

**BBEDC**  
**Decennial Review Report**  
**2006 - 2010**

**November 2012**



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## INTRODUCTION

The Bristol Bay Economic Development Corporation (BBEDC) is providing this report to the State of Alaska, for purposes of the Decennial Review required by 16 U.S.C. 1855(i)(1)(H), for the period January 1, 2006 through December 31, 2010.

The Bristol Bay Economic Development Corporation is eligible to participate in the Community Development Quota (CDQ) program, as defined in 16 U.S.C. 1855(i)(1)(E), based upon the following:

- i. BBEDC is governed by a 17-member board of directors, one member selected by each of BBEDC's 17 member villages, of which 100% are resident fishers from BBEDC's member villages.
- ii. BBEDC's representative to the community development quota program panel is H. Robin Samuelsen, Jr.
- iii. BBEDC does not have any non-fishery "Other Investments" as defined in 16 U.S.C. 1855(i)(1)(E)(iii).
- iv. BBEDC has made 100% of its annual investments in fisheries-related projects or for other purposes consistent with its practices prior to March 1, 2006.
- v. BBEDC has submitted its "Annual Statement of Compliance" each year in a written statement to the Secretary and the State of Alaska that summarizes the purposes for which it made fishery related and non-fishery related investments during the preceding year.
- vi. BBEDC has complied with all requirements established by the Panel under 16 U.S.C. 1855 (i)(1)(G).

The Bristol Bay Economic Development Corporation was founded in 1992 as part of the Western Alaska Community Development Quota program, which was envisioned as a community development tool to facilitate the participation of Western Alaska communities in the Bering Sea/Aleutian Islands fisheries and to expand their participation in salmon, herring and other near-shore fisheries. The seventeen member communities of the BBEDC are:

1. Aleknagik
2. Clark's Point
3. Dillingham
4. Egegik
5. Ekuk
6. Ekwok
7. King Salmon
8. Levelock
9. Manokotak
10. Naknek
11. Pilot Point
12. Port Heiden
13. Portage Creek
14. South Naknek
15. Togiak
16. Twin Hills
17. Ugashik

According to 16 U.S.C. 1855(i)(1) the purpose of the CDQ program is to provide western Alaska villages with the opportunity to participate and invest in fisheries, to support economic development, to alleviate poverty and provide economic and social benefits for residents and to achieve sustainable and diversified local economies. As such, this BBEDC Decennial Review Report presents available data that highlights BBEDC's progress toward the CDQ program goals and assigns relative values to the following criteria to reflect the particular needs of the BBEDC villages:

- Criterion 1: Population, poverty and economic development
- Criterion 2: Financial performance (fishery and non-fishery investments)
- Criterion 3: Employment, scholarships and training
- Criterion 4: Achievement of CDP (community development plan) goals

# REVIEW CRITERIA

## OVERVIEW

The Federal CDQ Statute, 16 U.S.C. 1855(i)(1)(H), requires that the CDQ Panel establish a system to allow each CDQ Entity to individually assign relative values to the review criteria presented in the Decennial Reviews, which include:

- Criterion 1: Population, poverty and economic development
- Criterion 2: Financial performance (fishery and non-fishery investments)
- Criterion 3: Employment, scholarships and training
- Criterion 4: Achievement of CDP goals

Additionally, the Statute states that each CDQ is responsible to assign relative values to each criterion to reflect the needs of its member communities; while adhering to the Western Alaska Community Development Association (WACDA) CDQ Panel Resolution 2010-05 Decennial Review Standards. The 2010 Decennial Review Standards state that "each CDQ Entity shall use the following valuation system for the Criteria:

- a. The total value assigned to all four criteria shall equal 100 points.
- b. In performing its Decennial Review, each CDQ Entity shall allocate the total number of points between the Criteria in its sole discretion."

## ASSIGNMENT OF VALUE TO CRITERIA

After careful analysis and consideration, BBEDC has assigned the following values to each of the four review criteria:

- 10 Points - Criterion 1: Population, poverty and economic development
- 40 Points - Criterion 2: Financial performance (fishery and non-fishery investments)
- 25 Points - Criterion 3: Employment, scholarships and training
- 25 Points - Criterion 4: Achievement of CDP goals

Generally, BBEDC considers each of the four review criteria to be important. However, several compelling issues resulted in BBEDC assigning 10 points to Criterion 1 and 40 points to Criterion 2.

With respect to *Criterion 1: Population, poverty and economic development*, BBEDC had two compelling reasons for assigning 10 points to this criterion. First, unlike the remaining criteria, it is difficult to absolutely measure BBEDC's impact on Criterion 1 - Population, poverty and economic development. Many factors influence this criterion - such as, cost of living, rising fuel costs, availability of educational opportunities, social determinants and others - which BBEDC is not

able to directly influence. Second, as discussed throughout the narrative, the available measurement data for Criterion 1 is imperfect both in terms of availability and accuracy.

With respect to *Criterion 2: Financial performance (fishery and non-fishery investments)*, BBEDC assigned 40 points to this criterion primarily to reflect BBEDC's strategic emphasis on preparing itself to be self-endowed. BBEDC has implemented a strategy of investing in profitable fisheries investments and individual fishing quotas (IFQs) and to continue to reinvest those earnings into profitable fisheries investments and IFQs in order to generate sufficient income to support BBEDC's member-focused programs and services.

# CRITERION 1: POPULATION, POVERTY AND ECONOMIC DEVELOPMENT

## OVERVIEW

The first criterion that must be included in the Decennial Review, as required by the Federal CDQ statute, is "changes in population, poverty level and economic development" for the review period of 2006 through 2010.

Change in population from 2000 to 2010 has been defined, by the WACDA Decennial Review Committee, as the difference between the 2000 U.S. Census population and the 2010 U.S. Census population for each CDQ member community; whereas, the change in population from 2006 to 2010 has been defined as the difference between the 2006 State of Alaska population and the 2010 U.S. Census population for each CDQ member community.

Change in poverty level has been defined, by the WACDA Decennial Review Committee, as the difference between the number of persons living in poverty as reported in the 2000 U.S. Census and the 2006 - 2010 American Community Survey 5-year Average for each CDQ member community.

Change in economic development has been defined, by the WACDA Decennial Review Committee, as the difference between four distinct measures for each CDQ member community, including:

- median household income as reported by the 2000 U.S. Census and the 2006-2010 American Community Survey 5-year Average
- per capita income as reported by the 2000 U.S. Census and the 2006-2010 American Community Survey 5-year Average
- number of residents employed as reported by the Alaska Department of Labor and Workforce Development, Research & Analysis Section, 2007 and 2010
- total community wages as reported by the Alaska Department of Labor and Workforce Development, Research & Analysis Section, 2007 and 2010

The BBEDC-assigned value for Criterion 1 is 10 points.

## DATA SOURCES

The data sources for this criterion include:

- U.S. Census Bureau - 2000 and 2010 U.S. Census data
- U.S. Census Bureau - 2006-2010 American Community Survey 5-year Average Data

- Alaska Department of Labor and Workforce Development, Research & Analysis Section - 2006 Population Data
- Alaska Department of Labor and Workforce Development, Research & Analysis Section, 2007 and 2010 Employment and Wages Data

## DATA LIMITATIONS

The findings in this criterion were compiled and compared using secondary data from the 2000 and 2010 U.S. Census and the 2006 - 2010 American Community Survey 5-year Average. There are several significant concerns when comparing data from these two sources. An overview of these challenges is included in the appendix to this report. However, the most challenging concern is the significant margins of errors reported for the 2006-2010 American Community Survey 5-year Average data, which primarily are the result of the very small sample sizes involved in surveying Bristol Bay area villages.

For example, the margins of errors for percent of population living in poverty in BBEDC member communities range from 3% to 40% - resulting in a possible range from as little as 3% to 8% in a particular community to as large as 5% to 80% in another community. Such extreme ranges make it difficult to definitively measure the changes in poverty and economic development from 2006 to 2010 in BBEDC communities.

Another data challenge encountered is the dates that data are available. Some statistics are available only in decennial census years, some statistics are available in the 2000 decennial census and not the 2010 decennial census, some statistics are available from the State of Alaska prior to 2007, and some statistics collected in the 2000 Census are actually based upon 1999 information. These data timing differences result in imprecise comparisons for the reporting period of 2006 through 2010 - comparison might only be possible for 1999 and the 2006-2010 5-year Average, for 2007 and 2010 or for 2000 and 2010.

Additionally, the jobs and wages data reported by the State of Alaska, Department of Labor and Workforce Development generally are obtained through payroll information reported to the State by employers. By definition, such a data collection and reporting process will exclude individuals who are self-employed or who do not otherwise pay state unemployment taxes. Unfortunately, many of the BBEDC-member village residents are self-employed as fishers and, therefore, are not included in the State of Alaska data.

Each of the performance charts presented below include footnotes which explain the data source, the year the data was collected and other pertinent data details.

## BBEDC PERFORMANCE

It is the mission of the Bristol Bay Economic Development Corporation to “promote economic growth and opportunities for residents of its member communities through sustainable use of the Bering Sea resources.” All of BBEDC's investments, programs and economic development

efforts are focused on economic growth and opportunities for residents of the region. Whether it is through its active employment programs, individual training programs, village-based assistance grants or regional fisheries development programs, BBEDC strives to positively impact the current and future economic condition of its member-village residents.

Following is just a few examples of the myriad ways BBEDC has positively impacted residents' income, employment status and/or wages:

- Training - Port Heiden is located on the north side of the Alaska Peninsula, approximately 400 air miles southwest of Anchorage. The community has two former military installations, which created significant environmental cleanup issues: Fort Morrow, a WWII Army Air Corps base, and the Port Heiden Radio Relay Site (RRS), a portion of which is still owned by the Air Force. BBEDC funded hazmat training, for residents of Port Heiden, Pilot Point, Ugashik and other communities, to secure employment in the multi-year environmental cleanup efforts of the U.S. Air Force.
- Community development grants - BBEDC has provided a wide variety of community development grants, totaling over \$16.2 million during the reporting period of 2006 through 2010, to its member villages, which have been utilized to build docks, build health clinics, repair community infrastructure, build/maintain community buildings, build/upgrade fish processing plants, purchase public safety equipment and other infrastructure related activities. One such grant to the village of Togiak resulted in the establishment of a seafood processing plant in Togiak, 50% owned by the Traditional Council of Togiak, which employs approximately 40 residents per summer season, helps to create new markets for Togiak salmon and helps to raise prices paid to local fishers.
- Regional fisheries development programs - BBEDC has conducted a wide variety of regional fisheries development programs including business training, certification programs, quality control programs and marketing programs. One such effort, into which BBEDC invested \$6.4 million over the reporting period, has been to provide training and infrastructure for local fishers to chill their catch including operating two ice barges in the region, providing funding for ice machines in member villages, providing totes and slush bags to local fishers and funding upgrades of residents' vessels.

## Population

The following *Communities' Population* chart presents the 2000 U.S. Census Bureau population, the 2006 State of Alaska population and the 2010 U.S. Census Bureau population and compares the 2006 State population to the 2010 U.S. Census Bureau population. The difference is then calculated into a percentage of change of population, loss or gain for the community itself and for the BBEDC communities as a whole.

Communities' Population					
	2000 <sup>1</sup>	2006 <sup>2</sup>	2010 <sup>3</sup>	2006 vs. 2010	
				Change	% Change <sup>4</sup>
Aleknagik	221	235	219	-16	-6.8%
Clark's Point	75	70	62	-8	-11.4%
Dillingham	2,466	2,389	2,329	-60	-2.5%
Egegik	116	76	109	33	43.4%
Ekuk	na <sup>5</sup>	na	na	na	na
Ekwok	130	121	115	-6	-5.0%
King Salmon	442	378	374	-4	-1.1%
Levelock	122	64	69	5	7.8%
Manokotak	399	413	442	29	7.0%
Naknek	678	604	544	-60	-9.9%
Pilot Point	100	72	68	-4	-5.6%
Port Heiden	119	89	102	13	14.6%
Portage Creek	36	11	2	-9	-81.8%
South Naknek	137	95	79	-16	-16.8%
Togiak	809	775	817	42	5.4%
Twin Hills	69	80	74	-6	-7.5%
Ugashik	11	18	12	-6	-33.3%
<b>BBEDC Total</b>	<b>5,930</b>	<b>5,490</b>	<b>5,417</b>	<b>-73</b>	<b>-1.3%</b>

### Footnotes:

<sup>1</sup> Source: U.S. Census Bureau, 2000 Census

<sup>2</sup> Source: Alaska Department of Labor and Workforce Development, Research & Analysis Section

<sup>3</sup> Source: U.S. Census Bureau, 2010 Census

<sup>4</sup> % Change = (2010 Population - 2006 Population)/2006 Population

<sup>5</sup> na = Not Available - Not a Census Designated Place (CDP) - Estimates not available

Several studies conducted by the University of Alaska Anchorage, Institute of Social and Economic Research<sup>1</sup> have identified causal factors of migration from small, remote communities as lack of cash jobs, better access to education and/or medical care and increasingly higher costs of living. And, while individual BBEDC communities have experienced the impact of these causal factors, overall, the BBEDC communities' population has remained relatively constant from 2006 to 2010.

<sup>1</sup> Martin, S., Killorin, M., & Colt, S. (2008). Fuel Costs, Migration, and Community Viability. Institute of Social and Economic Research, UAA. & Goldsmith, Scott. (2008). Understanding Alaska's Remote Rural Economy, Institute of Social and Economic Research, UAA.

## Poverty

The following *Communities' Poverty Rate* chart presents the 2000 U.S. Census Bureau estimate and percent of total persons living in poverty, which is based on 1999 data, and compares it to the U.S. Census Bureau 2006-2010 American Community Survey 5-year Average data. This chart compares the poverty estimates for 1999 with the estimates in the 2006-2010 data and presents the change in the estimate of total individuals and the percent of population living in poverty. The margins of errors notwithstanding, the data estimates that both the absolute number of persons living in poverty and the percentage of population living in poverty declined from 1,038, or 17.8% of the population, living in poverty in 1999 to 805, or 15.1% of the population, living in poverty in 2010 - a decrease of 233 or 15.2% of the population.

Communities' Poverty Rate								
	1999 <sup>1</sup>		2006-2010 5 Year Data <sup>2</sup>				1999 vs. 2006-2010	
	Estimate	%	Estimate	Estimate Margin of Error +/-	%	% Margin of Error +/-	Change	% Change <sup>3</sup>
Aleknagik	95	40.8%	114	67	40.0%	19.2%	19	-2.0%
Clark's Point	37	45.7%	25	22	44.6%	39.5%	-12	-2.4%
Dillingham	287	11.7%	289	117	13.2%	5.0%	2	12.8%
Egegik	8	6.9%	6	7	14.3%	11.0%	-2	107.2%
Ekuk	na <sup>4</sup>	na	na	na	na	na	na	na
Ekwok	34	32.1%	30	22	17.2%	13.0%	-4	-46.4%
King Salmon	55	12.4%	7	15	1.9%	3.7%	-48	-84.7%
Levelock	27	24.5%	39	31	20.2%	16.5%	12	-17.6%
Manokotak	141	35.3%	87	38	25.5%	10.7%	-54	-27.8%
Naknek	25	3.7%	29	19	5.1%	3.3%	4	37.8%
Pilot Point	25	20.8%	1	8	2.3%	15.2%	-24	-88.9%
Port Heiden	5	5.6%	24	27	27.9%	27.3%	19	398.2%
Portage Creek	na	na	na	na	na	na	na	na
South Naknek	39	27.1%	16	12	17.6%	13.8%	-23	-35.1%
Togiak	247	29.9%	138	64	16.6%	6.4%	-109	-44.5%
Twin Hills	12	27.9%	0	109	0.0%	44.3%	-12	-100.0%
Ugashik	1	10.0%	0	109	0.0%	100.0%	-1	-100.0%
<b>BBEDC Total</b>	<b>1,038</b>	<b>17.8%</b>	<b>805</b>	<b>667</b>	<b>15.1%</b> <sup>5</sup>	<b>na</b>	<b>-233</b>	<b>-15.2%</b>

### Footnotes:

<sup>1</sup> Source: U.S. Census Bureau - 2000 US Census reports 1999 data

<sup>2</sup> Source: U.S. Census Bureau, *American Community Survey 5 - year average population estimates and characteristics*

<sup>3</sup> % Change = (2006-2010% - 1999%)/1999%

<sup>4</sup> na = Not Available - Not Reported by U.S. Census Bureau

<sup>5</sup> BBEDC Total Percent = BBEDC Total 2006-2010 5 Year Data Estimate/ACS 2006-2010 Poverty Population

*Economic Development*  
Median Household Income

The following *Median Household Income* chart presents the 2000 U.S. Census Bureau estimate and median household income, which is based on 1999 data, and compares it to the U.S. Census Bureau 2006-2010 American Community Survey 5-year Average data. This chart compares the median household income for 1999 with the estimates in the 2006-2010 data and presents the change in both the estimated median household income and the percent of change from 1999 to 2010.

Of the 17 BBEDC communities, four were not reported by the U.S. Census Bureau (due to insufficient data) and only one community showed a reduction of median household income. The margins of errors notwithstanding, the data estimates that median household income increased from \$42,535 in 1999 to \$68,864 in 2010 on average throughout the BBEDC-member communities - an increase of 61.9% or \$26,329 per year.

**Communities' Income**  
**Median Household Income**

	1999 <sup>1</sup>	2006-2010 5-Year Data <sup>2</sup>		1999 vs. 2006-2010	
	Estimate (Dollars)	Estimate (Dollars)	Margin of Error +/- (Dollars)	Change (Dollars)	% Change <sup>3</sup>
Aleknagik	22,750	47,188	22,563	24,438	107.4%
Clark's Point	na <sup>4</sup>	na	na	na	na
Dillingham	51,458	74,828	8,741	23,370	45.4%
Egegik	46,000	74,167	56,600	28,167	61.2%
Ekuk	na	na	na	na	na
Ekwok	16,250	71,875	52,756	55,625	342.3%
King Salmon	54,375	90,417	23,211	36,042	66.3%
Levelock	18,750	46,607	20,537	27,857	148.6%
Manokotak	26,875	32,500	11,762	5,625	20.9%
Naknek	42,500	93,750	34,479	51,250	120.6%
Pilot Point	41,250	33,333	18,541	-7,917	-19.2%
Port Heiden	31,875	51,500	20,749	19,625	61.6%
Portage Creek	na	na	na	na	na
South Naknek	22,344	52,188	28,227	29,844	133.6%
Togiak	23,977	42,813	3,187	18,836	78.6%
Twin Hills	29,375	36,667	34,921	7,292	24.8%
Ugashik	28,750 <sup>5</sup>	na	na	na	na
<b>BBEDC Total</b>	<b>42,535</b> <sup>6</sup>	<b>68,864</b> <sup>6</sup>	<b>na</b>	<b>26,329</b>	<b>61.9%</b>

**Footnotes:**

<sup>1</sup> Source: U.S. Census Bureau - 2000 US Census reports 1999 data

<sup>2</sup> Source: American Community Survey 5 - year average population estimates and characteristics

<sup>3</sup> % Change = (2006-2010 Estimate-1999 Estimate)/1999 Estimate

<sup>4</sup> na = Not Available

<sup>5</sup> Ugashik 1999 is not included in BBEDC Total due to lack of 2006-2010 comparable data

<sup>6</sup> BBEDC Total = (Sum (Median HH Income per Community x # of HHs))/Total BBEDC Households

## Per Capita Income

The following *Per Capita Income* chart presents the 2000 U.S. Census Bureau estimate and median household income, which is based on 1999 data, and compares it to the U.S. Census Bureau 2006-2010 American Community Survey 5-year Average data. This chart compares the per capita income for 1999 with the estimates in the 2006-2010 data and presents the change in both the estimated per capita and the percent of change from 1999 to 2010.

