investments or AVCP are in default.
- ◆ The skiff building program continues in Seward. Four Yukon Delta residents are receiving advanced welding training building skiffs for sale to residents of the Yukon Delta region. Skiffs are being advertised for sale in all communities of the lower Yukon as part of our outreach program. Loans will be financed through the Division of Investments or AVCP. Loan applications have been sent to the village representatives for potential applicants.

Objectives:

- ◆ Maximize local benefits realized from our traditional salmon fishery and expansion to other local fisheries.

Initiative 4. Training Subsidy for Small-Multi Fishery Boats

Goal: Provide employment opportunities for communities and community residents.

Teach fishing techniques and provide boats for a community-owned fishing company.

Provide direct income from the groundfish resource.

Create opportunities for local residents to operate and own boats.

Milestone:

- ◆ Negotiations continue on the sale of the Blue Dolphin. Earnest money has been received.
- ◆ Earnest money has been received for the sale of the last two 32' vessels. Yukon Delta is shifting its emphasis away from the fleet of small vessels and is presently analyzing possible joint ventures in larger vessels under Initiative VI.
- ◆ \$14,320 was used as a match for two crewmembers aboard Catcher vessels.

Objective:

- ◆ Develop a fleet of locally owned and operated fishing vessels.

Initiative 5. Continued Development of Shoreside Processing Operations

Goal: Establish self-sufficient, multi-product, value-added shoreside processing facilities.

Maximize the employment and payroll benefits derived by the communities from our seafood harvest.

Milestone:

- ◆ YDFDA continued funding the Kotlik fisheries project. Kotlik is actively working with the Yukon Delta Fish Marketing Co-op for additional tendering capacity in 2000. It appears they are also seeking outside sources of additional funding for their shoreside facilities.
- ◆ Sheldon Point Saltery –no action at this time.
- ◆ YDFDA board has made a commitment to help develop markets for the Emmonak value added smoked salmon produced from the 1999 catch through a Seattle broker and marketing distributor.
- ◆ YDFDA with Yukon River Fisheries Drainage Association has submitted an application for disaster funds to provide ice machines and support as part of a salmon quality preservation project in Marshall, Mountain Village, Kotlik and Emmonak. This project report has been forward by EDA Anchorage to the Region X office and is in the final approval stage.

Objective:

- ◆ Value adds seafood products and explores for commercial quantities of fish locally to employ local residents.

Initiative 6. YDFDA Investments in Offshore Vessels

Goal: Joint ventures to purchase and jointly operate catcher and catcher/processor vessels in both open access and CDQ fisheries for all fisheries.

Milestone:

Analysis continues on several projects:

- ◆ Funds from the sale of the 32' vessels have been set aside for use in funding other future joint ventures
- ◆ Meetings are continuing for discussion of investment criteria in the Pollock seafood industry and include all aspects of investments in vessel fleets.
- ◆ YDFDA is actively pursuing an investment in a Longline catcher/processor. Analysis of this project is continuing and seven possible partners are being considered.

- ◆ Investment in a crab catcher vessel. This project has been delayed until later this year due to the adverse impact of the reduction in crab GHL in the Bering Sea. Several possible investments are being taken into consideration.
- ◆ Provided Yukon Delta residents with fishing positions aboard the F/V Lisa Marie and two Golden Alaska catcher vessels fishing both CDQ and open access

Objective:

- ◆ To own and operate YDFDA's own fleet of vessels to prosecute the fisheries in the North Pacific.
- ◆ Establish a fleet of combination catcher and catcher/processor vessels to fish open access as well as CDQ fisheries in the Bering Sea.
- ◆ Maximize the employment and payroll benefits derived by local fishermen from open access and CDQ harvests.
- ◆ Protect YDFDA's equity.

Initiative 7. Financing Program to Support Development of Small Business Fisheries Infrastructure

Goal: To develop local marine service facilities and fisheries business infrastructure to support the fishing industry.

Milestone:

- ◆ YDFDA, LYEDC (Ardor) and Kuigpagmiut Corporation (representing Mountain Village and St. Mary's) have submitted an application for funding to the U.S. Department of Commerce to develop regional training facilities in St. Mary's for the benefit of residents of the entire area. Several regional meetings have taken place in St. Mary's during the quarter with regional and federal representatives. This project has now been accepted as one of the projects for final study for possible funding. The EDA team has toured the vacant facilities and is assisting with further planning. Lower Yukon School District and the St. Mary's School District are also being included in the development of this plan.
- ◆ OceanLogic, LLC, - The newest version of the software is being used successfully. The preliminary version for shoreside catcher vessel deliveries is being tested at this time. The board of Directors has decided for the present time to fund no further loan requests.
- ◆ The Welding Shop –Yukon Delta is actively seeking bids to estimate the cost of a joint facility in one of the villages. Villagers, under Initiative I, are still building skiffs.

