

**YUKON DELTA FISHERIES DEVELOPMENT ASSOCIATION
COMMUNITY DEVELOPMENT QUOTA
FOURTH QUARTER REPORT
FOR THE PERIOD JANUARY 1, 1999 TO MARCH 31, 1999**

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YDFDA NEWSLETTER
ANNOUNCEMENTS

I. QUARTERLY HIGHLIGHTS – January 1 to March 31, 1999

January 1999

- ◆ F/V Lisa Marie left Seward for crab fishing after completing year-end maintenance
- ◆ F/V Lisa Marie fishing open access Opilio crab
- ◆ OceanLogic Version 1.02 with Electronic Reporting released
- ◆ Attended State requested CDQ meetings in Anchorage
- ◆ Attended International Halibut Commission meetings in Prince Rupert, BC

February 1999

- ◆ F/V Lisa Marie fishing open access Opilio crab
- ◆ Sold four 32-foot vessels to Russian investor
- ◆ Lori Mike opens office in Alakanuk
- ◆ Attended North Pacific Fisheries Management Council Meetings in Anchorage

March 1999

- ◆ Robert Andrews and Raymond Waska visited Kvichak Marine to review new skiff designs
- ◆ Pollock A Season completed
- ◆ F/V Lisa Marie in Dutch Harbor to register for CDQ Opilio fishing and also to make repairs to the crane and port auxiliary engine
- ◆ F/V Lisa Marie starts fishing CDQ Opilio crab
- ◆ Doug Petesch joins YDFDA as Controller
- ◆ Douglas Redfox attended Salmon Forum in Anchorage
- ◆ Sold two 28' catcher vessels to Kotlik Yupik Corp.
- ◆ YDFDA Board of Directors Special Meeting in Emmonak, Robert Andrews elected Chairman of the Board
- ◆ F/V Lisa Marie completed open access Opilio crab season (750,000 lbs.)

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 1999

Milestone:

- ◆ Eleven Yukon Delta residents were trained in this quarter.
- ◆ One new and eight returning college students began the spring semester with Yukon Delta scholarships at three colleges
- ◆ The balance in Yukon Delta's scholarship fund after funding the current semester is \$ 400,426.00
- ◆ Training Programs – See Below

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.

PROGRAM 1: Welding Technology

One student enrolled in this course on February 11, 1999.

PROGRAM 2: Pipe Welding

One student is currently enrolled in this course. In December 1998 he graduated from the Welding Technology course which was a prerequisite to this course.

PROGRAM 3: Office Interns

The office intern for YDFDA completed her internship and is now employed with the Alakanuk Tribal Council as the ANA Project Director. The office intern for Fishermen's Finest completed her internship and is now employed full time as their Traffic Manager.

PROGRAM 4: Fishing and Seamanship

One resident was aboard the F/V Lisa Marie fishing for Opilio crab.

PROGRAM 5: Business and Office Technology

Five students have been enrolled in the Business and Office Technology course at AVTEC in Seward since September 8, 1998. One was terminated at the end of March. This thirty-five week course is a self-paced program. Graduates of this course can earn certificates in: Business/Office Clerk, General Business/Office Assistant, Accounting

Clerk, and Administrative Assistant with emphasis in Legal, Medical or Information Processing.

PROGRAM 6: Diesel Engine Technology

One residents is enrolled in the Diesel Engine Technology course at AVTEC. He is currently working on diesel engines belonging to YDFI. This thirty-week course covers maintenance and repair of diesel engines commonly used in Alaska.

Scholarship Program:

As part of its outreach Yukon Delta has contacted all high school counselors, traditional councils and village representatives as well as mention of the program in our newsletter. Five eligible students are enrolled at University of Alaska including one new student. One student at Alaska Pacific University and two at Sheldon Jackson College are enrolled for the spring semester. One student with a 4.0 GPA took the semester off and will return in the fall. Six student are in the process of applying for college and a scholarship during the first quarter of this year.

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

Goal: Train 135 individuals by the end of 1999

Milestone:

- ◆ Sixteen Yukon Delta residents were trained this quarter
- ◆ Fifty Yukon Delta residents were employed in the 1st quarter of 1999
 - 35 Yukon Delta residents worked on Bering Sea processing vessels
 - 3 worked on the F/V Lisa Marie for opilio crab
 - 2 worked on Fanning Fisheries vessels for opilio crab
 - 1 worked on the Prowler longlining for cod
 - 6 worked on the CoastalStar processing Opilio Crab
 - 3 worked on the Arctic Star processing Opilio Crab.