Of the 17 BBEDC communities, four were unreported by U.S. Census (due to insufficient data) and only one community showed a reduction in per capita income. The margins of errors notwithstanding, the data estimates that per capita income increased from \$16,904 in 1999 to \$25,484 in 2010 on average throughout the BBEDC-member communities - an increase of 50.8% or \$8,580 per year.

### Communities' Income Per Capita Income

	1999 <sup>1</sup>	2006-2010 5-Year Data <sup>2</sup>		1999 vs. 2006-2010	
	Estimate (Dollars)	Estimate (Dollars)	Margin of Error +/- (Dollars)	Change	% Change <sup>3</sup>
Aleknagik	10,973	14,920	4,938	3,947	36.0%
Clark's Point	na <sup>4</sup>	na	na	na	na
Dillingham	21,537	34,156	2,772	12,619	58.6%
Egegik	16,352	21,571	14,075	5,219	31.9%
Ekuk	na	na	na	na	na
Ekwok	11,079	23,636	5,116	12,557	113.3%
King Salmon	26,755	36,510	7,681	9,755	36.5%
Levelock	12,199	8,400	4,805	-3,799	-31.1%
Manokotak	9,294	11,459	2,616	2,165	23.3%
Naknek	10,577	30,378	6,220	19,801	187.2%
Pilot Point	12,627	16,818	12,063	4,191	33.2%
Port Heiden	20,532	22,257	10,752	1,725	8.4%
Portage Creek	na	na	na	na	na
South Naknek	13,019	14,667	5,444	1,648	12.7%
Togiak	9,676	10,406	1,430	730	7.5%
Twin Hills	16,856	23,034	10,966	6,178	36.7%
Ugashik	35,417 <sup>5</sup>	na	na	na	na
<b>BBEDC Total</b>	<b>16,904</b> <sup>6</sup>	<b>25,484</b> <sup>6</sup>	<b>na</b>	<b>8,580</b>	<b>50.8%</b>

#### Footnotes:

<sup>1</sup> Source: U.S. Census Bureau - 2000 US Census reports 1999 data

<sup>2</sup> Source: American Community Survey 5 - year average population estimates and characteristics

<sup>3</sup> % Change = (2006-2010 Estimate - 1999 Estimate)/1999 Estimate

<sup>4</sup> na = Not Available

<sup>5</sup> Ugashik 1999 is not included in BBEDC Total due to lack of 2006-2010 comparable data

<sup>6</sup> BBEDC Total = (Sum (Per Capita Income per Community x Community Population))/Estimated Total BBEDC Population

## Jobs

The following *Communities' Jobs* chart presents the 2007 and 2010 Alaska Department of Labor and Workforce Development data for numbers of residents employed. This chart compares estimates of the number of residents employed in 2007 to the number employed in 2010 and presents the change in both the estimated number of residents employed and the percent of change from 2007 to 2010.

Of the 17 BBEDC communities, three were unreported by the State (due to insufficient data). Overall, from 2007 to 2010 the estimated number of residents employed in BBEDC-member communities increased slightly from 3,140 to 3,158 - exclusive of fishers and other individuals who are self-employed and do not report employment data to the State of Alaska.

### Communities' Jobs Number of Residents Employed

	2007 <sup>1,2</sup>	2010 <sup>1</sup>	2007 vs. 2010	
			Change	% Change <sup>3</sup>
Aleknagik	91	92	1	1.1%
Clark's Point	54	47	-7	-13.0%
Dillingham	1,672	1,678	6	0.4%
Egegik	35	32	-3	-8.6%
Ekuk	na <sup>4</sup>	na	na	na
Ekwok	55	58	3	5.5%
King Salmon	224	207	-17	-7.6%
Levelock	37	34	-3	-8.1%
Manokotak	290	329	39	13.4%
Naknek	277	258	-19	-6.9%
Pilot Point	34	42	8	23.5%
Port Heiden	53	52	-1	-1.9%
Portage Creek	na	na	na	na
South Naknek	45	28	-17	-37.8%
Togiak	231	266	35	15.2%
Twin Hills	42	35	-7	-16.7%
Ugashik	na	na	na	na
<b>BBEDC Total</b>	<b>3,140</b>	<b>3,158</b>	<b>18</b>	<b>0.6%</b>

#### Footnotes:

<sup>1</sup> Source: Alaska Department of Labor and Workforce Development, Research & Analysis Section (ADLWD)

<sup>2</sup> ADLWD data by community is not available prior to 2007

<sup>3</sup> % Change = (2010 Employment - 2007 Employment)/2007 Employment

<sup>4</sup> na = Not Available

## Wages

The following *Communities' Total Wages* chart presents the 2007 and 2010 Alaska Department of Labor and Workforce Development data for total wages earned in BBEDC-member communities. This chart compares estimates of the total wages earned in communities in 2007 to the total wages earned in 2010 and presents the change in both the estimated total communities' wages and the percent of change from 2007 to 2010.

Of the 17 BBEDC communities, three were unreported by the State (due to insufficient data). Overall, from 2007 to 2010 the estimated total wages in BBEDC-member communities increased from \$72.5 million to \$78.1 million - again, exclusive of fishers and other individuals who are self-employed and do not report employment data to the State of Alaska.

**Communities' Total Wages**

	2007 <sup>1,2</sup>	2010 <sup>1</sup>	2007 vs. 2010	
			Change	% Change <sup>3</sup>
Aleknagik	2,142,490	2,249,527	107,037	5.0%
Clark's Point	477,579	422,801	-54,778	-11.5%
Dillingham	40,352,519	43,968,742	3,616,223	9.0%
Egegik	729,989	933,198	203,209	27.8%
Ekuk	na <sup>4</sup>	na	na	na
Ekwok	932,861	877,612	-55,249	-5.9%
King Salmon	9,011,275	8,480,960	-530,315	-5.9%
Levelock	815,289	553,128	-262,161	-32.2%
Manokotak	2,034,439	2,511,427	476,988	23.4%
Naknek	8,650,750	9,689,518	1,038,768	12.0%
Pilot Point	635,385	939,316	303,931	47.8%
Port Heiden	1,095,057	1,511,588	416,531	38.0%
Portage Creek	na	na	na	na
South Naknek	1,015,387	840,358	-175,029	-17.2%
Togiak	4,021,749	4,360,828	339,079	8.4%
Twin Hills	592,584	723,576	130,992	22.1%
Ugashik	na	166,266	na	na
<b>BBEDC Total</b>	<b>72,507,353</b>	<b>78,062,579</b> <sup>5</sup>	<b>5,555,226</b>	<b>7.7%</b>

**Footnotes:**

<sup>1</sup> Source: Alaska Department of Labor and Workforce Development, Research & Analysis Section (ADLWD)

<sup>2</sup> ADLWD data by community is not available prior to 2007

<sup>3</sup> % Change = (2010 Wages - 2007 Wages)/2007 Wages

<sup>4</sup> na = Not Available

<sup>5</sup> Ugashik 2010 is not included in BBEDC Total due to lack of 2007 comparable data

## CRITERION 2: FINANCIAL PERFORMANCE (FISHERY AND NON-FISHERY INVESTMENTS)

### OVERVIEW

The second criterion that must be included in the Decennial Review, as required by the Federal CDQ statute, is "overall financial performance of the Entity, including fishery and non-fishery investments in the Entity" for the review period of 2006 through 2010.

Measures of overall financial performance have been defined, by the WACDA Decennial Review Committee, in two categories - investments and net assets. Investment measures include total book value of BBEDC investments and the change in book value of BBEDC investments per year for both fishery investments and nonfishery investments. Net assets measures include total net assets, the change in net assets, return on net assets and long-term debt to net assets per year.

The BBEDC-assigned value for Criterion 2 is 40 points.

### DATA SOURCES

The data source for this criterion is historic BBEDC financial information and, unless noted, the information is consistent with information in the BBEDC annual audited financial statements, Annual Sector Reports and BBEDC Annual Reports.

### DATA LIMITATIONS

None.

### BBEDC PERFORMANCE

BBEDC's board of directors has engaged in a robust strategic planning process since the organization's inception and has utilized the process to guide the overall direction of the organization's investments and programs. One fundamental early strategy was the recognition that CDQ-related income might not always be available and that BBEDC should prepare itself to be self-endowed. Thus, BBEDC developed a strategy of investing in profitable fisheries investments and individual fishing quotas (IFQs) and to continue to reinvest those earnings into profitable fisheries investments and IFQs. In 2007, BBEDC made its first significant in-region fishery investment with the purchase of an ownership position in Ocean Beauty Seafoods, LLC. BBEDC has been successful in its fisheries investments over the reporting period, growing from an estimated fair value of \$70 million to over \$161 million by the end of 2010. Even so, BBEDC has recognized that it will take continued support from CDQ royalties for many more years to raise the capital needed for investment in the region and to generate an income stream adequate for self-sufficiency. The financial measures below are reflective of this strategy.

## Investments

The following *Investments - Per Audited Financial Statements* chart presents for fishery and non-fishery investments - the total book value of investments, the annual change in book value of investments for all BBEDC investments for each year of the reporting period (2006 to 2010) as well as an average annual investment for the period. Fishery investments, as reported per the BBEDC-audited financial statements, include in-region, Bering Sea/Aleutian Islands (BSAI) and other fishery investments and reflect information previously reported in the Annual Sector Reports. All of BBEDC's investments for the reporting period were fishery investments.

The information in the *Investments - Per Audited Financial Statements* chart is reflective of the following:

- 2006 - BBEDC purchases a 50% interest in three LLCs - the Alaskan Leader Vessel, which owns a freezer long-line vessel and associated fishing rights and Alaskan Leader Fisheries and Alaskan Leader Seafoods, the management and sales companies for the Alaskan Leader fleet.
- 2007 - BBEDC purchases a 50% interest in Ocean Beauty Seafoods, LLC, its first significant in-region investment in the salmon fishery, as well as 40-50% interests in LLCs that own three crab vessels and their associated IFQs.
- 2008 - BBEDC sells its directly-owned 49% share of pollock vessel to a 50% BBEDC-owned company.
- 2009 - BBEDC investments experience losses due to recession.
- 2010 - BBEDC investments begin recovery from recession, while partnerships retained additional equity due to more restrictive loan covenants.

### Investments - Per Audited Financial Statements (Dollars)

	2006	2007	2008	2009	2010	Average Annual Investment <sup>3</sup>
<b>Total Fishery Investments</b> <sup>1</sup>	59,196,731	105,620,739	99,257,019	96,228,437	103,175,202	
<b>Fishery Investments by Year</b> <sup>1,2</sup>	5,700,142	46,424,008	(6,363,720)	(3,028,582)	6,946,765	9,935,723
<b>Total Non-fishery Investments</b>	-	-	-	-	-	

#### Footnotes:

<sup>1</sup> Investments include book value of In-region, BSAI and other fishery investments as reported on Annual Sector Reports

<sup>2</sup> Fishery Investments by Year = Annual change in book value of investments

<sup>3</sup> Average Annual Investment = the sum of Fishery Investments by Year divided by 5

An *Investments - Per Panel Rule* chart has not been included by BBEDC, because all of BBEDC's investments are fishery investments and do not include any non-fishery investments. Therefore, the *Investments - Per Panel Rule* chart is not germane to BBEDC at this time.

## Net Assets

The following *Net Assets* chart presents total net assets, the change in net assets, return on net assets and long-term debt to net assets for each year of the reporting period (2006 to 2010). The BBEDC net asset information, as reported per the BBEDC audited financial statements, is consistent with information previously reported in the Annual Sector Reports.

Due to very successful efforts to maximize revenue from its quotas, BBEDC grew its net assets each year during the reporting period - increasing total net assets 56% from 2006 to 2010, an average of 11.3% per year. Additionally, BBEDC maintained an average return on net assets of 12.3% per year from 2006 to 2010; a significant return given the worldwide recession beginning in 2008.

BBEDC has historically carried relatively little long-term debt; and, thus has enjoyed relatively low long-term debt to net assets (LTD to NA) ratios. BBEDC did acquire additional debt in 2007 for the purchase of its 50% interest in Ocean Beauty Seafoods, LLC, which was primarily retired by 2010.

### Net Assets <sup>1</sup> (Dollars)

	2006	2007	2008	2009	2010
<b>Total Net Assets</b>	111,284,645	131,768,657	140,403,462	150,631,268	174,072,560
<b>Change in Net Assets</b>	17,347,996	20,484,012	8,634,805	10,227,806	23,441,292
<b>% Change in Total Net Assets</b>	18.47%	18.41%	6.55%	7.28%	15.56%
<b>Average Total Net Assets</b>	102,610,647	121,526,651	136,086,060	145,517,365	162,351,914
<b>Return on Net Assets <sup>2</sup></b>	16.91%	16.86%	6.35%	7.03%	14.44%
<b>Long-Term Debt</b>	1,502,883	32,096,810	23,066,240	15,067,091	7,033,579
<b>Long-Term Debt to Net Assets <sup>3</sup></b>	1.35%	24.36%	16.43%	10.00%	4.04%

#### Footnotes:

<sup>1</sup> Net Assets = Total Assets - Total Liabilities as reported on annual audited financial statements

<sup>2</sup> Return on Net Assets = Change in Net Assets divided by Average Total Net Assets

<sup>3</sup> Long-Term Debt to Net Assets = Long-Term Debt divided by Total Net Assets

## CRITERION 3: EMPLOYMENT, SCHOLARSHIPS & TRAINING

### OVERVIEW

The third criterion that must be included in the Decennial Review, as required by the Federal CDQ statute, is "employment, scholarships and training supported by the entity" for the review period of 2006 through 2010.

Measures of employment performance have been defined, by the WACDA Decennial Review Committee, in two categories - direct employment and indirect employment. Direct employment includes unique individuals who were directly employed by BBEDC and/or any of its wholly-owned subsidiaries; while indirect employment includes unique individuals who were assisted or recruited by BBEDC in its regional employment efforts. Additionally, direct employment is categorized by total individuals employed, total wages paid by BBEDC and area of residency.

Scholarship, education and training assistance performance measurements include number of unique individuals assisted and total financial investment in the assistance.

The BBEDC-assigned value for Criterion 3 is 25 points.

### DATA SOURCES

The data source for this criterion is historic BBEDC program and financial information and, unless noted, the information is consistent with information previously reported in Annual Sector Reports and BBEDC Annual Reports.

### DATA LIMITATIONS

Available indirect employment information includes only the number of unique individuals assisted or recruited by BBEDC; because BBEDC is not the employer for these individuals, the actual wages are unknown.

### BBEDC PERFORMANCE

BBEDC has made a significant commitment to providing employment, scholarship, education and training opportunities to the region's residents. Employment opportunities range from high school student internships to Bering Sea offshore fisheries jobs - BBEDC has employed or helped to employ over two thousand residents from 2006 to 2010. Scholarship opportunities range from vocational certifications to graduate university degree programs - BBEDC has made approximately 1,000 scholarship awards totaling almost two million dollars from 2006 to 2010. Education and training opportunities range from adult basic education to business planning

assistance - BBEDC has assisted over two thousand residents and invested over one and a half million dollars in education and training efforts from 2006 to 2010.

### *Employment*

The following *Employment* chart presents direct and indirect employment - the total persons employed and total wages for each year of the reporting period (2006 to 2010) as well as totals for the period.

Direct employment is defined by WACDA as including "unique individuals directly employed by BBEDC and/or its wholly-owned subsidiaries". Due to its investment policy limiting ownership to 50%, BBEDC does not have any wholly-owned subsidiaries. Therefore, the vast majority of the BBEDC employment efforts result in indirect employment placements; which WACDA defines as including "unique individuals assisted or recruited by BBEDC in its regional employment efforts - not directly employed by BBEDC and/or its wholly-owned subsidiaries".

The information in the *Employment* chart is reflective of the following:

- direct employment includes BBEDC employees and seasonal positions
- BBEDC employees include administrative and program staff in Anchorage (2) and Dillingham (15)
- BBEDC seasonal positions are primarily seasonally-hired residents, who are placed in a variety of work situations that provide job skills, summer employment and exposure to a variety of employment opportunities
- BBEDC indirect employment is BBEDC community residents matched, through BBEDC employment programs, for at-sea employment opportunities with BBEDC fisheries partners as well as residents employed through BBEDC's community development grant funds and in BBEDC's Arctic Tern program

Due to a strong commitment to its direct and indirect employment programs, BBEDC increased the number of unique individuals employed and total wages paid each year during the reporting period - increasing total individuals employed by 190% from 2006 to 2010; while achieving a 90% rate in-region CDQ community residency hire rate.

#### **Employment**

Unique Individuals Employed	2006		2007		2008		2009		2010		TOTAL	
	Persons	Wages (Dollars)	Persons	Wages (Dollars)								
Direct Employment <sup>1</sup>	66	1,133,953	75	1,294,634	85	1,386,595	82	1,568,526	83	1,559,453	<b>391</b>	<b>6,943,161</b>
Indirect Employment <sup>2</sup>	175	na <sup>3</sup>	283	na	347	na	535	na	626	na	<b>1,966</b>	<b>na</b>

**Footnotes:**

<sup>1</sup> Direct Employment includes unique individuals directly employed by BBEDC and/or its wholly-owned subsidiaries

<sup>2</sup> Indirect Employment includes unique individuals assisted or recruited by BBEDC in its regional employment efforts - not directly employed by BBEDC or its wholly-owned subsidiaries

<sup>3</sup> Indirect Employment wage data are not available

### Direct Employment <sup>1</sup> By Residency

Unique Individuals Employed	2006		2007		2008		2009		2010		TOTAL	
	Persons	Wages (Dollars)	Persons	Wages (Dollars)								
CDQ Community Resident In-Region	59	980,432	66	1,090,236	78	1,135,422	76	1,342,190	79	1,335,715	358	5,883,995
CDQ Community Resident Out of Region	-	-	-	-	-	-	-	-	-	-	-	-
Other Western Alaska Resident	4	19,644	5	14,728	2	9,968	2	8,784	-	-	13	53,124
Other Alaska Resident	1	120,645	2	177,146	5	241,205	4	217,552	4	223,738	16	980,286
Nonresident	2	13,232	2	12,524	-	-	-	-	-	-	4	25,756
<b>Total Direct Employment</b>	<b>66</b>	<b>1,133,953</b>	<b>75</b>	<b>1,294,634</b>	<b>85</b>	<b>1,386,595</b>	<b>82</b>	<b>1,568,526</b>	<b>83</b>	<b>1,559,453</b>	<b>391</b>	<b>6,943,161</b>

**Footnotes:**

<sup>1</sup> Direct Employment includes unique individuals directly employed by BBEDC and/or its wholly-owned subsidiaries

### *Scholarships, Training & Education*

The following *Scholarships, Training & Education* chart presents the total persons assisted and the total BBEDC investment for each year of the reporting period (2006 to 2010) for scholarships paid by BBEDC and for education and training opportunities funded by BBEDC.

BBEDC's scholarship, training and education programs are designed to assist BBEDC residents to gain education, skills and knowledge that will enhance their current employment and/or future opportunities. Again, due to a strong commitment to its scholarship and training programs, BBEDC increased the number of unique BBEDC residents assisted each year during the reporting period - increasing the number of BBEDC residents assisted by 63% from 2006 to 2010 and growing the annual investment by 97% from 2006 to 2010.

### Scholarships, Training & Education <sup>1</sup>

	2006		2007		2008		2009		2010	
	#	\$	#	\$	#	\$	#	\$	#	\$
Scholarships	133	301,500	198	354,500	191	452,849	218	333,870	242	483,313
Training & Education	382	146,387	494	287,906	421	298,652	384	476,315	599	399,723

**Footnotes:**

<sup>1</sup> Includes 100% BBEDC in-region residents

## CRITERION 4: ACHIEVEMENT OF CDP GOALS

### OVERVIEW

The final criterion that must be included in the Decennial Review, as required by the Federal CDQ statute, is "achievement of the goals of the entity's community development plan" for the review period of 2006 through 2010.

