

**YUKON DELTA FISHERIES DEVELOPMENT ASSOCIATION
COMMUNITY DEVELOPMENT QUOTA
FOURTH QUARTER REPORT
FOR THE PERIOD APRIL 1 – JUNE 30, 1999**

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I. QUARTERLY HIGHLIGHTS – April 1 to June 30, 1999

April 1999

- ◆ F/V Lisa Marie fished CDQ Opilio in the Bering Sea
- ◆ Board of Directors Meeting in Kotlik
- ◆ Submitted preliminary loan application to NMFS for future investments
- ◆ Attended NPFMC meetings in Anchorage

May 1999

- ◆ F/V Lisa Marie fished for pacific cod in Adak
- ◆ Attended CDQ Implementation Work Group in Juneau
- ◆ Board of Directors meeting by teleconference
- ◆ Attended CDQ meetings in Juneau

June 1999

- ◆ Attended CDQ Meetings in Juneau
- ◆ F/V Lisa Marie fished halibut in area 4D
- ◆ Attended the NPFMC meetings in Kodiak
- ◆ Five 32-foot boats fished for Norton Sound herring
- ◆ F/V Blue Dolphin in Adak to jig fish for pacific cod

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:

- ◆ Nine Yukon Delta residents graduated from courses at AVTEC
- ◆ Two Yukon Delta residents were trained in this quarter
- ◆ Eight college students finished the current semester.
- ◆ Five new applicants for scholarships have been accepted at UAF and APU for the fall semester 1999
- ◆ The balance in Yukon Delta's scholarship fund after funding the current semester remains at \$ 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 graduated from the Welding Technology course at AVTEC this quarter.

PROGRAM 2: Pipe Welding

One student graduated from the Pipe Welding course at AVTEC this quarter.

PROGRAM 3: Office Interns

One resident was employed as an intern during this quarter at Icicle's Seward plant.

PROGRAM 4: Fishing and Seamanship

Two residents were aboard the F/V Lisa Marie fishing for Opilio crab. One remained aboard the F/V Lisa Marie fishing for Pacific cod.

PROGRAM 5: Business and Office Technology

Four residents graduated from the Business and Office Technology course at AVTEC in Seward this quarter.

PROGRAM 6: Diesel Engine Technology

One resident graduated from the Diesel Engine Technology course at AVTEC in Seward this quarter.

PROGRAM 7: Power Plant Operator

One student graduated from the Power Plant Operator course at AVTEC in Seward this quarter.

Scholarship Program:

In our continuing outreach to Yukon Delta residents, we have been working closely with high school counselors, Tribal councils, village representatives, and others to get the word out to high school students and others to continue their education. Five additional students have been accepted for scholarships this fall at the University of Alaska and Alaska Pacific University. Continuing students have all been accepted for this coming year. During the second quarter we have received inquiries from and are working with 16 Yukon Delta residents concerning scholarships. They are all in the process of applying for college and a scholarship including the five new students already accepted at the end of the second quarter.

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

Goal: Train 135 individuals by the end of 1999

Milestone:

- ◆ Two Yukon Delta residents were trained this quarter
- ◆ Twenty-two Yukon Delta residents were employed in this quarter
- 4 Yukon Delta residents worked on Bering Sea processing vessels
- 17 worked on the F/V Lisa Marie for opilio crab, cod and halibut
- 1 worked on Fanning Fisheries vessels for 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.

Three residents were aboard the M/V Golden Alaska for the hake season.

Icicle Seafoods

One Yukon Delta resident was aboard Icicle Seafoods' Coastal Star for the Opilio Crab season.

Lisa Marie

Of the seventeen crewmen aboard the F/V Lisa Marie fishing for opilio crab, six were Yukon Delta residents. Two remained on the boat and fished for pacific cod.

Fanning Fisheries

One Yukon Delta resident was 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:

- ◆ During the second quarter of 1999 again we tried to dissuade fishermen from applying for herring and salmon permits until it could be determined that we were not going to have another disastrous fishing season on the Yukon River. By the end of June, it looked like a fairly successful fishing season in the eyes of ADF&G. Additionally, King Salmon prices paid to fishermen were the highest ever on the river. At that time we began to receive inquiries as permit prices were way down from the previous two years due to the disastrous fishing seasons the last two years. Yukon permit prices are now in a price range that several non-permitted fishermen should be able to acquire permits at reasonable prices and lower financing terms.
- ◆ YDFDA has worked with the Division of Investments to execute modification agreements to refinance and delay payments for two loans in arrears due to the poor fishing this past year.
- ◆ Loans funded this quarter
 - 1 – Outboard motor application funded
 - 1 – Fishing permit applicant/application
 - 3 – Boat loan application completed, funded
 - 6 – Loan inquiries received this quarter