Objective:

- ◆ Fund loans to develop fisheries business support sector.
- ◆ To service the developing local and offshore fishing sector.

B. OUTREACH

We have continued our village representative program in our six villages, Alakanuk, Emmonak, Grayling, Kotlik, Mountain Village and Nunam Iqua (formerly Sheldon Point). The village representatives work in the community to provide information regarding employment opportunities and training positions and administer drug tests to applicants. They also have applications and information on the scholarship programs and loan applications from both the Division of Investments and the AVCP Revolving Loan Program.

The training and employment coordinator is located at our Emmonak office. His duties include finding and filling inshore/offshore training and employment opportunities as well as training and educational opportunities at AVTEC, Alaska Pacific University, and all branches of the University of Alaska. This person administers YDFDA's scholarship programs and YDFDA's permit and gear loan programs through the Division of Investments and the AVCP Revolving Loan Programs. YDFDA feels it is important to administer these programs from the villages so residents have easy access to the programs they are most interested in.

We are working with the community of Marshall a, non-CDQ member village, to provide an ice machine under our Salmon Quality Preservation Project using EDA Disaster Funding.

Additionally YDFDA continues to work with other communities of the Yukon who are not members of CDQ communities by our continuing financial support of the Lower Yukon Economic Development Corporation (ARDOR)

The attached announcements were posted in the villages during the first quarter.

C. EMPLOYMENT

1. EMPLOYMENT DATA FORM – March 31, 2000

	1st Quarter		Year-to-Date		
	Positions/ Trips	Wages	Positions/ Trips	Wages	People
Management/Administrative	6	\$81,982	6	\$81,982	6
CDQ Pollock					21
A Season:	21	\$226,616	21	\$226,616	
B Season:	0	\$0	0	\$0	
Other Fishing	10	\$74,575	10	\$74,575	10
Other Employment	19	\$97,639	19	\$97,639	19
Internships	2	\$2,001	2	\$2,001	2
Total	58	\$482,813	58	\$482,813	58

2. SUMMARY:

- ◆ Management/Administrative 6 - Yukon Delta Employees
- ◆ Pollock A Season - 21
- ◆ Other Fishing 10 - description in Initiative II
- ◆ Internships - 2

Other Employment

- ◆ Village Representatives - 6 (one in each of the six villages)
- ◆ YDF Inc. - 2 employees
- ◆ Kotlik Yupik - 1
- ◆ Icycle Seafoods -1
- ◆ Fishermen’s Finest - 1
- ◆ YDFDA Welding Program - 5

D. TRAINING

1. TRAINING DATA FORM – March 31, 2000

	1st Quarter		Year-to-Date	
	People	Expenditure	People	Expenditure
Scholarships				
University of Alaska	11	\$24,300	11	\$24,300
Alaska Pacific University	3	\$7,500	3	\$7,500
Sheldon Jackson College	2	\$5,000	2	\$5,000
Vocational				
Voc-Tech Classes				
Basic				
Advanced	14	\$69,873	14	\$69,873
Other Training				
Fisheries related –See Emp Sht	13	\$16,795	13	\$16,795
Student Loans				
Interns (see employment)	2	\$2,256	2	\$2,256
Other –Junior Achievement	--	\$2,000	--	\$2,000
Other Expenditures				
To Educational Institutes				
Educational Endowment Funds				
Other				
Total:	45	\$127,724	45	\$127,724

2. SUMMARY

- ◆ Scholarships –16
- ◆ Voc - Tech Classes - 14
 - Heavy Equipment - 1
 - Business & Office Technology - 8
 - Diesel Engine Technology –1
 - Advanced Welding - 4
- ◆ Fisheries Training – 13
- ◆ Interns –2
- ◆ Other –Junior Achievement

ADMINISTRATION

A. Board Activities

1. New Board Members –There were no changes in Board Members during the first quarter.
2. The Board of Directors held a special meeting in Emmonak January 22, 2000.

The Board of Directors held three meetings by teleconference: January 31, 2000; February 29, 2000; and March 22, 2000.

Substantial Decisions:

Due diligence continues on the purchase of a percentage ownership in the Golden Alaska mothership and two catcher vessels.