Through the Western Alaska CDQ Program, BBEDC receives allocations of Bering Sea/Aleutian Islands groundfish, halibut, crab and prohibited species, which were established through periodic CDQ application processes. The Coast Guard Act of 2006 amended the Magnuson-Stevens Act (MSA) and set allocations for target fisheries at a level in place in 2005. The Act further authorized the WACDA to allocate amongst its members 0.7% of the total allowable catch (TAC) for allocated groundfish species, except for pollock and sablefish, based on non-target needs; which was first allocated in 2008. Non-targeted species were no longer allocated beginning in 2007.

During the review period, BBEDC prepared Community Development Plans (CDP) to meet the requirements of the MSA to "... describe how the entity intends to harvest its share of the fishery resources allocated to the program ...". The CDPs outlined the target fisheries, the gear types and the approximate fishing dates as well as a bycatch avoidance plan.

The BBEDC-assigned value for Criterion 4 is 25 points.

### DATA SOURCES

The data source for this criterion is historic BBEDC program information including its Community Development Plans and catch records. The data included in the below charts is consistent with information previously reported in Annual Sector Reports and BBEDC Annual Reports.

### DATA LIMITATIONS

Some of the 2006 catch records were missing; however, BBEDC recreated the data from the generated royalty information. Using this approach, for groundfish species, standard National Marine Fisheries Service (NMFS) product recovery rates were used to calculate round weights. Additionally, BBEDC requested that the Alaska Department of Fish and Game (ADF&G) verify BBEDC crab harvest records; however, since it was unable to do so, BBEDC assumes the reported numbers to be correct.

## BBEDC PERFORMANCE

As the data below illustrates, BBEDC met the objectives of its CDPs including harvesting the allocations to the maximum extent practicable, in accordance with applicable regulations, avoiding bycatch to the maximum extent practicable.

Most allocations were harvested with trawl gear. Exceptions include the crab species and Bering Sea Fixed Gear sablefish (BS FG sablefish), which were harvested with pot gear, and Pacific cod, 4D and 4E halibut and Aleutian Islands Fixed Gear Sablefish (AI FG sablefish), which were harvested with longline gear. To ensure maximum harvest of its allocations, BBEDC either contracted directly with a harvester or pooled its quota with that of other groups to contract collectively with a harvester.

Today, strong partnerships with harvesters and the increase in rationalized fisheries have allowed for the BBEDC quota to be harvested in conjunction with the vessel's non-CDQ harvest, when the value is higher; unlike the early days of the program when CDQ was harvested after the end of the season. BBEDC has also been able to work with its partners to minimize bycatch rates. Because BBEDC and its partners worked closely and managed the quotas well, no "stop fishing orders" were issued during the period covered by this review.

For each species, BBEDC maintains a reserve – a relatively small amount not allocated to a harvester, to ensure no overages occur due to inadvertent overharvest or post-season observer data adjustments. The effect of those reserves is significant when considering the percentage of allocation harvested for species with small or regionally divided allocations, such as Atka mackerel or Pacific Ocean perch.

### *Directed Crab Fisheries*

The Bristol Bay red king, opilio and Eastern Aleutian golden king crab fisheries were fully utilized, with average harvests of more than 99%. Bairdi tanner crab reopened in 2006 at a low TAC, then closed again in 2010. The crab proved hard to find, with resulting low utilization rates in 2007-2009. St. Matthews blue king crab reopened in 2009 after being closed for many years - initially the harvest was low, but reached 100% in 2010.

**CDQ Performance  
Directed Crab Fisheries**

Species & Allocation	2006		2007		2008		2009		2010		Average % Harvest	Foot Notes
	Allocation	Harvest	Allocation	Harvest	Allocation	Harvest	Allocation	Harvest	Allocation	Harvest		
<i>Crab seasons overlap years. Adjusted to calendar years</i>												
Opilio Snow Crab (BSS) 20%	743,680	743,630	731,320	731,305	1,260,680	1,260,678	1,171,000	1,171,000	960,340	960,344	100.0%	
Bairdi Tanner Crab (BST) 19%	35,625	35,625	86,241	49,593	93,841	52,003	54,853	22,954	-	-	51.0%	1
Bristol Bay Red King Crab (BBR) 19%	295,013	294,554	387,277	387,277	386,916	384,010	304,171	304,120	281,941	281,941	99.8%	
Eastern Aleutians <sup>1</sup> Golden King Crab (EAG) 21%	54,000	53,595	53,595	53,595	56,135	56,135	56,700	56,076	56,700	56,700	99.6%	
St. Matthews Blue King Crab (SMB) 21%	-	-	-	-	-	-	14,004	-	19,200	19,200	50.0%	1

**Footnotes:**

<sup>1</sup> Bairdi Tanner crab were not found in marketable quantities in the western district in 2009. The fishery has been closed since then. The St. Matthews blue king crab fishery was closed for many years for rebuilding prior to the fall of 2009 and fishing efforts in 2009 for both IFQ and CDQ were largely unsuccessful.

### *Directed Halibut CDQ*

Harvest rates for 4D halibut were more than 99% however the 4E fishery harvest was more difficult. The harvest timeframe for Bristol Bay fishers is when the grounds are open and markets and bait are available - between the ice going out and the start of salmon season. After the salmon season, a majority of the commercial buyers shut down and fishers are left to rely on direct marketing the catch. During this review period, 4E halibut apparently moved into Bristol Bay late, if at all. The late May-mid-June period had sharply lower catch rates than prior years and overall harvest rates suffered.

Allocation	2006		2007		2008		2009		2010		Average % Harvest	Foot Notes
	Allocation	Harvest										
4D 26%	125,580	125,580	145,578	145,560	137,982	134,450	122,382	122,381	126,750	126,750	99.5%	
4E 30%	99,000	77,004	110,100	74,415	105,600	30,394	96,600	13,988	99,000	33,320	44.5%	1

**Footnotes:**

- 1 In years that 4E halibut is not able to be fully utilized by local harvesters, remaining 4E quota may be transferred to other CDQ groups. This practice reduces the amount of stranded fish that would otherwise go unharvested and fosters BBEDC's cooperative relationship with those CDQ groups.

### *Directed Groundfish CDQ*

The harvest rates for Bering Sea pollock was 100%. No pollock was harvested in the Aleutian Islands fishery, as that was essentially closed from 2000 onward due to Stellar sea lion restrictions.

Cod is caught in nearly all fisheries, so reserves are substantial and may exceed available capacity when released late in the year as other fisheries close and the balance is rolled over to the longline fleet. Cod harvest rates improved over the review period and the utilization rate in the directed fishery averaged 99% from 2008 through 2010. What is shown in the table is the overall utilization, which trails the directed fishery utilization and averages 97.8%, due to the above constraints.

Atka mackerel and Pacific Ocean perch allocations are small and are split between three sub areas in the Aleutians. Although pooling of these species helped to achieve high harvest rates, the small size of the Pacific Ocean perch quotas and the need to maintain reserves to protect against exceeding quotas proved to be a limitation.

Flatfish harvest rates in 2006 and 2007 were reasonably high, averaging 94% for yellowfin sole, 81% for rock sole and 44% for flathead sole. Rock sole is most valuable during the spring roe fishery and tends to be taken first. When flathead contains no roe it is worth a lot less and when it does not get harvested during the roe fishery it tends to stay in the water. Halibut PSQ (prohibited species quota) and cod also tend to limit the two fisheries.

However, the trends in flatfish allocation and catch diverged dramatically between 2006 and 2008. Harvest rates were good in 2007, then plunged in 2008 and stayed low through 2010 for two main reasons. First, flatfish TACs more than doubled as the pollock TAC dropped, flooding the fleet with 'free' non-CDQ fish. Second, the implementation of Amendment 80 cooperatives in 2008 resulted in some consolidation and provided much greater flexibility to the fleet due to

ending the race for fish. Thus, there was a greatly reduced incentive for Amendment 80 vessels to harvest CDQ fish.

BS and AI sablefish targets are prosecuted with pot and longline gear respectively. These are both very difficult fisheries with very low harvest rates. Even so, BBEDC's harvest rates averaged about 90%, with the exception of the 2006 AI fishery, when the fishing partner failed to harvest per their contract. In 2008, in part as a result of the 2006 AI fishery, BBEDC's affiliated longline company purchased a dedicated AI sablefish longliner, the *Judi B*, to catch CDQ and other sablefish, which resulted in consistently high harvest rates.

**CDQ PERFORMANCE**  
**Directed Groundfish CDQ**

			2006		2007		2008		2009		2010		Average % Harvest	Foot Notes
			Allocation	Harvest										
Allocation	Direct 10%	Bycatch 0.7%												
<b>Gadliod Targets</b>														
BS Pollock	21%		31,185.000	31,580.256	29,274.000	29,272.422	21,000.000	21,004.570	17,115.000	17,107.000	17,073.000	17,064.487	100.0%	1
AI Pollock	21%		399.000	-	399.000	-	399.000	-	399.000	-	399.000	-	0.0%	1
Pacific Cod	21%	19.838%	2,988.930	2,823.406	2,688.840	2,611.603	3,822.192	3,814.975	3,955.114	3,896.281	3,781.263	3,738.858	97.8%	
<b>AI Trawl Targets</b>														
WAI Atka Mackerel	15%	15.026%	174.450	155.406	108.000	100.704	271.276	259.643	271.280	263.329	330.673	324.210	94.6%	
CAI Atka Mackerel	15%	15.026%	450.000	375.680	333.000	332.955	390.059	387.434	521.693	519.847	475.142	471.298	96.3%	
EAI/BS Atka Mackerel	15%	15.026%	84.450	79.674	267.750	266.360	313.010	303.932	433.407	422.539	382.040	374.868	97.3%	
WAI Pacific Ocean Perch	15%	15.010%	57.150	56.313	86.850	81.863	122.146	116.465	104.646	93.233	104.967	94.996	93.5%	
CAI Pacific Ocean Perch	15%	15.010%	34.200	31.389	56.850	49.182	80.093	72.416	68.373	62.758	68.534	58.225	89.1%	
EAI Pacific Ocean Perch	15%	15.010%	34.650	33.300	55.950	46.366	78.648	68.550	67.410	62.717	67.731	59.509	89.3%	
<b>BS Flatfish Targets</b>														
Yellowfin Sole	24%	22.854%	1,722.720	1,533.635	2,448.000	2,440.237	5,759.951	982.295	5,375.895	150.546	5,606.291	354.540	43.0%	2
Rock Sole	23%	23.064%	715.990	525.444	948.750	847.178	1,846.086	290.514	2,215.278	290.883	2,215.278	311.180	41.1%	2
Flathead Sole	21%	22.375%	307.230	75.576	472.500	302.122	1,128.313	59.712	1,353.954	108.459	1,353.954	91.936	21.7%	2
<b>BSAI Sablefish Targets</b>														
BS FG Sablefish	21%		56.400	56.399	59.600	55.238	57.200	52.373	54.400	54.400	55.800	35.213	89.5%	3
AI FG Sablefish	19%		85.500	9.008	80.180	72.849	69.540	62.735	62.700	59.000	58.976	53.392	75.2%	3

**Footnotes:**

- 1 In productive, open pollock grounds, it is difficult to find the AI as much of the area has been closed to pollock fishing under Steller sea lion protection measures. When the AI pollock allocation to the CDQ program is at least 1,900 mt and the BS ABC is enough larger than the TAC, NMFS rolls stranded AI quota into the BS management area. In 2006 the AI allocation was rolled into and harvested in the BS, so BS + AI quota is included in calculating utilization. That was the only year in the period when the 'AI' quota was taken, as part of the BS harvest.
- 2 Yellowfin sole, rock sole and flathead sole are the primary flatfish targets in the BS. Yellowfin sole harvest is often strongly correlated with market conditions. Rock sole and flathead sole can be somewhat market driven, but the availability of limiting bycatch species - notably Pacific cod and halibut - is a significant factor as well. Beginning in 2008, flatfish TACs increased significantly due to lower BS pollock TAC. This made CDQ fishing considerably less attractive as vessels had more than enough of the same species allocated to them under the Amendment 80 program.
- 3 In 2006, the vessel contracted to harvest BS FG sablefish encountered low catch rates and was not able to take the full amount contracted. The *Judi B* was brought on line in 2008 to harvest AI FG sablefish. Prior to that, harvest was inconsistent. From 2007-2010, utilization averaged 91.4%. BS sablefish and AI sablefish allocations are used as bycatch reserves in other fisheries and are not directly targeted.

**PSQ Reserve Category**

BBEDC was able to stay far below its PSQ limits. During the review period, only halibut was treated as a hard cap, while reaching any of the other allocations would have triggered a time and area closure. In 2007, the pollock pool in which BBEDC participated would have been excluded from the Chinook Salmon Savings Area closures as a result of exceeding the trigger. It was exempt, however, from the closure because the entire fleet was participating under an experimental fishing permit to test the rolling hot spot system for chinook bycatch control.

**CDQ Performance  
PSQ Reserve Category**

	2006		2007		2008		2009		2010		Average % Harvest	Foot Notes
	Allocation	Harvest										
Zone 1 Red King Crab 21%	3,103	1,464	3,103	232	4,427	109	4,427	842	4,427	538	17.7%	
Zone 1 Bairdi Tanner Crab 24%	17,640	443	17,640	1,954	25,166	197	25,166	1,926	21,314	788	5.1%	
Zone 2 Bairdi Tanner Crab 23%	51,233	2,632	51,233	10,011	73,092	1,923	73,092	1,892	62,017	214	6.0%	
Opilio Tanner Crab 24%	103,710	300	78,300	17,377	111,708	1,202	111,708	19,354	111,708	395	8.2%	
Pacific Halibut 22%	75	37	75	43	75	50	75	22	86	34	48.0%	
Chinook Salmon 21%	457	296	457	668	457	348	457	54	457	66	62.7%	1
Non-Chinook Salmon 21%	662	170	662	322	944	78	944	42	944	-	17.4%	1

**Footnotes:**

1 BBEDC has been party to the Intercooperative Agreement (ICA) that under Amendment 84 exempts participants from salmon savings closure areas. During the 2006-10 time period of this review, CDQ allocations of salmon PSC were trigger caps, which would have closed the Chinook Salmon Savings Area if exceeded. In 2007, the worst Chinook bycatch year on record, BBEDC's Chinook bycatch would have been high enough to trigger the closure had it not been exempt.

***Non-Target Groundfish Species***

Several species of groundfish are allocated to the CDQ program, but are not targeted in commercial quantities. Under most circumstances, allocated non-target species are high value incidental species to other allocated targets. Occasionally, small amounts are targeted when the allocation available is sufficient and appropriate conditions are found on the fishing grounds.

Also as a result of the 2006 Coast Guard Act, allocations of certain species of groundfish were rescinded beginning in 2007. Non-allocated groundfish species are included in the following table for completeness.

**CDQ Performance  
Non-Target Groundfish Species**

Allocation	2006		2007		2008		2009		2010		Average % Harvest	Foot Notes
	Allocation	Harvest										
<b>Allocated Non-Target Groundfish Species</b>												
BS Sablefish (trawl) 22%	23.320	11.810	25.000	7.061	23.595	0.112	22.440	3.581	23.018	0.295	19.3%	
AI Sablefish (trawl) 20%	11.200	0.907	10.000	0.752	9.150	-	8.250	0.348	7.770	1.299	7.3%	
BS Greenland Turbot 20%	28.400	7.433	25.200	9.252	37.450	27.309	108.926	16.963	90.308	2.344	30.8%	
Arrowtooth Flounder 22%	214.500	176.167	330.000	302.881	1,765.500	141.645	1,765.500	282.983	1,765.500	163.146	41.4%	
<b>Non-Allocated Groundfish Species</b>												
AI Greenland Turbot 19%	12.160	4.917	-	-	-	-	-	-	-	-	40.4%	
Other Flatfish 24%	63.120	73.640	-	-	-	-	-	-	-	-	116.7%	
Alaska Plaice 21%	126.000	48.424	-	-	-	-	-	-	-	-	38.4%	
BS Pacific Ocean Perch 21%	22.050	11.531	-	-	-	-	-	-	-	-	52.3%	
BS Other Rockfish 19%	6.650	2.840	-	-	-	-	-	-	-	-	42.7%	
AI Other Rockfish 18%	7.920	2.616	-	-	-	-	-	-	-	-	33.0%	

## CONCLUSION/SUMMARY

### BBEDC'S PERFORMANCE

This BBEDC Decennial Review Report presents available data that illustrates that BBEDC has maintained or improved its performance with the respect to the review criteria, as weighted below:

- 10 Points - Criterion 1: Population, poverty and economic development
- 40 Points - Criterion 2: Financial performance (fishery and non-fishery investments)
- 25 Points - Criterion 3: Employment, scholarships and training
- 25 Points - Criterion 4: Achievement of community development plan goals

With respect to *Criterion 1 - Population, poverty and economic development*, BBEDC (the margins of error notwithstanding) has maintained or improved its performance from 2006 to 2010:

- population maintained
- persons living in poverty has declined from 1,038, or 17.8% of the population, living in poverty in 1999 to 805, or 15.1%, of the population living in poverty in 2010 - a decrease of 233 or 15.2% of the population
- median household income has increased from \$42,535 in 1999 to \$68,864 in 2010 on average throughout the BBEDC-member communities - an increase of 61.9% or \$26,329 per year
- per capita income has increased from \$16,904 in 1999 to \$25,484 in 2010 on average throughout the BBEDC-member communities - an increase of 50.8% or \$8,580 per year
- number of residents employed increased from 3,140 to 3,158
- total wages increased from \$72.5 million to \$78.1 million

With respect to *Criterion 2 - Financial performance (fishery and non-fishery investments)*, BBEDC has improved its performance from 2006 to 2010:

- total net assets increased 56%, an average of 11.3% per year
- average return on net assets was 12.3% annually
- carried relatively little long-term debt; and, have enjoyed relatively low long-term debt to net assets (LTD to NA) ratios

With respect to *Criterion 3 - Employment, scholarships and training*, BBEDC has improved its performance from 2006 to 2010:

- total individuals employed increased by 190%
- achieved a 90% rate in-region CDQ community residency hire rate

- number of BBEDC residents receiving scholarships, education and/or training assistance grew 63% and the annual investment grew by 97%

With respect to *Criterion 4 - Achievement of CDP goals*, BBEDC maintained or improved its performance from 2006 to 2010:

- The CDPs objectives were met each year including harvesting the allocations to the maximum extent practicable, in accordance with applicable regulations, while avoiding bycatch to the maximum extent practicable
- As the following chart illustrates, over the period, BBEDC maintained or improved its performance from 2006 to 2010. Species groupings are aggregated somewhat to simplify comparisons.