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-two residents were aboard the M/V Golden Alaska for the Pollock A season. Nineteen completed their contracts.

Supreme Alaska Seafoods, Inc.

Two people were aboard the Excellence for the Pollock A season and both completed their contracts.

Prowler

One Yukon Delta resident was aboard the Prowler longlining for cod. He completed his contract.

Premier Pacific

Eight Yukon Delta residents were aboard the SS Ocean Phoenix for Pollock A Season. Six completed their contracts.

Tyson Seafoods

One Yukon Delta resident was aboard Tyson Seafoods's vessel for the Pollock A Season.

Starbound

Two Yukon Delta residents were aboard the Starbound for Pollock A Season. One completed his contract.

Icicle Seafoods

Nine Yukon Delta residents worked for Icicle Seafoods for the Opilio Crab season. Six were aboard the Coastal Star and three were aboard the Arctic Star. All nine completed their contracts.

Lisa Marie

Three Yukon Delta residents were aboard the F/V Lisa Marie this quarter. Two fished for open access opilio crab. One remained for CDQ opilio and was joined by a new crewman. They all completed their contracts.

Fanning Fisheries

Two Yukon Delta residents were aboard Fanning Fisheries vessels fishing for opilio crab.

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

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

Milestone:

- ◆ We have basically continued our efforts in the first quarter of 1999 to dissuade fishermen from applying for herring and salmon permit loans at this time due to the disastrous fishing season in 1998 and the predicted poor return of 1999 Yukon Salmon. Additionally the price for Norton Sound herring continues to be very low due to the poor Japanese economy. Financing permits at this time would increase financial difficulties rather than assist individuals in raising

their income. With the present state of fishing we have received many inquiries from fishermen wishing to sell their permits.

- ◆ YDFDA has worked with the Division of Investments to execute modification agreements to refinance and delay payments for several loans in arrears due to the poor fishing this past year.
- ◆ Active applications this quarter:
 - 1 – fishing permit applicants
 - 2 – boat loan application

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:

- ◆ The Blue Dolphin was drydocked in Seward for ongoing repairs.
- ◆ The Delta King and Delta Runner were sold to Kotlik Yupik Corp. (See Initiative 5 Kotlik Project.)
- ◆ Four 32' vessels were sold to Russian investors and delivered in February.
- ◆ Five 32' vessels remain in winter storage in Nome.
- ◆ There was no fishing activity under this initiative during this quarter.
- ◆ Six of the 12 vessels owned by YDFI have now been sold. Pending is the sale of four more vessels which should help to substantially reduce the allocation of funds to support, maintain and repair the small multi-fishery vessel fleet. Yukon Delta is shifting its emphasis away from a fleet of small vessels to ventures in larger vessels under initiative VI.

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:

- ◆ The YDFDA Board of Directors authorized the continuation of funding the planner's position for Kotlik fisheries project for an additional year. The planning is to determine the amount of fisheries related infrastructure that needs to be developed in Kotlik for future projects as well as alternative outside funding sources for this project.
- ◆ Kotlik Yupik corporation purchased the Delta King and the Delta Runner from Yukon Delta to use in their fishing operation.
- ◆ The YDFDA Board of Directors authorized a grant and loan to the Emmonak Tribal Council to upgrade their value-added plant and to purchase raw product.
- ◆ Sheldon Point Saltery – Discussions with the community is ongoing.
- ◆ Exploratory Fishing – Projected for 1999 fishing season to determine the commercial viability of shrimp and snails in the immediate area.

Objective:

- ◆ Value add seafood products and explore 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:

- ◆ F/V Lisa Marie - lengthening and sponsoning the vessel
- ◆ Investment in Golden Alaska Seafoods, Inc. which includes the mothership and two catcher vessels.
- ◆ Investment in a longline catcher/processor
- ◆ Investment in a crab catcher vessel

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 (Tribal Organization representing Mountain Village and St. Mary's), are developing an application to the Department of Commerce to develop training facilities in St. Mary's for the benefit of residents of the entire area. Lower Yukon School District and the St. Mary's school district are also being included in the development of this plan.
- ◆ YDFDA, LYEDC and KC are the sponsoring organizations to develop a plan and application with EDA and the villages governments of the area to develop select and administer the funding of projects selected under the terms of the Federal Disaster funds allocated to this area by Congress as a result of the 1998 fishing seasons
- ◆ OceanLogic LLC – Version 1.02 of the software was introduced. This version will write the catch reports in a format required by NMFS to report CDQ catch and will export files to Excel or other spreadsheets. During this quarter, the company hired a part-time research and grant writer to research the availability of software development funds.
- ◆ Vessel Welding business in Alakanuk - the owner has now secured a large building and has all his operational tools and supplies. He will begin construction and assembly of skiffs when the weather gets a little warmer.