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 outfitted for fishing at our shop in Seward and left for Adak in June to jig fish for pacific cod.
- ◆ Five 32-foot vessels fished for Norton Sound Herring out of Nome and were being readied to fish the Norton Sound Red King Crab fishery in July.
- ◆ Negotiations for the tentative sale of an additional four vessels with a prospective foreign buyer are ongoing. This sale will 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.
- ◆ BBEDC and YDFDA are discussing a plan whereby Yukon Delta 32' Vessels would harvest a portion of BBEDC's CDQ halibut to fish in the Yukon coastal area.

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 current plan 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 project used the two vessels purchased from YDF Inc. to purchase salmon for the co-op in Emmonak in a joint venture. Kotlik Project during this period also incorporated as a co-op and has informed us that they will be developing harvesting and marketing ventures in conjunction with the Emmonak Co-op for the 2000 season.
- ◆ 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
- ◆ Preliminary meetings to discuss investment criteria in Golden Alaska Seafoods, Inc. which includes the mothership and catcher vessel fleet.
- ◆ Investment in a longline catcher/processor
- ◆ Investment in a crab catcher vessel
- ◆ Investment in a 58' combination vessel to replace the 32' vessel fleet

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), are continuing development of their application for US 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. Additionally CVRF and the Chevak School district have expressed an interest in providing support for this area project.

- ◆ OceanLogic, LLC, a joint venture partnership between APICDA Joint Ventures, Inc., Yukon Delta Fisheries, Inc., and Parity Corporation, is proceeding with the development of Version 1.04.00 of CatchPoint™ software. This version will be specifically capable of managing shoreside and mothership cooperatives in compliance with the American Fisheries Act and the Steller Sea Lion rules and regulations. The software will be beta tested this fall and ready for installations before the end of the year.
- ◆ The Welding shop in Alakanuk has been in operation since this spring. The owner has been busy full time with major modifications and repairs on existing vessels. He is welding up his jigs preparing to construct the first vessel. He has a backlog of work to perform and cannot keep up. Customers from all four villages are bringing him work.

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 four villages, Alakanuk, Emmonak, Kotlik and Sheldon Point and are expanding that program to our new village, Mountain Village. 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.

Our training and jobs coordinator is producing a newsletter with summaries of what projects YDFDA has, and what YDFDA offers in training and job opportunities.

The attached announcements were posted within the villages during the second quarter.

C. EMPLOYMENT

1. EMPLOYMENT DATA FORM – June 30, 1999

	2nd Quarter		Year-to-Date		
	Positions/ Trips	Wages	Positions/ Trips	Wages	People
Management/Administrative	7	\$120,293	9	\$233,557	9
CDQ Pollock					
A Season:	0	\$	35	\$338,719	35
B Season:	0	\$		\$	
Other Fishing	22	\$182,715	29	\$263,219	29
Other Employment	11	\$82,940	11	\$140,060	11
Internships	1	\$560	3	\$5,565	3
Total	41	\$386,508	87	\$981,120	87

2. SUMMARY:

- ◆ Management/Administrative 7 - Yukon Delta Employees
- ◆ Other Fishing 22 - description in Initiative II
- ◆ Internships - 1

Other Employment

- ◆ Village Representatives - 4 (one in each of the four villages)
- ◆ YDF Inc. - 6 employees
- ◆ Kotlik Yupik – 1

D. TRAINING

1. TRAINING DATA FORM – June 30, 1999

	2nd Quarter		Year-to-Date	
	People	Expenditure	People	Expenditure
Scholarships				
University of Alaska	5	\$0.00	5	\$12,500
Alaska Pacific University	1	\$0.00	1	\$2,500
Sheldon Jackson College	2	\$0.00	2	\$5,000
Vocational				
Voc-Tech Classes				
Basic				
Advanced	8	\$18,442	8	\$29,162
Other Training				
Fisheries related – See Emp Sht	2	2,267	18	\$5,748
Student Loans				
Interns (see employment)	1	\$300	3	\$3,860
Other	1	\$234	1	\$234
Other Expenditures				
To Educational Institutes				
Educational Endowment Funds				
Other				
Total:	20	\$21,243	38	\$59,004

2. SUMMARY

- ◆ Scholarships - 8
- ◆ Voc-Tech Classes - 8
 - Welding Technology - 1
 - Pipe Welding - 1
 - Business & Office Technology – 4
 - Diesel Engine Technology – 1
 - Power Plant Operator - 1
- ◆ Other Training – 3
- ◆ Interns - 1

III. ADMINISTRATION

A. Board Activities

1. Changes in Members – Frank Camille was appointed to replace John Kilbuck in Sheldon Point.
2. The Board of Directors held their regular meeting in Kotlik April 12 and 13, 1999.