	2006			2010			2006-10		Foot Notes
	Allocation	Harvest	% Used	Allocation	Harvest	% Used	Change	Conclusion	
Pollock	31,584	31,580	100.00%	17,073	17,064	100.00%	0.00%	Maintained	
Crab	1,128,318	1,127,404	99.90%	1,318,181	1,318,185	100.00%	0.10%	Maintained	
Cod	2,989	2,823	94.50%	3,781	3,739	98.90%	4.70%	Improved	
Halibut	224,580	202,584	90.20%	225,750	160,070	70.90%	-21.40%	Maintained	1
Sablefish	142	65	46.10%	115	89	77.20%	67.50%	Improved	
BS Flatfish Targets	2,746	2,135	77.70%	9,176	758	8.30%	-89.40%	Maintained	2
Al Trawl Targets	835	732	87.60%	1,429	1,383	96.80%	10.40%	Improved	
PSQ									3
KingCrab	3,103	1,464	47.20%	4,427	538	12.20%	-74.20%	Reduced	
Tanner Crab	68,873	3,075	4.50%	83,331	1,002	1.20%	-73.10%	Reduced	
Opilio Crab	103,710	300	0.30%	111,708	395	0.40%	22.20%	Steady	4
Halibut, mt	75	37	48.60%	86	34	39.20%	-19.40%	Reduced	
Chinook	457	296	64.80%	457	66	14.40%	-77.70%	Reduced	5
Non-Chinook	662	170	25.70%	944	-	0.00%	-100.00%	Reduced	5

**Footnotes:**

<sup>1</sup> To the extent practicable given late halibut infill to BB later in period

<sup>2</sup> To the extent practicable huge TAC increase and A80 impacts

<sup>3</sup> While the MSA standard is 'maintain' or 'improve,' for PS, to 'reduce' is to improve, and 'steady' is to maintain.

<sup>4</sup> Even though the absolute numbers increased, keeping them below 1% of the threshold amount is steady.

<sup>5</sup> Salmon bycatch is highly variable. While reduced to zero in 2010, it's not practicable for bycatch to remain at zero in the future.

- The only species and areas where utilization rates declined were 4E halibut and BS Flatfish Targets. In both cases, circumstances beyond BBEDC's control caused utilization to decline. For further detail, please refer to the detail for those fisheries under the Directed Halibut CDQ and Directed Groundfish CDQ headings.

## ATTACHMENTS/APPENDICES

- A copy of the CDQ entity's CDP as filed annually with WACDA for the years pertaining to the review (2006-2010).

Attached to this Decennial Review Report are the 2009 and 2010 BBEDC CDPs, as filed with WACDA. While BBEDC did prepare a 2006 - 2008 CDP, 2006 amendments to the Magnuson-Stevens Fishery Conservation and Management Act rendered the CDP moot and, subsequently, the plan was not implemented. In 2008, the WACDA panel passed a rule requiring CDQs to file an annual CDP with WACDA; and, beginning in 2009 BBEDC annually has filed a CDP with WACDA.

- Copies of supporting documentation used by the CDQ entity in analyzing its performance and making its performance determination, if applicable.

Data used by BBEDC in analyzing its performance and making its performance determination includes U.S. Census Bureau and State of Alaska data that was obtained from online databases, which are not reproduced herein, and financial and operational data that are included in the BBEDC's annual reports, which are reproduced herein. Additionally, attached to this Decennial Review Report is a "*Discussion of Methodology, Data Differences and Data Limitations of U.S. Census Data and American Community Survey Data*", which discusses in greater detail several of the data related issues inherent in the use of various U.S. Census Bureau data related to Criterion 1.

- A list of WACDA-approved data sources for measuring population, poverty level, economic development and the overall financial performance of the entity.

Attached to this Decennial Review Report is a list of WACDA-approved data sources for measuring population, poverty level, economic development and the overall financial performance of BBEDC.

- Copies of the CDQ entity's annual reports for the years pertaining to the review.

Attached to this Decennial Review Report are copies of BBEDC's annual reports for the reporting period 2006 through 2010.

BBEDC 2009 AND 2010 CDPs

# Bristol Bay Economic Development Corporation

## 2009 COMMUNITY DEVELOPMENT PLAN

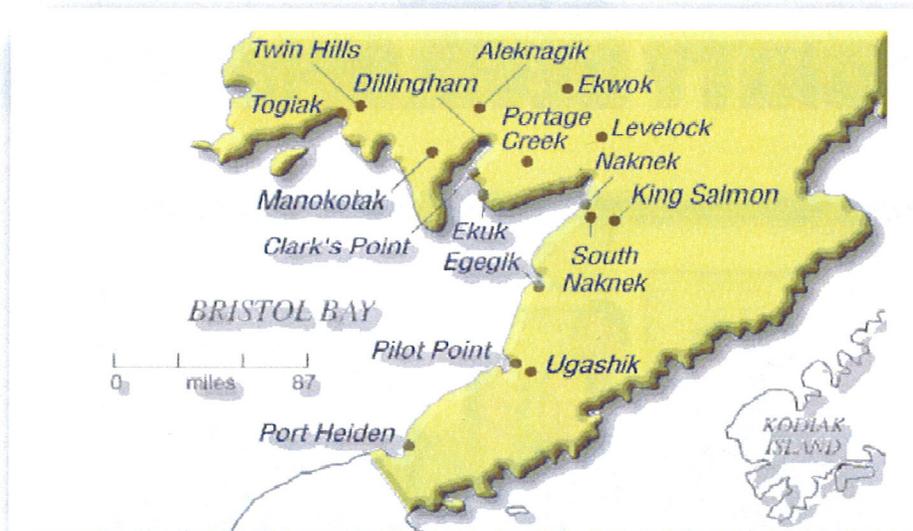


*"BBEDC Board Members"*



## Bristol Bay Economic Development Corp. 2009 Community Development Plan

Bristol Bay Economic Development Corp. (“BBEDC”) is an Alaska non-profit corporation that serves as one of the six Alaska-based Community Development Quota entities formed pursuant to Sec. 305(i)(1) of the Magnuson Stevens Fishery Conservation and Management Act (16 U.S.C. 1855(i)(1) et seq.; the “MSA”). Its membership includes the seventeen Bristol Bay region communities of Aleknagik, Clark’s Point, Dillingham, Egegik, Ekwok, Ekuk, King Salmon, Levelock, Manokotak, Naknek, Pilot Point, Port Heiden, Portage Creek, South Naknek, Togiak, Twin Hills, and Ugashik.



The MSA defines the term “community development plan” (CDP) in 16 U.S.C. 1855(i)(1)(J)(i) as follows:

*“(J) COMMUNITY DEVELOPMENT PLAN DEFINED- In this paragraph, the term ‘community development plan’ means a plan, prepared by an entity referred to in subparagraph (D), for the program that describes how the entity intends—*

*(i) to harvest its share of fishery resources allocated to the program, or*

*(ii) to use its share of fishery resources allocated to the program, and any revenue derived from such use, to assist its member villages with projects to advance economic development, but does not include a plan that allocates fishery resources to the program.”*

The six CDQ entities formed the Western Alaska Community Development Association (“WACDA”) consistent with the MSA. Under Part II, Section 2, of WACDA Resolution 2008-03, adopted in 2008, WACDA requires that each CDQ entity annually prepare and file with WACDA a CDP that identifies its plans for harvesting target fisheries as follows:

*“include the following information for each target CDQ fishery: 1) the type(s) of gear that will be used for harvest, 2) the general time period of such harvest, and 3) its bycatch avoidance plans with respect to the harvest of its share of fishery resources.”*

As a result of the foregoing, and to comply with its obligations under MSA and WACDA Resolution 2008-03, BBEDC hereby submits its annual CDP for its anticipated 2009 fishing operations.

**BBEDC's 2009 Fishing Plan  
(Gear types, Harvest timing, and Bycatch avoidance plans)**

Target Fishery	Gear Type(s)	Harvest Period
<b><u>Groundfish</u></b>		
Pollock	Trawl	Jan 20 - April and June 10 - Oct 31
Pacific Cod	Longline	Feb - April, July - Aug and Nov - Dec
Sablefish	BS AI	Pots Longline
		March - November 15
Atka mackerel	EAI/BS CAI WAI	Trawl Trawl Trawl
		Jan - Feb and Aug - Sept
		Jan - Feb and Aug - Sept
		Jan - Feb and Aug - Sept
Yellowfin Sole	Trawl	March - May and Sept - December
No. Rock Sole	Trawl	Jan 20 - March
Greenland Turbot	Trawl	Jan - Sept
Arrowtooth Flounder	Trawl	May - August
Flathead Sole	Trawl	March - April and June - July
Pacific Ocean Perch	EAI CAI WAI	Trawl Trawl Trawl
		Jan - Feb and Aug - Sept
		Jan - Feb and Aug - Sept
		Jan - Feb and Aug - Sept

**Bycatch Avoidance Plan:** Catch is monitored daily. All harvesters consistently use clean fishing practices and avoid high bycatch periods and areas. When established trigger bycatch rates are reached, harvesters are required to make appropriate adjustments to avoid excessive bycatch including; moving operations, adjusting gear deployments or other such measures. Additionally, the Quota Manager has the authority to issue a "stop fishing order" that would cease CDQ fishing operations for any harvesting vessel.

Target Fishery	Gear Type	Harvest Period
<b><u>Crab</u></b>		
Bristol Bay Red King Crab	Pots	October 15 - December 15
Eastern Bering Sea Tanner Crab	Pots	October 15 - December 15
Western Bering Sea Tanner Crab	Pots	January - April
Bering Sea Snow Crab	Pots	January - April
Aleutian Island Golden King Crab	Pots	August 15- December 31

**2009 BBEDC CDQ Allocations to Harvesting Partners**

CDQ SPECIES	Allocation (mt)	Leader				US		Total
		Reserve	Fisheries	Judi B	Western Mariner	Arctic Storm	Seafoods	
<b>BS Pollock</b>	<b>17,115.000</b>					<b>17,115.000</b>		<b>17,115.000</b>
A season (40%)	6,846.000					6,846.000		6,846.000
B season (60%)	10,269.000					10,269.000		10,269.000
AI Pollock	399.000					399.000		399.000
<b>Pacific Cod</b>	<b>3,955.114</b>	<b>100.000</b>	<b>3,505.114</b>			<b>100.000</b>	<b>250.000</b>	<b>3,955.114</b>
A season (60%)	2,373.068	6.000	2,145.068			60.000	162.000	2,373.068
B season (40%)	1,582.046	94.000	1,448.046			40.000		1,582.046
<b>BS FG Sablefish</b>	<b>54.400</b>	<b>2.000</b>	<b>2.000</b>		<b>50.400</b>			<b>54.400</b>
BS Sablefish	22.440	2.702				1.000	18.738	22.440
<b>AI FG Sablefish</b>	<b>62.700</b>	<b>3.700</b>	<b>1.000</b>	<b>58.000</b>				<b>62.700</b>
AI Sablefish	8.250	1.250		1.000			6.000	8.250
<b>WAI Atka Mackerel</b>	<b>271.280</b>	<b>6.184</b>	<b>1.000</b>				<b>264.096</b>	<b>271.280</b>
CAI Atka Mackerel	521.693	5.141	1.000				515.552	521.693
EAI/BS Atka Mackerel	433.407	4.938	1.000	1.000		1.000	425.469	433.407
<b>Yellowfin Sole</b>	<b>5,375.895</b>	<b>3,495.095</b>	<b>15.000</b>			<b>18.000</b>	<b>1,847.800</b>	<b>5,375.895</b>
Rock Sole	2,215.278	1,466.538	2.000			40.000	706.740	2,215.278
<b>BS Greenland Turbot</b>	<b>108.926</b>	<b>15.681</b>	<b>5.500</b>		<b>1.000</b>		<b>83.745</b>	<b>108.926</b>
Arrowtooth Flounder	1,765.500	1,135.700	50.000	1.500	2.000	18.000	558.300	1,765.500
<b>Flathead Sole</b>	<b>1,353.954</b>	<b>618.194</b>	<b>20.000</b>			<b>40.000</b>	<b>675.760</b>	<b>1,353.954</b>
WAI Pacific Ocean Perch	104.646	3.606	0.500			100.540		104.646
<b>CAI Pacific Ocean Perch</b>	<b>68.373</b>	<b>3.846</b>	<b>0.500</b>				<b>64.027</b>	<b>68.373</b>
EAI Pacific Ocean Perch	67.410	3.799	1.000				62.611	67.410
Prohibited Species Quota		Leader				US		Total
		Fisheries	Judi B	Western Mariner	Arctic Storm	Seafoods		
<b>Zone 1 Red King Crab</b>	<b>4,427</b>	<b>306</b>			<b>150</b>	<b>3,768</b>	<b>4,224</b>	
Zone 1 Bairdi Crab	25,166	16,508			300	8,358	25,166	
<b>Zone 2 Bairdi Crab</b>	<b>73,092</b>	<b>16,300</b>			<b>700</b>	<b>56,092</b>	<b>73,092</b>	
Opilio Tanner Crab	111,708	33,755			900	77,053	111,708	
<b>Pacific Halibut</b>	<b>75,460</b>	<b>17,243</b>			<b>3,500</b>	<b>42,717</b>	<b>75,460</b>	
Chinook Salmon	457.000					457.000		0.00
<b>Non-Chinook Salmon</b>	<b>944.000</b>					<b>662.000</b>	<b>0.00</b>	<b>0.00</b>

Approved:

BRISTOL BAY ECONOMIC DEVELOPMENT CORPORATION



H. Robin Samuelsen, President/CEO

Date: 1/14/09

# Bristol Bay Economic Development Corporation

## 2010 COMMUNITY DEVELOPMENT PLAN



*"BBEDC Board Members"*



# Bristol Bay Economic Development Corporation 2010 Community Development Plan

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*“include the following information for each target CDQ fishery: 1) the type(s) of gear that will be used for harvest, 2) the general time period of such harvest, and 3) its bycatch avoidance plans with respect to the harvest of its share of fishery resources.”*

As a result of the foregoing, and to comply with its obligations under MSA and WACDA Resolution 2008-03, BBEDC hereby submits its annual CDP for its anticipated 2010 fishing operations.

**BBEDC's 2010 Fishing Plan**  
**(Gear types, Harvest timing, and Bycatch avoidance plans)**

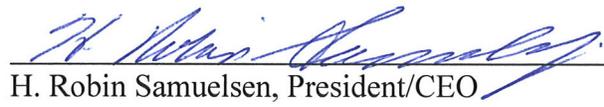
<b>Target Fishery</b>	<b>Gear Type(s)</b>	<b>Harvest Period</b>
<b><u>Groundfish</u></b>		
Pollock	Trawl	Jan 20 - April and June 10 - Oct 31
Pacific Cod	Longline	Feb - April, July - Aug and Nov - Dec
Sablefish	BS	Pots
	AI	Longline
Atka mackerel	EAI/BS	Trawl
	CAI	Trawl
	WAI	Trawl
Yellowfin Sole	Trawl	March - May and Sept - December
No. Rock Sole	Trawl	Jan 20 - March
Greenland Turbot	Trawl	Jan - Sept
Arrowtooth Flounder	Trawl	May - August
Flathead Sole	Trawl	March - April and June - July
Pacific Ocean Perch	EAI	Trawl
	CAI	Trawl
	WAI	Trawl

**Bycatch Avoidance Plan:** Catch is monitored daily. All harvesters consistently use clean fishing practices and avoid high bycatch periods and areas. When established trigger bycatch rates are reached, harvesters are required to make appropriate adjustments to avoid excessive bycatch including; moving operations, adjusting gear deployments or other such measures. Additionally, the Quota Manager has the authority to issue a "stop fishing order" that would cease CDQ fishing operations for any harvesting vessel.

<b>Target Fishery</b>	<b>Gear Type</b>	<b>Harvest Period</b>
<b><u>Crab</u></b>		
Bristol Bay Red King Crab	Pots	October 15 - December 15
Eastern Bering Sea Tanner Crab	Pots	October 15 - December 15
St. Matthews Blue King Crab	Pots	October 15- November 30
Bering Sea Snow Crab	Pots	January - April
Aleutian Island Golden King Crab	Pots	August 15- December 31

**Approved:**

BRISTOL BAY ECONOMIC DEVELOPMENT CORPORATION

  
\_\_\_\_\_  
H. Robin Samuelson, President/CEO

Date: 12-31-09

## SUPPORTING DOCUMENTATION INFORMATION

## **Discussion of Methodology, Data Differences and Data Limitations of U.S. Census Data and American Community Survey Data**

Since publishing Census 2000, the U.S. Census Bureau no longer releases detailed socioeconomic and demographic statistics through the decennial census, but now collects this information from the American Community Survey (ACS). The ACS collects data for geographic areas with populations of 20,000 or less on a five year average basis. The ACS produces period estimates and these estimates do not measure characteristics for the same time frame as the decennial census estimates, which are interpreted to be a snapshot of April 1 of the census year.<sup>1</sup> Accordingly, the ACS data includes a margin of error calculation that must be considered when making comparisons to Census 2000 data.

The 2006-2010 ACS 5 year estimates reflect data collected throughout the year on an on-going, monthly basis between January 1, 2006 and December 31, 2010.<sup>2</sup> The ACS asks for a respondent's income over the "past 12 months." For example, income data collected from the 2006-2010 ACS 5-year survey reflect incomes over 2005-2010. Census 2000, however, collected the income data for a fixed period of time -- "during 1999" (the last calendar year). Therefore, poverty and income comparisons must be made between the "snapshot" taken by the 2000 Census and the five-year (2006-2010) estimate provided by the ACS. It should also be noted that in a comparison study between Census 2000 income data and the 2000 ACS, income collected in Census 2000 was found to be about 4 percent higher than that in the 2000 ACS.<sup>3</sup>

Both the ACS and the decennial census sample data are based on information from a sample of the population. The data from the Census 2000 sample of about one-sixth of the population were collected using a "long-form" questionnaire, whose content was the model for the ACS. While some differences exist in the specific Census 2000 question wording and that of the ACS, most questions are identical or nearly identical. Important differences in the data collections methods do exist, however. Some of which include:

**Residence Rules:** The residence rules for a census or survey determine the sample unit's occupancy status and household membership. The Census 2000 residence rules (where people should be counted) were based on the principle of "usual residence" on April 1, 2000. The decennial census attempts to restrict and determine a principal place of

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<sup>1</sup><http://www.census.gov/acs/www/Downloads/handbooks/ACSRuralAreaHandbook.pdf>

<sup>2</sup> Source: [http://www.census.gov/acs/www/guidance\\_for\\_data\\_users/guidance\\_main/](http://www.census.gov/acs/www/guidance_for_data_users/guidance_main/)

<sup>3</sup> Source: [http://www.census.gov/acs/www/guidance\\_for\\_data\\_users/comparing\\_2010/](http://www.census.gov/acs/www/guidance_for_data_users/comparing_2010/)

residence on one specific date for everyone enumerated. The ACS residence rules are based on a “current residence” concept since data are collected continuously throughout the entire year with responses provided relative to the continuously changing survey interview dates. While many people have definite ties to a single housing unit or group quarters, some people may stay in different places for significant periods of time over the course of the year. For example, fishing industry workers move with fishing seasons and may not live in any one location for the entire year.

**Sample dates:** The ACS yearly samples, spread over 12 months, collect information that is anchored to the day on which the sampled unit was interviewed, whether it is the day that a mail questionnaire is completed or the day that an interview is conducted by telephone. Individual questions with time references such as last week” or “the last 12 months” all begin the reference period as of this interview date. The information on types and amounts of income refers to the 12 months prior to the day the question is answered. ACS interviews are conducted just about every day of the year, and all of the estimates that the survey releases are considered to be averages for a specific time period. The 5-year estimates reflect the full 60-month period.