YDFDA will assist the Emmonak Value Added Plant in developing a marketing program for the plant that does not conflict with existing programs. YDFDA will assist the Value Added Plant in developing a business and marketing plan.

The Board voted to cease additional funding to OceanLogic.

3. The next Board of Directors meeting will be in Alakanuk on April 26, 2000.

B. CDP Amendments 2000

Submitted Housekeeping Amendment 00-01 YD on March 15, 2000 for the year 2000.

C. Other Issues - None

IV. Harvesting Activities - All Species

March, 31, 2000

Species or Species Group	YDFDA	Ist Quarter Catch	Balance	Percent Harvested
<i>BS FG Sablefish</i>	36.750		36.750	
<i>AI FG Sablefish</i>	54.600		54.600	
<i>BS Sablefish</i>	10.450		10.450	
<i>AI Sablefish</i>	8.550		8.550	
<i>BS Pollock – total</i>				
<i>A/B season (40%)</i>	6,378.400	6,320.356	58.044	99.09%
<i>C/D season (60%)</i>	9,567.600		9,567.600	
<i>AI Pollock</i>	28.000		28.000	
<i>Bogoslof Pollock</i>	14.000		14.000	
<i>Pacific Cod</i>	2,750.250	1,439.268	1,310.982	52.33%
<i>WAI Atka Mackerel</i>	445.400	1.667	443.733	0.37%
<i>CAI Atka Mackerel</i>	370.400		370.400	
<i>EAI/BS Atka Mackerel</i>	246.000	0.112	245.888	0.05%
<i>Yellowfin Sole</i>	2,588.320	29.498	2,558.822	1.14%
<i>Rock Sole</i>	2,021.400	71.896	1,949.504	3.56%
<i>BS Greenland Turbot</i>	112.080	0.021	112.059	0.02%
<i>AI Greenland Turbot</i>	43.700	0.178	43.522	0.41%
<i>Arrowtooth Flounder</i>	1,965.000	13.108	1,951.892	0.67%
<i>Flathead Sole</i>	789.600	17.546	772.054	2.22%
<i>Other Flatfish</i>	1,257.000	1.160	1,255.840	0.09%
<i>BS Pacific Ocean Perch</i>	39.000	0.002	38.998	0.01%
<i>WAI Pacific Ocean Perch</i>	85.000	0.037	84.963	0.04%
<i>CAI Pacific Ocean Perch</i>	52.600		52.600	
<i>EAI Pacific Ocean Perch</i>	46.800		46.800	
<i>BS Other Red Rockfish</i>	2.800	0.088	2.712	3.14%
<i>AI Sharpchin/Northern</i>	77.200	0.817	76.383	1.06%
<i>AI Shortraker/Rougheye</i>	12.540	0.204	12.336	1.63%
<i>BS Other Rockfish</i>	5.130	0.134	4.996	2.61%
<i>AI Other Rockfish</i>	9.690	1.559	8.131	16.09%
<i>Squid</i>	20.580	0.021	20.559	0.10%
<i>Other Species</i>	493.920	208.468	285.452	42.21%
<i>Halibut 4D</i>	74.580		74.580	
<i>Prohibited Species</i>				
<i>Zone 1 Red King Crab</i>	1,528			
<i>Zone 1 Bairdi Tanner Crab</i>	16,185			
<i>Zone 2 Bairdi Tanner Crab</i>	49,140			
<i>Opilio Tanner Crab</i>	84,825			
<i>Pacific Halibut</i>	78.890	2.161		2.74%
<i>Chinook Salmon</i>	504	14		2.78%
<i>Non-Chinook Salmon</i>	441			
<i>Quota Amounts after Non-Specific Reserve is Established</i>				
<i>Arrowtooth Flounder</i>	1,670.250			
<i>Squid</i>	17.493			
<i>Other Species</i>	419.832			
<i>Non-Specific Reserve</i>	371.925			

B. Compliance

Received a warning from NMFS for a fishing violation from May 23, 1999 when the M/V Galaxy, a CDQ authorized vessel, was added to our plan and began fishing before receiving authorization.

D. Other Fishing Issues/Activities

No CDQ harvesting for bottom fish took place in this quarter due to the low values and open access fishing.

F/V Lisa Marie

In January and February the F/V Lisa Marie fished for Pacific cod out of Adak. In March the F/V Lisa Marie fished for Pacific cod out of Dutch Harbor.

F/V Blue Dolphin

Earnest money was received for the sale of the F/V Blue Dolphin.

32-Foot Vessels

Earnest money was received for the sale of the Grace C and Yukon Mist. These were the last of the 32-foot vessels owned by YDFI.