Substantial Decisions:

Billy Charles resigned as Executive Director and Ragnar Alstrom was elected to replace him.

Hold a mid-quarter meeting by teleconference.

Invite Mountain Village to become part of our CDQ group.

Enter negotiations with Liberator LLC to purchase highest possible percentage interest in the vessel.

Loan the Emmonak Tribal Council Value Added Plant \$32,000 with a matching grant of \$32,000.

Authorized Yukon Delta to apply for an AFA, NMFS Loan Program

Authorized modifications to the F/V Lisa Marie up to \$700,000.

Authorized LYEDC's funding request in the amount of \$20,000

3. The Board of Directors met by teleconference to keep everyone apprised on current status of projects.

B. CDP Amendments

There were no amendments to the CDP in the 2nd quarter.

C. Other Issues - None

IV. HARVESTING ACTIVITIES

A. Harvesting Report to June 30, 1999

Species		Total Allocation	Harvested to June 30	Percent Harvested
Arrowtooth flounder	Mt	2015	2.717	0.13%
Atka mackeral Central AI	Mt	336	227.256	67.64%
Atka mackeral Western AI	Mt	405	67.732	16.72%
Atka mackeral Eastern AI	Mt	255	0	0.00%
Flathead sole	Mt	1159	20.113	1.74%
Greenland turbot AI	Mt	42	0.579	1.38%
Greenland turbot BS	Mt	108	0.841	0.78%
Other flatfish	Mt	2310	3.176	0.14%
Other red rockfish BS	Mt	4	0.004	0.10%
Other rockfish AI	Mt	9	2.23	24.78%
Other species	Mt	517	194.72	37.66%
Pacific cod	Mt	2522	926.769	36.75%
Pacific ocean perch Central AI	Mt	57	4.544	7.97%
Pacific ocean perch Western AI	Mt	93	87.544	94.13%
Pollock (A) BS	Mt	13888	6259.5	45.07%
Rock sole	Mt	1800	170.901	9.49%
Sablefish fixed gear AI	Mt	31	1.161	3.75%
Sharpchin/northern AI	Mt	63	38.95	61.83%
Shortraker/rougheye AI	Mt	13	4.645	35.73%
Yellowfin sole	Mt	4304	1.606	0.04%
Halibut bycatch	Mt	78919	6.712	0.01%
Bairdi tanner crab Zone 2	Each	35977	41.56	0.12%
Baridi tanner crab Zone 1	Each	14235	536.11	3.77%
Chinook salmon	Each	504	137.88	27.36%
Opilio tanner crab	Each	84825	838.6	0.99%

B. Compliance

The catcher processor Galaxy was added to our CDP as a harvesting vessel for sablefish and turbot during this quarter. We became aware that they began fishing four days prior to our receiving final approval from NMFS that the vessel had been approved for addition to our CDP. We immediately took action and notified the Enforcement Division of NMFS. To date, we have received no communication or notification from NMFS as to possible violations or penalties.

C. Other Fishing Issues/Activities

YDFDA and our harvesting partners have experienced difficulties in obtaining CDQ certified observers. Our groundfish trawl partners could not continue fishing because they were unable to obtain the services of an observer and brought their vessels back to Seattle. Very little of our groundfish quota has been harvested to date due to the lack of CDQ qualified observers. Our cod partner could not begin fishing cod until after a long waiting period. Cod Partner was prepared to leave port after making arrangements for observers and was notified that the observers they had contracted for were not available. The Lisa Marie sought to fish CDQ Pacific cod at the end of open access and after waiting for nearly two weeks decided to return to port and off load all their gear and setup to enter another fishery because they could not get a CDQ qualified observer.

F/V Lisa Marie

F/V Lisa Marie fished for CDQ and open access Opilio crab, open access cod and CDQ halibut

F/V Blue Dolphin

F/V Blue Dolphin was outfitted for fishing at our shop in Seward and left for Adak in June to jig fish for true cod.

32-Foot Vessels

The five 32-foot vessels fished for Norton Sound Herring out of Nome and at the end of June were being prepared to fish Norton Sound Red King Crab.