Most decennial census sample estimates are anchored in this same way to the date of enumeration. An important difference is that the distribution of census enumeration dates are highly clustered in March and April (when most census mail returns were received) with additional, smaller clusters seen in May and June (when non-response follow-up activities took place). This means that the data from the decennial census tend to describe the characteristics of the population and housing in the March through June time period (with an overrepresentation of March/April) while the ACS characteristics describe the characteristics nearly every day over the full calendar year.<sup>4</sup>

**Poverty:** The Census Bureau uses a set of dollar value thresholds that vary by family size and composition to determine who is in poverty. Further, poverty thresholds for people living alone or with nonrelatives (unrelated individuals) and two-person families vary by age (under 65 years or 65 years and older). If a family’s total income is less than the dollar value of the appropriate threshold, then that family and every individual in it are considered to be in poverty. Similarly, if an unrelated individual’s total income is less than the appropriate threshold, then that individual is considered to be in poverty. The poverty thresholds do not vary geographically. They are updated annually to allow for changes in the cost of living (inflation factor) using the Consumer Price Index (CPI).<sup>5</sup>

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<sup>4</sup> <http://www.census.gov/acs/www/Downloads/handbooks/ACSRuralAreaHandbook.pdf>

<sup>5</sup> <http://www.census.gov/hhes/www/poverty/about/overview/measure.html>

## LIST OF WACDA-APPROVED DATA SOURCES

# **WACDA Approved Data Sources for 2006 - 2010 Decennial Review Report**

## ***1(a) POPULATION***

Possible Sources:

- U.S. Census Bureau
  - 2010 Census
  - 2000 Census

Frequency:

- Decennial (2000 and 2010 Census)

## ***1(b) POVERTY***

Possible Sources:

- U.S. Census Bureau
  - 2000 Census
  - 2006-2010 American Community Surveys

Frequency:

- Annual (5 yr. average – 2006-2010 ACS)
- Decennial (2000 Census)

## ***1(c) ECONOMIC DEVELOPMENT***

Possible Measures:

- Median Household Income
- Per Capita Personal Income
- Total Wages (AK Dept. of Labor)
- Residents Employed (AK Dept. of Labor)

Possible Sources:

- U.S. Census Bureau
  - 2006-2010 American Community Surveys
  - 2000 Census
- Alaska Department of Labor, Research & Analysis Section (<http://labor.state.ak.us/research/index.htm>)
  - 2007-2010 data for number of people in the workforce available online. No community-specific data for 2006.

Frequency:

- Annual (5 yr. average – 2006-2010 ACS)
- Decennial (2000 Census)

## ***2 - FINANCIAL PERFORMANCE [(a)FISHERY & (b)NON FISHERY]***

Possible Measures:

- Investments (cumulative totals and average annual)
- Fisheries investments
- Non-fisheries investments
- Change in net assets
- Return on assets
- Ratio of long-term debt to net assets
- Total net assets

Possible Sources:

- CDQ annual reports

Frequency:

- Annual

BBEDC 2006 THROUGH 2010 ANNUAL REPORTS

# BBEDC Mission Statement



*"It is the purpose of the Bristol Bay Economic Development Corporation to promote economic growth and opportunities for residents of its member communities through sustainable use of the Bering Sea resources."*



## **BBEDC Dillingham**

P. O. Box 1464  
Dillingham, Alaska 99576  
Ph: (907) 842-4370 / Fax: (907) 842-4336  
Toll-free: 1 (800) 478-4370

## **BBEDC Anchorage**

8427 Laviento Drive, #104  
Anchorage, Alaska 99515  
Ph: (907) 644-8640 / Fax: (907) 644-8647

# Letter from the President / CEO



## Greetings!

In reviewing the activities of BBEDC in 2006 I can say it was a year of change for the company. Changes from Congress were the passage of the CDQ amendments in the Coast Guard and Maritime Transportation Act. This bill provided the CDQ groups with a lot of stability with the 10 year allocation windows, recognition of the 17 CDQ communities of BBEDC in Federal Law, formation of a new CDQ Panel (WACDA) with one representative from each CDQ group to oversee and administer the CDQ program, along with limiting State and Federal oversight of this program. The Federal law also provides the CDQ groups the option of taking 20% of previous year's royalties and investing those funds in "in-region non-fisheries economic development". Remember in the past, we had to invest 100% in fishery related investments. Thanks to our congressional delegation for their past and present

support of the CDQ program and working on our behalf on getting passage of this very important bill.

I want to thank the Board of Directors of BBEDC as well as staff for the hard work they do for our region. These folks not only sit on the main Board but the many committees of BBEDC, spending many hours pouring over a lot of data and then making major decisions on behalf of BBEDC. We at BBEDC are taking the long view to our investments and the financial well being of the organization. We are expanding into new business ventures to insure benefits to our regions residents, after all, the goal of BBEDC is to provide our region residents economic opportunity. I would also like to thank our great partners who have helped BBEDC grow into the organization it is today. BBEDC continues to provide programs that are benefiting all sectors of our CDQ population. Many of our younger folks are stepping up and taking advantage of these programs, like our education initiatives, employment and training and the many internship opportunities we provide. Fishermen of all ages are taking advantage of the chilling programs that BBEDC has to offer and in turn raising the price received for their salmon by \$.10 cents a pound, we have come a long way from \$.40 cent sockeye, and we still have a long way to go, but we are headed in the right direction. Chilling means quality and quality means higher ex-vessel value to our region residents. I see our communities stepping up and taking advantage of the community seed fund and the infrastructure matching funds for community projects, all working towards the goal of making our communities more self-sustaining, hopefully in the near future we will see the start of processing plants in some of these villages.

In Bristol Bay we face many challenges, high energy costs, low fish prices, high cost of living and the potential loss of our schools and community because of people moving to other communities just to survive. We need to all work together. BBEDC and the other regional organizations, city and borough governments, village and tribal entities need to overcome these challenges. One organization cannot do it alone. BBEDC looks forward to working with you all, I know working together we can and will make a difference in our region.

Sincerely,

H. Robin Samuelsen, Jr.  
President/CEO



## Training Programs:

### Basic Vocational

Basic Vocational classes help fund BBEDC workshops and local career/job fairs that are offered primarily through the Bristol Bay Campus and Southwest Alaska Vocational Education Center (SAVEC). BBEDC provided funds for 49 people who participated in the program in 2006.

### Advanced Vocational/Technical

The Advanced Vocational/Technical (Voc-Tech) Training Program sponsors individuals who are seeking new careers in a vocational field in fishing and non-fishing related arenas. Qualified applicants are eligible to receive up to \$5,000 for all programs. BBEDC funded training scholarships for 25 people in 2006.

### Adult Basic Education

BBEDC provides financial support to the Bristol Bay Campus to conduct Adult Basic Education courses and the GED program through the University of Alaska Fairbanks for both CDQ and non-CDQ residents. The program has been successful with 228 people participating in the program in 2006 and GED diplomas being awarded to 28 people.

## Employment Opportunities:

BBEDC features employment opportunities in the Bering Sea for those capable of putting in long hours for relatively short periods of time. The jobs are available throughout the year and generate excellent wages, often enough to sustain a family throughout the year. BBEDC has a fulltime recruiter stationed in the Dillingham office with the primary responsibility of traveling to CDQ and non-CDQ communities to administer the mandatory drug test required by seafood employers and help people fill out the hiring paperwork. The following is a snapshot of the fisheries and seasons that occur during the year.

- Pollock A Season – January to March
- Pollock B Season – June through October
- Longline Seasons – Varies throughout the year
- Shore-based jobs – Varies throughout the year
- Crab Seasons – Fall and early winter months
- Multi-Species – Year-around fisheries

During 2006, forty-one positions were filled on Pollock catcher processors, longline, crab, multi-species trawl vessels, floating processors, and land plants. Bristol Bay residents earned over \$796,000.00 in wages with BBEDC partner companies in 2006.



*Ryan Savo, In-Region Recruiter*



*At sea employees*

# Internships

## In-Region Internships

In-region internships last approximately twelve weeks and occur in many fields of work including, but not limited to, harbor assistants, scale samplers, dock workers and office occupations. BBEDC interns are paid entry level wages and learn firsthand what it's like to be a member of the workforce. Twenty five interns were placed throughout BBEDC communities in 2006 in a variety of occupations. If you have an idea for an internship position or are interested in being an intern, please contact Charlene Lopez or Todd Fritze for more information.

## Seattle-based Internships

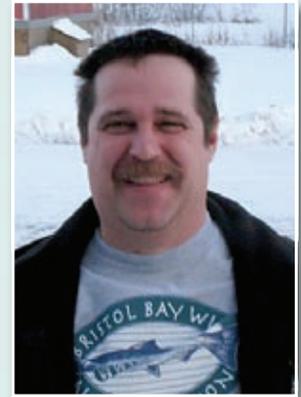
Seattle-based internships are provided through BBEDC's industry partners and last six months in a variety of occupations including: clerical, accounting, human resources, information systems and marketing. BBEDC pays roundtrip airfare, lodging, utilities and wages. Participants are required to provide a detailed accounting of the work experience by a submitting a monthly report to BBEDC employment and training staff. In 2006, two internships in Seattle were filled with American Seafoods and Icicle Seafoods. The interns experienced human resource and accounting positions.

## Youth Internships

Youth internships are offered to 14-17 years old to promote basic job skills & training. The primary objectives are learning how to properly fill out applications, developing interview skills, and learning the importance and responsibility of a good work ethic. Youth internships are generally ten weeks in length and take place in the summer months. The opportunities occur in a wide variety of occupational fields giving our youth experiences in many career areas. Thirteen youth internships were done in 2006.



*Charlene Lopez,  
Employment & Training Coordinator*



*Todd Fritze,  
Employment & Training Director*



*Shara Anderson, Intern*



*Janelle Fritz, Intern*

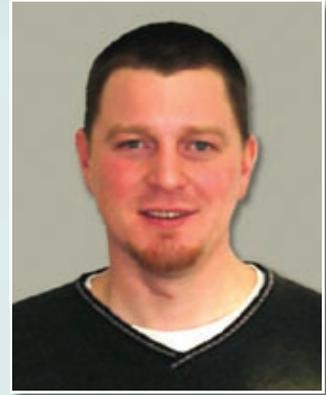
# Education Initiative

The education programs offered by BBEDC are attracting an increasing number of participants throughout the region. 2006 saw more residents coming forward to take advantage of programs designed to help residents achieve their education goals. In particular, it was exciting to see more residents from smaller communities take advantage of the College Development Program to take distance delivery courses.

The following are thumbnail sketches of the individual programs and if you need more extensive information, please contact the program director Kyle Belleque.

## Harvey Samuelson Scholarship

HSST offers financial aid to full-time, post-secondary students who are residents of the 17 Bristol Bay CDQ villages. Scholarship recipients are pursuing Associates, Bachelors, Masters and Doctorate Degrees in the United States and Canada. Six scholarship recipients graduated in May of 2006 with others on schedule to graduate in May 2007. Seventy BBEDC residents received \$3,400 each to attend college on a full-time basis for the 2006-2007 academic year.



*Kyle Belleque, Education Director*

## College Development Fund

The College Development Fund enables students to earn their college degree while staying at home in their community. The participation for this program is also markedly increasing. In 2006, fifty residents were awarded a maximum of \$1,000 per semester in scholarships totaling \$47,000 for tuition, books and travel.

## Salmon Camp

Nineteen students from nine Bristol Bay communities attended the 2006 Salmon Camp in July and August. Three separate sessions were offered; one for sixth graders, one for seven-eighth graders, and another for high school students. At the end of the Camp the two older age groups presented their findings to a gathering held in the BBEDC Board Room.

## Student Loan Forgiveness

This program provides financial incentives for college graduates to come back and work in the region. An applicant must have been a resident of a BBEDC community prior to earning a degree and work in a BBEDC community for 12 months to be eligible for help with student loan debt. Annual payments are made over a 5 year period and can total \$20,000. In 2006, five residents received \$7,100 in student loan forgiveness.



*2006 Salmon Camp*

## High School Higher Education Scholarship

The program enables high school students in need of financial assistance to receive \$500 per semester to enroll in college level courses that are being offered for dual credit. Thirteen residents received \$6,500 dollars in scholarships in 2006.

## Chilling Products - 'Just add Ice'

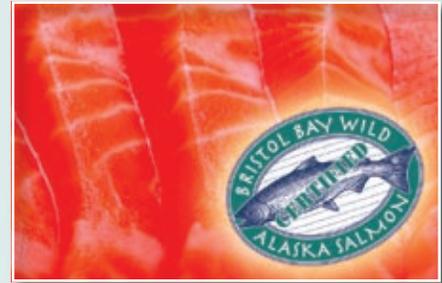
Our Regional Fisheries program works to help fishermen obtain higher ex-vessel prices for their fish harvests. To this end the program provides fishermen with products that help achieve better chilling of salmon at the point of harvest. Products such as insulated totes, slush bags and vessel hold insulation are provided on a first-come first-serve basis to fishermen who can demonstrate their residency in one of the 17 BBEDC communities. In 2006 BBEDC spent a total of \$172,701 on totes, slush bags and fish hold insulation projects. The Regional Fisheries Program also works to promote an overall message that improved quality is the key to generating more interest in the marketplace for Bristol Bay salmon. In turn, this will provide an increased ex-vessel price for local fishermen. Contact Regional Fish if you would like to get aboard the 'quality initiative' provided by BBEDC.

## Halibut

The 4E CDQ halibut fishery began in the late nineties as a shoulder season fishery designed to help fishermen supplement their primary income as salmon fishermen. In 2006, BBEDC halibut fishermen from several communities landed a whopping \$230,000 in harvest value. If you are interested in participating in the local 4E halibut fishery which begins each May, contact Regional Fish for more information. Individual applications are available in February of each year and must be submitted to Regional Fish by April 1. Applications will be available through the Regional Fish staff and at [www.bbcdc.com](http://www.bbcdc.com).

## Bristol Bay Wild

The 'Wild' program began in 2004 with BBEDC and was based on a simple yet profound premise: create consumer confidence in the quality of Bristol Bay salmon products by having the fishermen, tender operations and processors adhere to basic handling and tracking guidelines as the fish moves from net to plate. 2006 proved to be a banner year for the Wild program with 7 million pounds of salmon certified as Bristol Bay Wild quality product.



## Bristol Bay Ice

The F/V Bristol Maid began as a concept on paper and after many months of design and construction she arrived in Bristol Bay in 2006 as a prototype ice making vessel. Processors and fishermen who witnessed her early operations and potential were truly impressed. The 'Maid' will compliment our chilling program by providing flake ice at or very close to the point of harvest and will accomplish our regional goal of improving the overall quality of fish in Bristol Bay.



## Bristol Bay Fish Company Discontinued

The Bristol Bay Fish Company was created in 2003 with the understanding that it would have a limited lifespan of one to five years. The purpose was to market and sell small volumes of Bristol Bay salmon in an effort to help local communities learn about the business of operating a local seafood processing facility. After an extensive review of the costs and benefits associated with the company, it was decided in 2006 that it had served its purpose and would be placed in a dormant status for the time being.

# Regional Fisheries

## Board of Fish

The 2006 State Board of Fisheries (BOF) held their Bristol Bay cycle meetings in Dillingham in December. Meetings were held in the local middle school gym and were well attended by fishermen, processors and other interested persons. The 'fish board' or BOF met to consider 122 proposals seeking to change or clarify Bristol Bay fisheries regulations and policies. Nearly 160 people provided public testimony to the board. BBEDC provided support to our communities at the BOF meetings by funding travel, lodging and meals for community representatives to travel to the meetings to attend. Our community representatives proved to be articulate at the board and committee meetings and it was obvious they came well prepared. BOF members continually commented on how impressed they were with our regional representative's participation skills. The next BOF Bristol Bay sessions will occur in 2009 in either Anchorage or Naknek and our effort in 2006 will go a long way towards establishing our regional ability to become involved and engaged in the process.



## Bristol Bay Permit Brokerage

The Bristol Bay Permit Brokerage provides assistance to fishers in an effort to retain limited entry permits in the Bristol Bay region. The office serves as a point for listing permits for sale or lease and as an extension of the Commercial Fisheries Entry Commission. Staff members assist residents and non-residents alike with annual permit and boat license renewals as well as emergency and permanent transfers. Assistance is also provided with completing forms such as CFAB and Alaska Division of Investment loan applications. In 2006, staff assisted 210 clients with 288 transactions; the majority of those were emergency transfers, emergency permits and boat/permit renewals. Staff assisted with 19 permanent permit transfers that saw 6 permits retained in the region. The Brokerage also provides a source for IRS, CFEC, Coast Guard and other documents needed by commercial fishers.



*Alice Ruby, Economic Development and Brokerage Coordinator*

## Interest Rate Assistance

The Interest Rate Assistance (IRA) program helps BBEDC resident fishers with interest expense associated with a fishing related loan. Fishers are then able to re-invest more of their earnings towards enhancing and modernizing their fishing operation. Loans must be in good standing and must be for fishing related items such as permits, boats and gear. Participation in the program continues to grow each year with 7 participants in 2004, 38 participants in 2005 and 45 participants in 2006. The amount of assistance depends upon the principle balance of the loan and has ranged from \$23.00 to \$2,900.00.

## Tax Assistance Program

The 2006 Tax Assistance program assisted 518 residents with a total budget of \$70,000.00. This program was created in 2004 to fill the void created when the IRS discontinued its village tax preparation outreach services. Through this program each eligible participant received up to \$150.00 towards the cost of preparation of their taxes by a resident professional tax preparer. Tax refunds provide an injection of revenue in the communities and even more important, residents suffer fewer errors on their returns and become informed about deductions for which they are eligible that have a tremendous impact on their tax liability; such as Earned Income Tax Credit (EITC).

## Technical Assistance Program

CDQ Community residents can apply for assistance in developing a business plan, grant writing, financial counseling on specific projects, counseling on specific business management issues and other specific small business related issues. Assistance is provided by a professional consultant retained by BBEDC.

Applications are available on our website at [www.bbcdc.com](http://www.bbcdc.com).



*Togiak rock crusher and Egegik ice-making machine, inset.*

# Economic Development

## Community Seed Fund

\$100,000 has been available to each CDQ community per Community Development Plan cycle, beginning with the 2000-2002 cycle and extending through the 2006 cycle. Community Seed Funds can be applied for by a community entity, either tribe or city, and can be used for community projects involving construction, engineering or technical services. As the name suggests, the funds can be used for leveraging other funds including the BBEDC Infrastructure Matching Fund grant. In 2006, the BBEDC Board of Directors took action to cause all funds not committed in an approved application to expire as of December 31, 2006. Funds awarded in Community Seed Grants must be expended by December 31, 2008.

## Infrastructure Matching Fund

The Board of Directors has annually allocated funds to the Infrastructure Matching Fund Grant Program. In 2006, \$1,000,000 was appropriated to the IMF Program. Eligible projects are those where planning, engineering and other technical aspects have been completed. The program requires a 50% match. Communities may apply for funds for one or more projects. In addition, a community may elect to use their Community Seed Fund of \$100,000 to match the funds needed for the Infrastructure Matching Fund.

Following are grants that were awarded in 2006. Note that in some cases, the grants represent consolidated funds from 2 or more consecutive cycles or re-programmed funds from grant applications filed in previous years.

Community	Amount of Award/Fund		Project
Aleknagik	\$ 100,000.00	Seed	Aleknagik Float Plane Road
Dillingham	\$ 100,000.00	Seed	Small Boat Harbor Improvements
Dillingham	\$ 78,000.00	Seed	Dillingham Seafood Processing Plant Business Plan
Egegik	\$ 200,000.00	Seed	Batch Oxidation System Expansion & Upgrade
Ekuk	\$ 129,470.00	Seed/IMF	Ekuk Village Airport Acquisition
Ekuk	\$ 84,415.00	Seed	Equipment Transportation Costs
Ekuk	\$ 25,850.00	Seed	Dillingham Seafood Processing Plant Business Plan
Ekwok	\$ 100,000.00	Seed	New Clinic Construction
King Salmon	\$ 100,000.00	Seed	King Salmon Boat Storage Project, Phase 3
Levelock	\$ 182,000.00	Seed	Health Facility
Manokotak	\$ 175,021.63	Seed	Purchase of Front-end Loader
Naknek	\$ 200,000.00	Seed	Dolly's Hall Extension, Phase II
Pilot Point	\$ 100,000.00	Seed	Boat Trailer/Barge Removal/Bulkhead
Port Heiden	\$ 167,500.00	Seed	Ice Machine Building & Equipment
Portage Creek	\$ 200,000.00	Seed	Bulk Fuel/Alternative Energy Options
South Naknek	\$ 100,000.00	Seed	South Naknek Fishing Boat Hauler
South Naknek	\$ 200,000.00	Seed	South Naknek Community Fisheries Development Center
Togiak	\$ 128,567.04	Seed	Purchase Rock Crusher
Twin Hills	\$ 56,849.90	Seed	Twin Hills Boat Launch Equipment
Ugashik	\$ 59,266.00	Seed	Dock & Building Improvements
Ugashik	\$ 140,734.00	Seed/IMF	Land Fill Project
<b>TOTAL</b>	<b>\$2,627,673.57</b>		

# Connect with Community Liaisons

In 2006, BBEDC provided each CDQ Community \$25,000 to hire a local individual to serve as a liaison for BBEDC within the respective community. Among the service provided is helping with the delivery of BBEDC programs including slush bags/totes, education and vocation scholarship applications, 4E halibut fishery applications and arranging community meetings. These liaisons help connect our residents with BBEDC programs.