Objective:

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

B. OUTREACH

We are continuing our village representative program in our four villages, Alakanuk, Emmonak, Kotlik and Sheldon Point. These representatives work in the community to provide information regarding employment and training positions and administer the drug tests to applicants. They also have applications and information on the scholarship programs.

In addition, YDFDA continues to work with the WAFDA “school to work” program utilizing our village representatives to educate the students about the opportunities available to them through YDFDA.

The attached announcement was posted within the villages during the first quarter. Also attached is YDFDA’s 1st Quarter Newsletter.

C. EMPLOYMENT

1. EMPLOYMENT DATA FORM - March 31, 1999

	1st Quarter		Year-to-Date		
	Positions/ Trips	Wages	Positions/ Trips	Wages	People
Management/Administrative	9	\$113,264	9	\$113,264	9
CDQ Pollock					
A Season:	35	\$338,719	35	\$338,719	35
B Season:	0	\$		\$	
Other Fishing	15	\$80,504	15	\$80,504	15
Other Employment	9	\$57,120	9	\$57,120	9
Internships	2	\$5,005	2	\$5,005	2
Total	70	\$594,612	70	\$594,612	70

2. SUMMARY:

- ◆ Management/Administrative 9 - Yukon Delta Employees
- ◆ Pollock "A" Season 35 – description in Initiative II
- ◆ Other Fishing 15 - description in Initiative II
- ◆ Internships - 2

Other Employment

- ◆ Village Representatives - 4 (one in each of the four villages)
- ◆ YDF Inc. - 4 employees
- ◆ Kotlik Yupik – 1

D. TRAINING

1. TRAINING DATA FORM – March 31, 1999

	1st Quarter		Year-to-Date	
	People	Expenditure	People	Expenditure
Scholarships				
University of Alaska	5	\$12,500	5	\$12,500
Alaska Pacific University	1	\$2,500	1	\$2,500
Sheldon Jackson College	2	\$5,000	2	\$5,000
Vocational				
Voc-Tech Classes				
Basic				
Advanced	8	\$10,720	8	\$10,720
Other Training				
Fisheries related – See Emp Sht	16	3,481	16	\$3,481
Student Loans				
Interns (see employment)	2	\$3,560	2	\$3,560
Other				
Other Expenditures				
To Educational Institutes				
Educational Endowment Funds				
Other				
Total:	34	\$37,761	34	\$37,761

2. SUMMARY

Scholarships – 10 Students with 8 receiving scholarships this semester

- ◆ Voc-Tech Classes - 8
 - Welding Technology - 1
 - Pipe Welding - 1
 - Business & Office Technology – 5
 - Diesel Engine Technology – 1
- ◆ Other Training – 16
- ◆ Interns - 2

III. ADMINISTRATION

A. Board Activities

1. Changes in Members

John Kilbuck, Resigned. He was replaced with Frank Camille.

2. Substantial Decisions – The Board of Directors held a special meeting in Emmonak March 22 and 23, 1999 for the purpose of electing officers. No other business was conducted.

Election Results:

Robert Andrews	Chairman
Pius Akaran	Vice-Chairman
Joseph Strongheart	Secretary/Treasurer

B. CDP Amendments

There were no amendments to the CDP in the 1st quarter.

C. Other Issues - None

IV. HARVESTING REPORTS

A. Harvesting Activities

Golden Alaska Pollock A Season - See Confidential Exhibit D

B. Compliance

There were no compliance violations during this quarter.

C. Other Fishing Issues/Activities

The American Fisheries Act does not allow motherships in the Pollock fishery to co-op until the year 2000.

Engineering and projections have been initiated for the lengthening and sponsoring of the F/V Lisa Marie to make it more competitive in the Bering Sea fisheries.

F/V Lisa Marie
Jan, Feb, Mar

F/V Lisa Marie fished for open access Opilio crab.