If you have any questions about BBEDC programs, call your Community Liaison!



*King Salmon Community Liaison,  
Ralph Angasan, Jr.*

## Community Liaisons

Community	Name
Aleknagik .....	Julie Ilutsik
Clarks Point .....	Lawrence Olson
Dillingham .....	Tish Luckhurst
Egegik .....	
Ekuk .....	Maria Binkowski
Ekwok .....	Juanita Nelson
King Salmon ....	Ralph Angasan, Jr.
Levelock .....	Greg Andrew III
Naknek .....	Viola Savo
Manokotak .....	Carla Moore
Pilot Point .....	John Kalmakoff Jr.
Portage Creek ....	
Port Heiden .....	John Christensen, Jr.
South Naknek ....	Karl Rawson
Togiak .....	Emma Kasak-Ayojiak
Twin Hills .....	Diane Abrams
Ugashik .....	



*Community liaison training*

# Bristol Bay Science & Research Institute (BBSRI)

Bristol Bay Science and Research Institute. The BBSRI is an independent, non-profit research institute established by BBEDC in 1998 to undertake scientific research and management that will foster economic and social benefits to the residents of Bristol Bay and ensure sustainability of the region's renewable natural resources. BBSRI's goals are to:

1. Improve management of area fish stocks by:
  - Providing leadership and focus on important fisheries issues
  - Conducting research and monitoring of fish stocks, fisheries and the environment
  - Increasing participation by local residents in management of Area fish stocks
2. Increase the economic yield to local residents from area fish stocks by catalyzing changes in the structure and management of Bristol Bay fisheries.
3. Provide employment opportunities to local residents in research and management activities

Since its inception, BBSRI has secured about \$3 million in external funding for research and management activities in Bristol Bay, mostly related to the salmon fishery. The Institute has hired dozens of local residents to conduct fisheries fieldwork since 2001, thereby providing valuable income and work experience to residents. External financial support has come from the Alaska Department of Fish and Game, the fishing industry, universities, congressional appropriations, and the North Pacific Research Board.

One of the higher profile projects managed and jointly funded by BBSRI is the Port Moller test fishery, which provides daily updates to fishermen, processors, and managers on the status of the incoming salmon runs for 30 days beginning on June 10th each year.



*BBSRI East Side Interns*



*BBSRI West Side Interns*



*Port Moller Project*

# cdq/ifq Harvesting Activity

The fisheries of the North Pacific continue to be the international model for sustainable fisheries management. BBEDC receives annual CDQ quotas for groundfish, halibut and crab based on the Total Allowable Catch (TAC) in the federal waters of the Bering Sea and Aleutian Islands. Additional harvesting activity comes from BBEDC investments in IFQ halibut, sablefish and crab and through our investments in partner companies that have fishing rights. In addition to increasing revenue, the seafood investments made by BBEDC improve the diversity of investments and provide additional employment opportunities for the residents of our region.

Most of our markets are stable with increasing demand for high quality fish, particularly in foreign markets. Crab markets are currently not as strong due to the large influx of product coming from Russia and Canada. Our partners continue to search out the best markets for BBEDC to ensure the best returns on investment.

BBEDC joins forces with other CDQ groups to maximize harvest efficiency for several of our allocated species. In 2006, we joined pools for pollock, Eastern Aleutian golden king crab, Opilio crab and the multi-species trawl sector. The multi-species pool includes the flatfish species (except for halibut), Atka mackerel and Pacific Ocean perch. The pools have improved harvest efficiency and we plan to pool again in 2007.

Compared to 2005 the 2006, pollock, cod and the crab TACs decreased. Flatfish, mackerel and rockfish species generally increased. TACs are expected to continue those trends in 2007. All major fisheries saw harvest rates of 95% or better in 2006. We anticipate similar results in 2007.

## 2006 Target Species Harvests

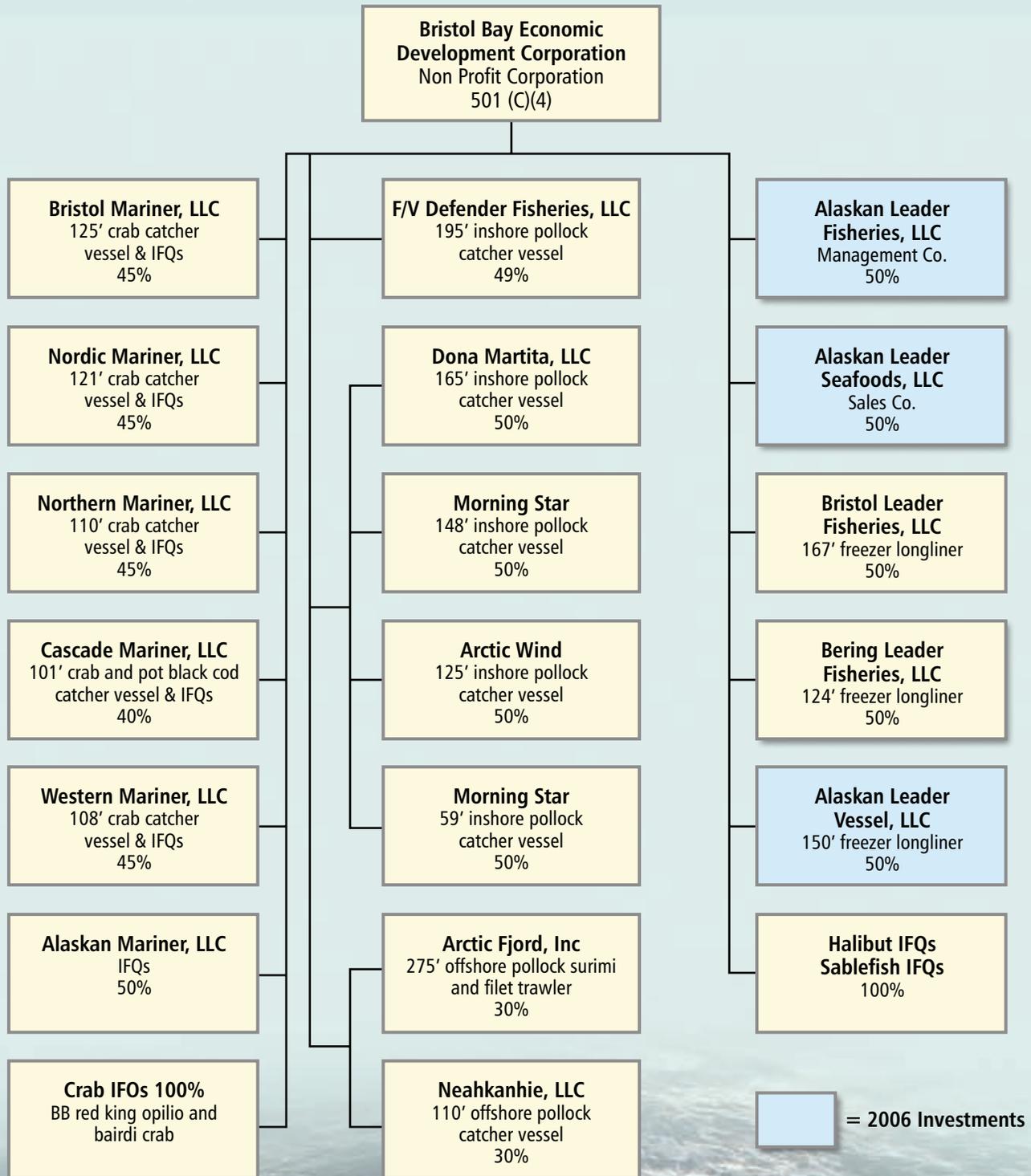
CDQ Targets, mt	Quota	%
Pollock	31,185	100%
Cod	2,989	100%
Flatfish pool		
Yellowfin sole	1,723	97%
Rock sole	716	94%
Flathead sole	307	95%
Atka mackerel	709	98%
Pacific Ocean Perch	148	97%

CDQ Targets, lbs.	Quota	%
4D/4E halibut	224,580	90%
EAI golden king crab	54,000	100%
Bristol Bay Red king crab	295,013	100%
Opilio crab	743,680	100%
Tanner crab	30,780	94%

IFQ Species, lbs.	Quota	%
BS/AI, GOA - halibut	238,136	97%
BSAI, GOA - sablefish	356,743	85%
Bristol Bay Red king crab	167,698	99%
Opilio crab	413,953	100%
Bairdi crab	11,984	94%



# BBEDC Organizational Chart



# Consolidated Statements of Financial Position

## Bristol Bay Economic Development Corporation and Subsidiaries

December 31, 2006 and 2005

<b>Assets</b>	<b>2006</b>	<b>2005</b>
Current assets:		
Cash and cash equivalents	\$5,144,561	\$4,196,305
Investments in marketable securities	3,178,682	3,814,873
Receivables	1,573,623	821,691
Accrued interest	311,561	338,240
Prepaid expenses and other assets	98,338	85,722
<b>Total current assets</b>	<b>\$10,306,765</b>	<b>\$9,256,831</b>
Long-term assets:		
Promisory note receivable from affiliate	600,000	300,000
Investments in marketable securities	44,195,021	44,803,996
Investments in unconsolidated affiliates	13,077,994	12,956,740
Equity method goodwill	31,476,509	25,897,619
Investment in Individual Fishing Quotas	14,642,228	14,642,228
Property, plant and equipment, net	2,775,481	358,490
<b>Total long-term assets</b>	<b>\$106,767,233</b>	<b>\$98,959,073</b>
<b>Liabilities and Net Assets</b>	<b>\$117,073,998</b>	<b>\$108,215,904</b>
Current liabilities:		
Accounts payable and accrued expenses	862,273	583,175
Deferred revenue	163,000	---
Community and business development	3,230,927	1,508,244
Notes payable	30,270	29,689
<b>Total current liabilities</b>	<b>\$4,286,470</b>	<b>\$2,121,108</b>
Notes payable less current portion	1,502,883	12,158,147
<b>Total Liabilities</b>	<b>\$5,789,353</b>	<b>\$14,279,255</b>
Net assets	111,284,645	93,936,649
Commitments and contingencies		
	<b>\$117,073,998</b>	<b>\$108,215,904</b>

A copy of the fall audited financial statements are available by contacting BBEDC in writing.

# Consolidated Statements of Activities

## Bristol Bay Economic Development Corporation and Subsidiaries

Years ended December 31, 2006 and 2005

	2006	2005
<b>Changes in unrestricted net assets:</b>		
Revenues and gains:		
Program Revenue	\$13,987,735	\$13,738,331
Interest Income	2,289,798	1,848,493
Net gain on investments	2,264,917	191,077
IFQ investment income	1,311,400	1,110,811
Grant revenue - Operating	927,242	489,752
Grant revenue - Capital	471,139	43,813
Equity in income of unconsolidated affiliates	5,156,392	6,721,477
Other	142,747	263,692
<b>Total unrestricted revenues and gains</b>	<b>\$26,551,370</b>	<b>\$24,407,446</b>
Expenses:		
Program	7,953,049	5,067,558
Finance and administration	1,250,325	1,042,332
<b>Total expenses</b>	<b>\$9,203,374</b>	<b>\$6,109,890</b>
<b>Increase in unrestricted net assets</b>	<b>\$17,347,996</b>	<b>\$18,297,556</b>
Net assets at beginning of year	\$93,936,649	\$75,639,093
Net assets at end of year	\$111,284,645	\$93,936,649

# Transparency Report

## Director Compensation Policy

BBEDC compensates its Directors who attend board and committee meetings with a meeting fee and travel/perdiem. The fee for meetings lasting four hours or less is \$300. For meetings lasting more than four hours, the fee is \$500. No director receives more than \$500 in any one day.

<b>Compensation for the aggregate of 17 Directors for 2006</b>		<b>\$190,680.00</b>
<b>Professional Fees - 2006</b>		
Legal Expenses	\$ 98,895	
Accounting, audit and tax	\$ 70,802	
Consultants	\$ 98,082	
<b>Total for professional fees</b>	<b>\$ 267,779</b>	
<b>Top 5 Employee Compensation - 2006</b>		
<b>Name/Title</b>	<b>Compensation</b>	<b>Retirement/ Medical</b>
Paul Peyton, Seafood Industry Investment Officer Anchorage, AK	\$ 117,637	12,957
Bryce Edgmon, Chief Operating Officer Dillingham, AK	\$ 96,519	17,342
H. Robin Samuelson, Chairman/President/CEO Dillingham, AK	\$ 84,730	20,930
2006 Bonus	\$ 10,000	
<b>Total</b>	<b>\$ 94,730</b>	
Robert Leingang, Chief Financial Officer Dillingham, AK	\$ 85,427	15,657
Carol Shade, Accounting Department Manager Dillingham, AK	\$ 65,479	13,737

ANNUAL REPORT 2007

# BRISTOL BAY

ECONOMIC DEVELOPMENT CORPORATION



# BBEDC BOARD MEMBERS

NAME	TITLE	COMMUNITY
H. Robin Samuelsen, Jr.	CEO/President	Dillingham
Robert Heyano	Director/Treasurer	Ekuk
Hattie Albecker	Director/Secretary	Ugashik
Lucy Goode	Director	Egegik
Sylvia Kazimirowicz	Director	Ekwok
Mark "Eddie" Angasan	Director	King Salmon
Sergie Chukwak	Director	Levelock
Moses Toyukak, Sr.	Director	Manokotak
Steven Angasan	Director	Naknek
Victor Seybert	Director	Pilot Point
Gerda Kosbruk	Director	Port Heiden
Mary Ann K. Johnson	Director	Portage Creek
Fred T. Angasan, Sr.	Director	South Naknek
Moses Kritz	Director	Togiak
Fritz Sharp	Director	Twin Hills
Fred Bartman	Director	Aleknagik
Harry Wassily	Director	Clarks Point

## EXECUTIVE COMMITTEE

Robin Samuelsen, President  
 Hattie Albecker, Secretary  
 Robert Heyano, Treasurer  
 Fred T. Angasan  
 Victor Seybert  
 Moses Kritz

## FINANCE & AUDIT COMMITTEE

Robert Heyano, Chair  
 Moses Kritz  
 Ted Angasan  
 Hattie Albecker

## REGIONAL FISHERIES COMMITTEE

Moses Kritz, Chair  
 Robert Heyano  
 Victor Seybert  
 Steven Angasan  
 Mark Angasan

## E&T/EDUCATION COMMITTEE

Steven Angasan, Chair  
 Fred Bartman  
 Fritz Sharp  
 Mary Ann Johnson  
 Gerda Kosbruk

## POLICY COMMITTEE

Fred T. Angasan, Chair  
 Mark Angasan  
 Harry Wassily  
 Fritz Sharp  
 Sergie Chukwak

## BRISTOL BAY SCIENCE AND RESEARCH INSTITUTE

Executive Committee

## PERMIT LOAN COMMITTEE

Robert Heyano, Chair  
 Hattie Albecker  
 Moses Kritz

## BRISTOL BAY ICE, LLC

Robin Samuelsen, Chair  
 Robert Heyano  
 Hattie Albecker

## HARVEY SAMUELSEN SCHOLARSHIP TRUSTEES

Mary Ann Johnson, President  
 Sylvia Kazimirowicz, Treasurer  
 Fritz Sharp  
 Harry Wassily

*"Providing Opportunities - Accept the Challenge"*

**BRISTOL BAY ECONOMIC DEVELOPMENT CORPORATION**  
 P. O. BOX 1464, DILLINGHAM, ALASKA 99576 / WWW.BBEDC.COM

# Mission Statement

*“It is the purpose of the Bristol Bay Economic Development Corporation to promote economic growth and opportunities for residents of its member communities through sustainable use of the Bering Sea resources.”*



## BBEDC DILLINGHAM

P. O. Box 1464  
Dillingham, Alaska 99576  
(907) 842-4370 / Fax: (907) 842-4336  
Toll free: 1 (800) 478-4370

## BBEDC ANCHORAGE

8427 Laviento Drive Suite 104  
Anchorage, Alaska 99515  
(907) 644-8640 / Fax: (907) 644-8647





**GREETINGS!**

What a year it was for BBEDC in growth and providing opportunities for the region's residents. In July 2007, BBEDC purchased 50% of Ocean Beauty Seafoods; one of the largest salmon processors in Alaska. Ocean Beauty has plants in Naknek, Alitak, Cordova, Excursion Inlet, Kodiak, Nikiski and Petersburg, Alaska. Ocean Beauty is a strategic investment by the BBEDC Board. We now have access to its management experience, sales force, value-added products and diversification. For instance, Ocean Beauty has five value-added facilities in the lower 48 states with its own fleet of 75 trucks. Besides canned salmon, they produce pouched salmon, once frozen fillets and are one of the major smoked salmon producers in the U.S. These brands include Pillar Rock, Lascco, Echo Falls, as well as private labels. This investment will allow our villages, if they so wish, access the industry expertise of Ocean Beauty to develop small village processing plants in our communities; providing jobs and training and hopefully higher ex-vessel value paid to fishermen with improved quality and handling practices. Ocean Beauty also has agreed to provide internships as well as job training for our region residents in all sorts of positions from office duty to machinists to marketing. What an opportunity for our residents; please take advantage of these opportunities; they are just a phone call away, call BBEDC if interested.

We moved into our new office building in 2007, what a nice place to work. When in Dillingham please stop in for a cup of coffee, it's your building. We have internet access in the lobby for visitors as well as a host of information about education, training and employment opportunities. I believe we are the only CDQ group that has its main headquarters located within its region; the Board wanted it this way so you can have access to us.

Speaking of access, I want to thank the Community Liaisons for a job well done. These folks live in your communities and attend training sessions about the programs and services provided by BBEDC then pass information along to their community residents. They have been a big help to BBEDC in getting the word out, keep up the good work!

BBEDC continues to expand its investments in the Bering Sea/Aleutian Islands. These investments allow BBEDC to take the returns of these investments back into the region and provide opportunities to region residents. This year we expanded our investments in the crab and cod fisheries. The Board is also exploring other investments for the future.

The Board of Directors of BBEDC and I realize times are tough in Bristol Bay, especially with the rising fuel, electric and food costs. I want to assure you all that the BBEDC Board is well aware of the many problems facing Bristol Bay and we are working along with other organizations on many fronts to address these issues.

In closing, my office is always open to comments good or bad; we are always looking at ways to improve what we do. If you have an idea give me a call and let's talk about it; after all we are here to make a difference and provide economic development opportunities for BBEDC CDQ communities.

Sincerely,  
H. Robin Samuelsen, Jr.  
*President/CEO*

*"BBEDC continues to expand its investments in the Bering Sea/Aleutian Islands. These investments allow BBEDC to take the returns of these investments back into the region and provide opportunities to region residents."*



## 2007 HIGHLIGHTS

- On March 29, 2007 we celebrated the completion of our new office building in Dillingham. We are proud to be the only CDQ group with its main headquarters located within its region.
- On July 10, 2007 BBEDC purchased 50 percent of Ocean Beauty Seafoods, which is one of the largest seafood companies in North America. OB is the largest salmon canner in Alaska with substantial value added and distribution operations. This strategic investment will provide access to management experience, sales force, value added products and diversification as well as provide jobs to our residents.
- Through the Community Seed and Infrastructure funds, \$2,884,458 was awarded to 15 BBEDC communities.
- Thirty-five residents participated in BBEDC internships.
- BBEDC and its partners at Alaskan Leader Fisheries added the 92' Judi B to their freezer longline fleet in late December. This smaller vessel and its crew are noted experts in the notoriously difficult Aleutian Island sablefish fishery. This addition will help BBEDC get its Aleutian Island CDQ and IFQ sablefish harvested reliably and as a high valued frozen at sea product.
- In December, BBEDC sponsored seven fishermen to attend the Young Fishermen's Conference in Anchorage. The summit is held to bring young fishermen from around the state together to discuss concerns they have with the fisheries, ways the fisheries could be improved and to network with other fishermen.
- Effective September 30, 2007, BBEDC acquired half of Kevin Kaldestad's interest in his three remaining crab vessels, the Aleutian, Arctic and Pacific Mariners. These are high quality, 118'-125' crab boats with excellent IFQ holdings. The Mariner fleet now totals eight active vessels and one company that owns IFQ's that are fished on those vessels.
- Approximately 45 fishermen attended the halibut workshops funded by BBEDC in Dillingham, Togiak and Naknek.
- Fourteen individuals from Dillingham, Ekwok, Port Heiden, Togiak, Ugashik and Naknek were fully funded through BBEDC's Advanced Voc/Tech Program (\$53,115) to attend a Value Added Wild Game & Fish Processing class at Indian Valley Meats.
- BBEDC ice barge F/V Bristol Maid distributed over 840,700 pounds of ice to area fishermen.
- Alaskan Leader Fisheries, a partner of BBEDC announced that the Alaskan Leader Fisheries Foundation would donate \$24,912 to 13 organizations in BBEDC communities.
- The Harvey Samuelson Scholarship Trust awarded \$300,357 in scholarships to 74 students.
- Sixty-two residents were awarded \$196,000 in scholarships for Advanced Vocational training.
- The BBEDC Tax Assistance Program provided \$95,574 for over 600 residents to get their tax returns filed by local tax preparers.
- In its ninth year, the Bristol Bay Permit Brokerage assisted 219 clients.
- In conjunction with BBNA, Dillingham City Schools and the Bristol Bay Campus, BBEDC held a career fair at the Dillingham High School.
- Over \$100,000 was paid to financial institutions in interest assistance on behalf of 59 participants in the Interest Rate Assistance Program.
- The "Arctic Tern" program was created providing up to \$5500 per BBEDC community to be used to support and foster jobs, employment activities or learning opportunities for resident youth up to 17 years of age.
- Over \$500,000 was earned in wages by Bristol Bay residents with BBEDC partner companies.

*"The "Arctic Tern" program was created providing up to \$5500 per BBEDC community to be used to support and foster jobs, employment activities or learning opportunities for resident youth up to 17 years of age."*



*“The knowledge and expertise of the Community Liaisons continues to grow and they provide a very valuable information resource to the communities.”*

## COMMUNITY LIAISON PROGRAM

### COMMUNITY RESOURCE

The BBEDC Community Liaison Program was launched in 2004 and provides \$25,000 grants to our CDQ communities to pay wages for an individual to serve as a liaison for BBEDC programs within the respective community. The knowledge and expertise of the Community Liaisons continues to grow and they provide a very valuable information resource to the communities. Liaisons attend monthly teleconferences and annual training so that they can offer current information on BBEDC programs to the residents of their communities.

Contact your Community Liaison for applications and information on BBEDC programs.

<b>Program Manager</b>	<b>Alice Ruby</b>	<b>842-4370</b>
Aleknagik	vacant	842-5725
Clarks Point	Lawrence Olson	236-1479
Dillingham	April George	842-2384
Egegik	Wendy Olsen	233-2225
Ekuk	Maria Binkowski	842-3842
Ekwok	Juanita Nelson	464-3387
King Salmon	Ralph “Bucko” Angasan	246-3553
Levelock	Greg Andrew III	287-3030
Naknek	Viola Savo	246-4210
Manokotak	Carla Moore	289-1429
Pilot Point	Victor Seybert	797-2208
Portage Creek	vacant	
Port Heiden	John Christensen, Jr.	837-2295
South Naknek	Karl Rawson	246-8711
Togiak	Emma Kasak-Ayojiak	493-5003
Twin Hills	Diane Abrams	525-4821
Ugashik	Nancy Flensgurg	797-2400



## SALMON CAMP

Nineteen students from nine Bristol Bay communities attended one of the three sessions scheduled for students in grades six through eleven in 2007.

Those attending the sixth grade camp visited Dancing Salmon Company and Peter Pan Seafoods in Dillingham, studied aquatic insects and fly fishing with hand-tied flies. Seventh and eighth graders caught, tagged and dissected salmon, learned about data collection techniques, salmon biology and the Bristol Bay watershed. The high school session included a for-credit Bristol Bay ecology course taught by Dr. Todd Radenbaugh, environmental science professor at Bristol Bay Campus. Students compared two salmon spawning streams on Lake Aleknagik. Three different groups compared water quality, stream substrates and biology.

*"Salmon camp was great. Wait, let me re-phrase that. It was three times great, seeing as how I went for three straight summers in a row! I loved every bit of it and learned so much. I would recommend this camp to any middle to high school students out there. Whether you are interested in wildlife biology and the natural sciences like I am or love the outdoors, or just love having fun and meeting new friends, Salmon camp is the place. I sound like I'm getting paid to speak for a Pepsi commercial but I really mean it! It was truly a worthwhile experience!"*

Erin Walsh, Dillingham High School Graduate

*"Seventh and eighth graders caught, tagged and dissected salmon, learned about data collection techniques, salmon biology and the Bristol Bay watershed."*



“Seventy-one BBEDC residents received \$58,500 in scholarships during the spring, summer, and fall semester.”

**EDUCATION OPPORTUNITIES:**

**HARVEY SAMUELSEN SCHOLARSHIP TRUST**

The Trust awarded \$300,357 to 74 BBEDC residents in 2007. Harvey Samuelson Scholarship recipients attend accredited colleges and universities as full-time students throughout Alaska, Canada, and the lower 48 states.

*“I graduated with my Masters Degree in Kinesiology from Sam Houston State University and want to thank everyone at BBEDC and the Harvey Samuelson Scholarship Trust for their support over the last two years.”* Stacy Hazenberg, Bristol Bay High School Graduate



**COLLEGE DEVELOPMENT FUND**

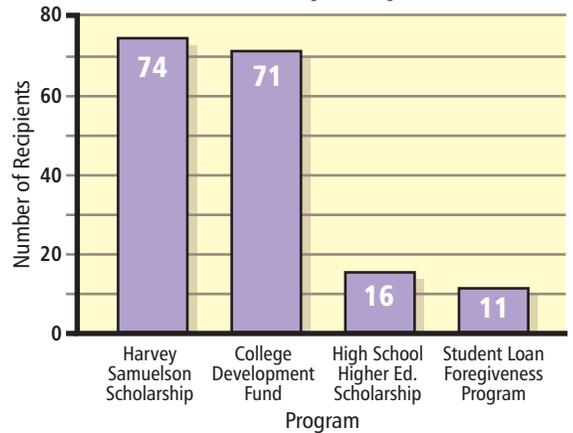
Seventy-one BBEDC residents received \$58,500 in College Development Fund scholarships during the spring, summer, and fall semester. Each recipient is a part-time degree seeking student attending UAF’s Bristol Bay Campus, or another University of Alaska institution through distance education. Scholarships are limited to \$1,000 per semester.

**STUDENT LOAN FORGIVENESS**

Successful Student Loan Forgiveness applicants must have been a resident of a BBEDC community prior to earning a degree and work in a BBEDC community for 12 months. Student Loan Forgiveness recipients received financial assistance for their student loans over the course of five years; 10% in year one, 20% in year two, 30% in year three, 50% in year four, and 100% in year five. Total amount is not to exceed \$20,000. The program has more than doubled since 2006, from five recipients to eleven in 2007. Those 11 recipients received over \$26,000 in student loan forgiveness funds.

*“I’m very grateful that BBEDC has this program, it sure helps me and my family’s pocket book, especially with the rising fuel costs we are living with.”* Annette Wilson, King Salmon Resident

**Number of Higher Education Scholarship Recipients**



**HIGH SCHOOL HIGHER EDUCATION SCHOLARSHIP**

This scholarship provides BBEDC high school students with financial aid to take college courses for dual high school/college credit. Scholarships are limited to \$500 per semester. In 2007, sixteen students were awarded \$6879 high school higher education scholarships.



**TRAINING PROGRAMS:**

**BASIC VOCATIONAL**

Basic Vocational classes are offered by the Bristol Bay Campus, Southwest Alaska Vocational Education Center (SAVEC) and other entities such as the Bristol Bay Area Health Corporation. BBEDC’s Basic Vocational Program provided \$50,679 that allowed 165 people, including both CDQ and non-CDQ residents to receive classes at a reduced rate in 2007. The Basic Vocational Program also helps fund BBEDC workshops and local career/job fairs.

**ADVANCED VOCATIONAL/TECHNICAL**

The Advanced Vocational/Technical Training Program is a vocational scholarship program. This program is geared to the needs of CDQ residents seeking certificates necessary for advancement in their chosen profession, or for individuals seeking new careers in any vocational field.

BBEDC has vocational scholarships available for training. Qualified applicants are eligible to receive up to \$5,000 for all programs.

BBEDC awarded 62 individuals vocational scholarships in 2007 totaling approximately \$196,000.

**ADULT BASIC EDUCATION**

BBEDC provided \$40,000 in financial support to the Bristol Bay Campus to conduct Adult Basic Education courses and the GED program offered through the University of Alaska Fairbanks. These programs provide services to both CDQ and non-CDQ residents in Bristol Bay. The program is highly successful with 256 residents participating in the program in 2007 to work towards obtaining their GED or learning other Adult Basic Education skills. Twenty students were awarded general education diplomas.



*Some of 2007’s GED graduates*

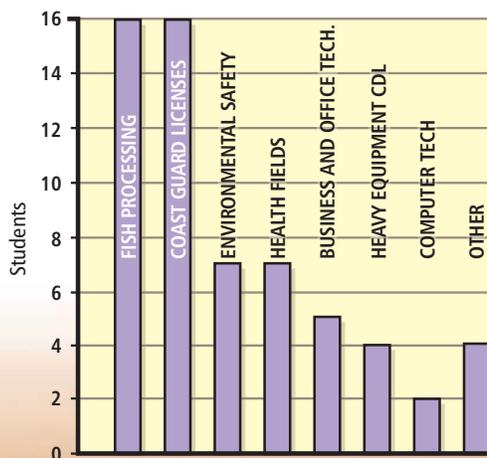
**EMPLOYMENT OPPORTUNITIES:**

BBEDC has a full-time recruiter stationed in the Dillingham office with the primary responsibility of traveling to CDQ and non CDQ communities to assist individuals with employment opportunities on Bering Sea offshore vessels and onshore plants. These positions require commitment and dedication that can pay off with excellent wages. This year 32 Bristol Bay residents earned over \$500,000 in wages with BBEDC partner companies.

*“I have worked for American Seafoods Company for 4 years as a processor. It’s hard work and the days are long, but the pay is good. I also enjoy working for American Seafoods, they are a good company to work for and I look forward to working for them again.”*

Laura John, Manokotak

**BBEDC Vocational Trainings Funded 2007**



*“I haven’t got my 15 seconds of fame yet, but I do what they do on the Deadliest Catch, working on a BBEDC crab boat!”*

Sergie Chukwak, Levelock

*“With the help of BBEDC, I got my welding training and now have a job with the pipe fitters union”*

*Allen Mark, Dillingham*



# Internships

*“The BBEDC internship program enabled me to gain valuable work skills while simultaneously making money for college.”*

## IN-REGION INTERNSHIPS



BBEDC has many exciting opportunities for internships in Bristol Bay. In-region internships last approximately 12 weeks. In 2007, BBEDC provided \$86,285 to place 15 adult interns around the region. Internships ranged in everything from Fisheries Technicians to clerical positions. New internships are continually being developed to expand the program.

*“The BBEDC internship program enabled me to gain valuable work skills while simultaneously making money for college”*

Andrew Miller, USF&W intern Togiak Refuge Dillingham, AK.

## SEATTLE-BASED INTERNSHIPS

Seattle-based internships last six months and are held with our CDQ harvesting partners in a variety of occupations including, clerical, accounting, human resources, information systems and marketing, quality control, safety, and logistics to name a few. BBEDC pays for roundtrip travel, lodging, utilities and reimburses industry partners for wages. BBEDC expended \$ 79,620 for the program in 2007, with nine residents participating.

*“This internship has been fun and practical with a lot of hands on experience.”  
The Seattle internship is a great way to acquire new skills for the FUTURE!”*

Tim Dyasuk, American Seafoods HR/ Safety Intern, Aleknagik

## YOUTH INTERNSHIPS

Youth internships are offered by BBEDC to those 14-17 years old to promote basic job skills training. The primary objectives are learning how to fill out applications properly, developing interview skills, and learning the importance and responsibility of a good work ethic. The program spent \$29,790 in 2007, providing eleven youth with employment opportunities.

*“The BBEDC Youth Internship gave me the opportunity to learn a lot of office skills.”*

Stella Mark, Assistant File Clerk Intern, Twin Hills



**CHILLING THE CATCH**

As market demands for higher quality fish increase, BBEDC continues to provide local fishermen with the tools they need to ice their catch. One hundred sixty-two slush bags were distributed to 33 fishermen, 12 fishermen were provided loose insulating foam for their fish holds, three fishermen took advantage of the fish hold insulation grants and 148 totes were delivered to 50 fishermen. Spending on slush bags, fish hold insulation and insulated containers amounted to more than \$143,000 in 2007, bringing the total spent on chilling improvements to more than \$630,000 since the program was launched in 2004. Buyers typically pay a bonus for chilled fish, a bonus that averaged more than 16 percent above the ex-vessel price paid for Bristol Bay sockeye in 2007. The benefit to the fleet is substantial; chilling every sockeye caught in 2007 would have added more than \$17 million to the value of the catch.



**MORE COLD FACTS**

Contributing to the enhanced value of the 2007 sockeye pack were 840,700 pounds of ice produced and sold by the *Bristol Maid*, BBEDC's ice barge anchored off Clarks Point in the Nushagak River. Although it's difficult to calculate a precise return on investment to the fishing fleet, 840,000 pounds of ice could theoretically chill nearly 3 million pounds of salmon. A second ice barge the *Bristol Lady* is planned for the bay in 2008. The addition of the *Bristol Lady* will allow BBEDC to expand ice availability to fishermen in our continuing effort to enhance quality.



**HALIBUT**

Twenty-seven local fishermen in 2007 landed 74,416 pounds of halibut worth \$229,000 from area 4-E, the CDQ halibut fishery administrated by BBEDC. Although prices were up, catch rates were down from previous years, leading local longliners to speculate that increasing effort by the yellowfin trawl fleet operating west of Cape Constantine may have impacted halibut catches and migration patterns. BBEDC staff is monitoring the yellowfin sole fishery and working with NOAA on bycatch and enforcement issues. Bristol Bay's dense schools of yellowfin are worth an estimated \$75 million.



*“Contributing to the enhanced value of the 2007 sockeye pack were 840,700 pounds of ice produced and sold by the Bristol Maid, BBEDC’s ice barge anchored off Clarks Point in the Nushagak River.”*



*“Ocean Beauty’s management group is strong and they bring processing expertise and training that will allow BBEDC to expand opportunities for our residents.”*

**OCEAN BEAUTY SEAFOODS**

In July of 2007 the final documents were signed between BBEDC and Ocean Beauty for the purchase of 50 percent of Ocean Beauty Seafoods; the largest salmon canner in the state with seven Alaska plants, one of the nation’s largest smokehouse divisions and a worldwide product line. With the implementation of a new “premium program”, Ocean Beauty buys fish that are handled according to special guidelines and fishermen receive a higher price for the catch. Internships are currently available with Ocean Beauty Seafoods leading the way to opportunities for well paying year round jobs in Seattle or seasonal jobs at various plants. Ocean Beauty’s management group is strong and they bring processing expertise and training that will allow BBEDC to expand opportunities for our residents. Their commitment to shore-based processing and rural Alaska community viability is a natural fit with the mission of BBEDC.

**BRISTOL BAY WILD**

This was the last year of operation for the Bristol Bay Wild salmon certification program. The program was started to raise awareness, promote quality, and initiate improved handling guidelines in an effort to raise ex-vessel values. Three plants in Bristol Bay were involved this year and 7.559 million pounds of salmon were certified. The plants that have participated in the BBW program have put great effort into producing a higher quality product for Bristol Bay and should be commended for building a quality reputation for the Bristol Bay salmon industry.

**BOARD OF FISHERIES**

BBEDC continues to monitor proposed salmon restructuring concepts with an eye toward keeping watershed residents informed of potential regulatory changes that could affect their livelihood. A survey of resident attitudes regarding permit stacking, the existing 32-foot vessel limit for salmon and other fisheries issues will be conducted in an effort to better understand the interests of watershed resident Bristol Bay fishermen.



**CROSSING THE BAR**

*BBEDC mourns the loss of Regional Fisheries Coordinator Andy Ruby, who died unexpectedly Nov. 29, 2007. Andy worked passionately and tirelessly on behalf of the people of Bristol Bay, and his spirit remains an inspiration to our efforts.*



**COMMUNITY GRANTS PROVIDE ECONOMIC DEVELOPMENT OPPORTUNITIES**

In 2007, Community Seed Grants in the amount of \$139,025 per community and an Infrastructure Matching Grant pool of up to \$1,000,000 was made available to BBEDC CDQ communities.

These funds provided BBEDC communities with the opportunity to fund infrastructure projects that promote sustainable community and regional economic development. Funds may be used for developing a single or multiple projects, or for feasibility, planning, engineering for a larger project, or any part thereof. Most often, the funds are used by communities to leverage larger grants from other agencies. Community Seed and Infrastructure Matching Grants were discontinued and have been replaced by the Community Block Grant Program and the Processing Grant Program in 2008.



*“These funds provided BBEDC communities with the opportunity to fund infrastructure projects that promote sustainable community and regional economic development.”*

**BBEDC 2007 GRANT AWARDS**

\$ 99,025	City of Aleknagik, Float Plane Road
\$ 89,525	City of Dillingham, Boat Harbor Improvements
\$ 100,000	City of Egegik, Batch Oxidation System Expansion & Upgrade
\$ 233,440	Ekuk Village Council, Equipment Acquisition
\$ 113,725	Ekwok Village Council, New Clinic Design & Construction
\$ 136,469	King Salmon Tribe, Boat Storage Project
\$ 114,025	Levelock Village Council, Energy Infrastructure Upgrade Project
\$ 25,000	Levelock Village Council, Fuel Truck Acquisition
\$ 105,944	City of Manokotak, Dump Truck Acquisition
\$ 114,025	Pilot Point Tribal Council, Ice Machine Power Generation Project
\$ 25,000	Pilot Point Tribal Council, Dago Creek Rehab Completion Project
\$ 115,000	Native Council of Port Heiden, Ice House Project
\$ 139,025	Portage Creek Village Council, Solid Waste Relocation Project
\$ 139,025	South Naknek Village Council, Equipment/Boat Storage Building
\$ 25,025	City of Togiak, Screen Plant Freight Costs
\$ 114,000	Traditional Council of Togiak, Seafood Processing Plant Feasibility & Business Plan
\$ 59,288	Twin Hills Village Council, Electric Generator Acquisition
\$ 1,893	Twin Hills Village Council, Freight for Community Boat Trailer
\$ 77,023	Ugashik Traditional Council, Dock Project Engineering & Design
\$ 58,001	Ugashik Traditional Council, Renewable Energy Project
\$ 1,000,000	King Salmon Tribe, Bristol Bay Borough Dock Expansion

**\$ 2,884,458 2007 TOTAL**

*Note: Some of the figures listed above represent a combination of 2007 funds plus reprogramming of previous years grants.*



*“The provision of interest assistance serves as an incentive to residents to re-invest in their fishing operation (boats, chilling systems, gear and other) so that they are more competitive in the current market.”*

### **BRISTOL BAY PERMIT BROKERAGE**

During its 13th year, the Brokerage assisted over 219 clients with 292 transactions; the majority of those were vessel license renewals, permit renewals and emergency permit transfers. Staff assisted with 12 permanent permit transfers with six permits retained in the region. The Brokerage was established in 1994 with the mission of retaining limited entry permits in the Bristol Bay region. Today the office serves as a point for listing permits for sale or lease and as an extension of the licensing section of the Commercial Fisheries Entry Commission. An emphasis in 2007 was informing and assisting interested residents with CFAB and Alaska Division of Investments loan applications relative to purchasing permits and/or vessels.

### **INTEREST RATE ASSISTANCE**

The Interest Rate Assistance program provides assistance to resident fishers with the interest portion of loans associated with commercial fishing. Resident commercial fishers currently enjoy lower ex-vessel income/production than non-watershed residents (“Bristol Bay Salmon Permits – Elements of Change”, RedPoint Associates, 4/9/07) and therefore have less access to the resources to modernize/upgrade capital equipment and be competitive in the current market. The provision of interest assistance serves as an incentive to residents to re-invest in their fishing operation (boats, chilling systems, gear and other) so that they are more competitive in the current market. Participation in the Interest Rate Assistance program continues to grow yearly. In 2007, there were 59 participants and over \$100,000 was paid to financial institutions in interest assistance on their behalf.

### **ARCTIC TERN PROGRAM**

The Arctic Tern Program provides a vehicle for each of the CDQ communities to fund jobs and educational activities for youth under the age of 17. Introducing youth to the workplace and educational activities can provide a head start on valuable work skills. These work skills help them to succeed over the long term; whether it is as an employee or as a small business owner/operator. Providing these opportunities in their resident community encourages pride and a sense of community responsibility and allows youth to gain the self-confidence, career awareness, financial literacy, and interpersonal competencies needed to succeed over the long term.

The BBEDC CDQ communities created some unique and beneficial work situations for youth and for their community including community clean up, youth mentoring youth, youth coaches and counselors for summer activities programs, cultural learning activities and office positions as well as travel to educational events such as the AFN Youth and Elder Conference. \$73,847 was awarded to 14 communities for Arctic Tern activities.



# Economic Development

## FUEL/ELECTRIC ASSISTANCE

As a one time project, BBEDC allowed communities to use 2007 Community Seed Grant funds to provide resident households with electricity or home heating fuel assistance. This project was specifically approved on an emergency basis by the BBEDC board.

Seed Grants for Fuel/Electric Assistance 2007		
Community	No. of Resident Households	Grant Amount
Ekwok	23	\$ 25,300.00
Ugashik	3	\$ 3,300.00
Clarks point	16	\$ 17,000.00
Port Heiden	19	\$ 19,000.00
Dillingham	90	\$ 49,500.00
Twin Hills	20	\$ 22,000.00
Aleknagik	40	\$ 40,000.00
<b>Total</b>	<b>211</b>	<b>\$ 176,100.00</b>

## CRITICAL ENERGY ISSUES

BBEDC joined with other regional organizations under the structure provided by the Bristol Bay Partnership to begin to develop a region wide energy policy and a recovery plan. Efforts will continue in 2008 to work collaboratively with Bristol Bay villages and their respective organizations, tribes, utilities, regional organizations, municipalities, private sector, state and federal governments toward the development of the plan.

In preparation for development of a regional plan, BBEDC made the decision to undertake a special project. One of the results of high energy costs in our region is that cities and tribes are forced to reduce services to residents in order to divert funds into the cost of energy for community owned facilities. The BBEDC Board directed that a special project be undertaken to audit community facilities and make recommendations for alternative energy sources to reduce the short and long term cost of energy for each facility or group of facilities as well as offer recommendations for short and long term community-wide alternative energy.

## TAX ASSISTANCE PROGRAM

The Tax Preparation Program provides up to \$150 towards the preparation of current year income tax documents by professional tax preparers approved by BBEDC. The program was established to replace the taxpayer clinics previously arranged by the IRS. The IRS program and the current BBEDC program are ultimately for the purpose of increasing the accurate and timely filing of tax returns by residents, primarily small business (commercial fishing) owners. Over 600 residents were assisted in 2007 with program funds totaling \$95,574.

## TECHNICAL ASSISTANCE PROGRAM

The BBEDC Technical Assistance program provides assistance to residents or community entities in developing a business plan, grant mentoring, project planning and development and other specific projects. Assistance is provided by a professional consulting firm retained by BBEDC. In 2007, \$61,258 was spent on the Technical Assistance program.

Applications are available on our website at [www.bbcdc.com](http://www.bbcdc.com).

*“The BBEDC Technical Assistance program provides assistance to residents or community entities in developing a business plan, grant mentoring, project planning and development and other specific projects.”*



*“The Board refined BBSRI’s mission and three objectives to the following:  
“To undertake scientific and educational projects to facilitate a greater understanding of the environment and fisheries resources of the Bristol Bay region and to pursue projects that will foster the economic health and vitality of the region and its inhabitants.”*

The Bristol Bay Science and Research Institute has been conducting fisheries research and monitoring in Bristol Bay since 2002. This locally directed non-profit subsidiary of BBEDC was incorporated in 1998 and works closely with State and Federal resource managers to improve management of area fish stocks and other natural resources. Most of BBSRI’s work has been associated with the salmon fishery, including sampling of the fishery catches, counting salmon in various ways, and operating and interpreting the Port Moller test fishery. The Institute has secured over three million dollars of external funding to support fisheries research and management programs in the Bay since 2002.

In October 2007, BBSRI’s Board of Directors reviewed the Institute’s strategic plan. BBSRI’s many accomplishments over the previous eight years were examined and its goals and objectives revisited. The Board refined BBSRI’s mission and three objectives to the following:

*“To undertake scientific and educational projects to facilitate a greater understanding of the environment and fisheries resources of the Bristol Bay region and to pursue projects that will foster the economic health and vitality of the region and its inhabitants.”*

1. Improve management of Area fish stocks by:
  - Providing leadership and focus on important fisheries issues.
  - Conducting research and monitoring of fish stocks, fisheries and the environment.
  - Increasing participation by local residents in management of Area fish stocks.
2. Increase the economic yield to local residents from area fish stocks by catalyzing changes in the structure and management of Bristol Bay fisheries.
3. Provide employment opportunities to local residents in research and management activities

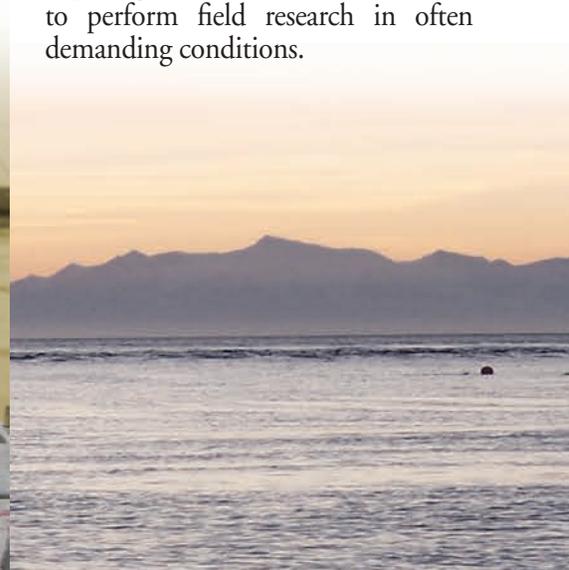
The Board identified three project areas to focus (but not limit) its energy toward:

- Develop and operate a salmon smolt enumeration program for Bristol Bay rivers.
- Improve and operate the Port Moller test fishery.
- Improve stock composition estimates from fisheries that target Bristol Bay salmon.

In late 2007, the Institute secured a three year, \$450,000 grant from the Pacific Coast Salmon Recovery Fund to improve the Port Moller Test Fishery. Also in 2007 and working with a local fisheries acoustics firm, BBSRI designed a modern acoustic system for estimating salmon smolts emigrating from Bristol Bay rivers. Two systems were deployed and tested on the Kvichak River in May and June 2008. Once tested and refined, BBSRI plans to introduce smolt sonar projects on all the primary Bristol Bay rivers. Smolt programs will improve preseason forecasts of adult salmon and are used to improve goals for the number of fish to let into the spawning grounds each year (i.e., escapement goals).

In addition to providing information and research to improve management of area fish stocks, BBSRI has hired local residents to conduct fisheries fieldwork. In 2007, eight Bristol Bay residents were employed by BBSRI. These individuals are typically college students or other young residents from the area. The jobs are challenging and provide good pay and excellent work and life experiences in what are professional positions

requiring initiative and responsibilities to perform field research in often demanding conditions.



## 2007 CDQ - IFQ Harvesting Activity

BBEDC receives annual quotas for groundfish, halibut and crab based on the Total Allowable Catch (TAC) in the federal waters of the Bering Sea and Aleutian Islands. Additional harvesting activity comes from BBEDC investments in IFQ halibut, sablefish and crab. These fisheries of the North Pacific continue to be the international model for sustainable fisheries management.



CDQ pollock is managed as a collective pool with two other CDQ groups, and is harvested by our partners at American Seafoods. TAC for 2007 was down 6 percent compared to last year and will be significantly lower in 2008. Despite an incomplete harvest in the non-CDQ sector of the fishery, all of BBEDC's quota was harvested.

The multi-species trawl fishery includes all allocated flatfish species, Atka mackerel and Pacific Ocean perch. BBEDC's quota for these fisheries is harvested in a collective pool with that of three other CDQ groups by our partners at U.S. Seafoods. High bycatch levels of cod and arrowtooth flounder prevented the full utilization of the 2007 quota. TAC levels in 2007 were generally higher for these species than they were in 2006. Increases are expected for 2008.

Alaskan Leader Fisheries harvested all of BBEDC's Pacific cod in the directed fishery. Their three vessels had a successful year with excellent catch rates, high market prices and low operational expenses. The non-CDQ fishery during the first part of the year was the shortest on record. The 2007 TAC for Pacific cod was 10 percent lower than in 2006, however new methods for determining the TAC level for the fishery are currently in development and will hopefully lead to higher TACs in the future.

Bering Sea and Aleutian Island sablefish CDQ and IFQ experienced strong prices and good catch rates. The Bering Sea TAC level was higher than last year and BBEDC's quota was again harvested by the Cascade Mariner. BBEDC pooled a portion of its' Aleutian Island quota with that of the Yukon Delta CDQ group in a new harvesting relationship to bring in a larger portion of this notoriously challenging fishery. The Aleutian Island IFQ went unharvested in 2007, however our new relationship with the Judi B is expected to provide a home for that quota to be landed. Gulf of Alaska IFQ saw nearly complete harvest.

Longline partners harvesting 4D CDQ and BBEDC's IFQ halibut reported high prices at the dock that were able to more than make up for the decrease in TAC. The International Pacific Halibut Commission continues to refine their coastwide approach to halibut management.

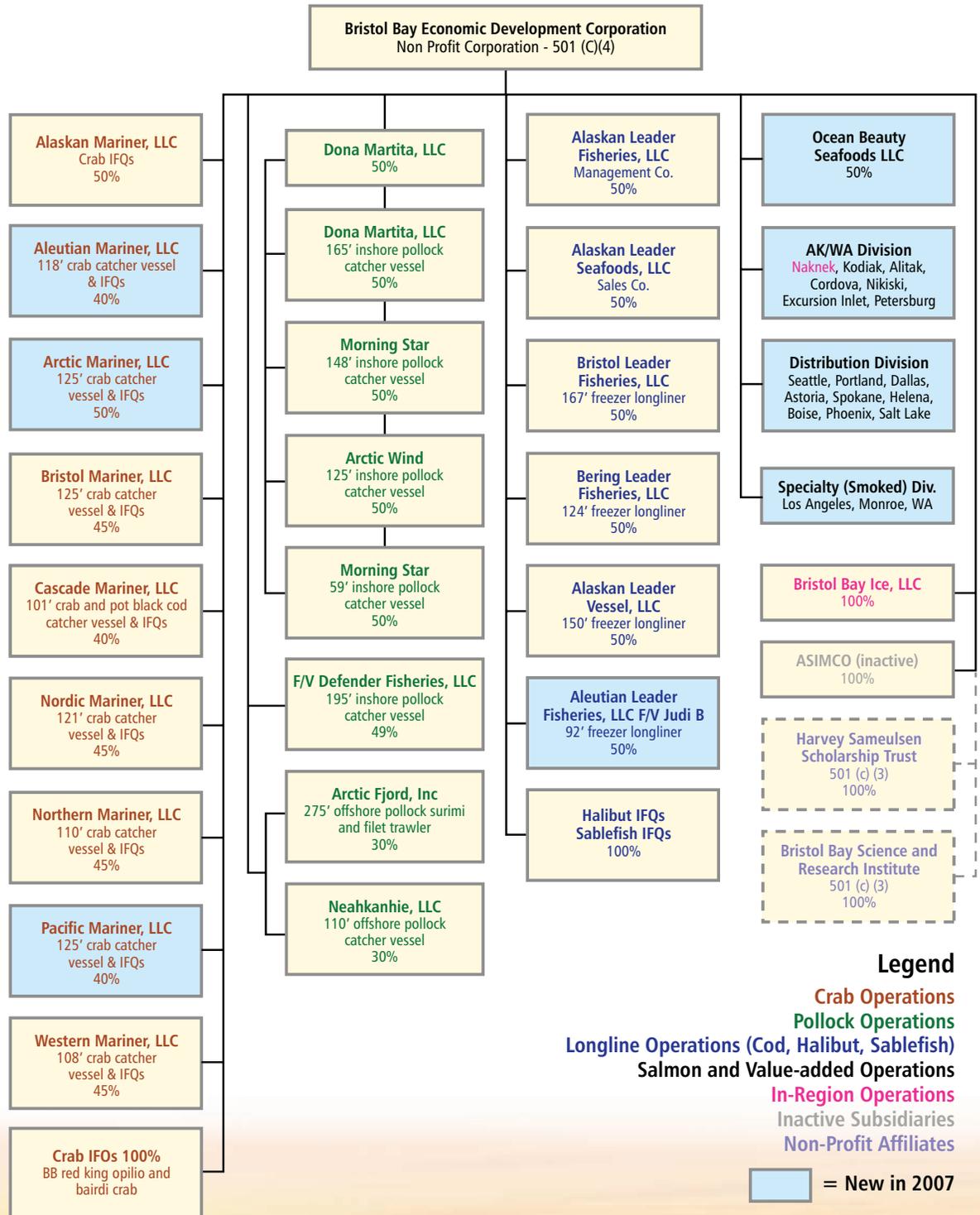
Our crab partners at Kaldestad Fisheries reported that catch rates were great and stayed strong for the major fisheries. During the opilio season the size of crab was down somewhat but prices were up significantly. Weather was unusually cold and the ice pack stayed far to the south all the way in to March. The floating processor Stellar Sea caught on fire en route to the Pribilofs causing the fleet to make some in-season adjustments. Two vessels harvesting BBEDC quota subsequently tied up for a few weeks to let the backlog of vessels waiting to offload clear out and things went smoothly upon their return. The quota for 2008 has been announced and is more than 70 percent greater than this year.

Bristol Bay red king crab saw an increase in TAC of more than 30 percent over 2006. In recent years, the price for crab had been driven down due to a large influx of Russian crab on the world market. Fewer Russian crab on the market translated to better prices for BBEDC CDQ and IFQ king crab. This was good news for the Eastern Aleutian Island golden king crab CDQ harvest as well.

*"BBEDC pooled a portion of its' Aleutian Island quota with that of the Yukon Delta CDQ group in a new harvesting relationship to bring in a larger portion of this notoriously challenging fishery."*



**BBEDC ANNUAL REPORT 2007**  
*organizational chart*



*consolidated statement of financial position*

**Bristol Bay Economic Development Corporation and Subsidiaries**

Consolidated Statement of Financial Position

December 31, 2007 and 2006

<b>Assets</b>	<u>2007</u>	<u>2006</u>
Cash and cash equivalents	\$ 10,164,207	5,144,561
Investments in marketable securities	1,627,991	3,178,682
Receivables	1,458,067	1,573,623
Accrued interest	367,658	311,561
Prepaid expenses and other assets	<u>37,481</u>	<u>98,338</u>
Total current assets	<u>13,655,404</u>	<u>10,306,765</u>
<b>Long-term assets:</b>		
Promisory note receivable from affiliate	600,000	600,000
Investments in marketable securities	48,754,935	44,195,021
Investment in unconsolidated affiliates	54,822,183	13,077,994
Equity method goodwill	36,156,328	31,476,509
Investment in individual fishing quotas	14,642,228	14,642,228
Property, plant and equipment, net	<u>3,251,981</u>	<u>2,775,481</u>
Total long-term assets	<u>158,227,655</u>	<u>106,767,233</u>
	<u>\$ 171,883,059</u>	<u>117,073,998</u>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 722,360	862,273
Deferred revenue	37,930	163,000
Community and business development fund awards	3,226,433	3,230,927
Notes payable	<u>4,030,869</u>	<u>30,270</u>
Total current liabilities	8,017,592	4,286,470
Notes payable less current portion	<u>32,096,810</u>	<u>1,502,883</u>
Total liabilities	40,114,402	5,789,353
<b>Net assets</b>	131,768,657	111,284,645
Commitments and contingencies		
	<u>\$ 171,883,059</u>	<u>117,073,998</u>

*Audited Financial Statements Prepared by KPMG, LLP*



*consolidated statement of Activity*

**Bristol Bay Economic Development Corporation and Subsidiaries**

Consolidated Statement of Activities

Years ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<b>Changes in unrestricted net assets:</b>		
<b>Revenues and gains:</b>		
Program revenue	\$ 14,768,161	13,987,735
Interest and dividend income	2,573,394	2,289,798
Net gain on investments	1,392,245	2,264,917
IFQ investment income	1,719,768	1,311,400
Grant revenue – Operating	244,525	927,242
Grant revenue – Capital	–	471,139
Equity in income of unconsolidated affiliates	8,804,646	5,156,392
Other	<u>277,770</u>	<u>142,747</u>
Total unrestricted revenues and gains	<u>29,780,509</u>	<u>26,551,370</u>
<b>Expenses:</b>		
Program	7,555,260	7,953,049
Finance and administration	<u>1,473,569</u>	<u>1,250,325</u>
Total expenses	<u>9,028,829</u>	<u>9,203,374</u>
Increase in net assets before income taxes	20,751,680	17,347,996
Income tax expense	<u>[267,668]</u>	–
Increase in net assets	20,484,012	17,347,996
<b>Net assets at beginning of year</b>	<u>111,284,645</u>	<u>93,936,649</u>
<b>Net assets at end of year</b>	<u>\$ 131,768,657</u>	<u>111,284,645</u>

*Audited Financial Statements Prepared by KPMG, LLP*



*General and Administrative costs*

**Bristol Bay Economic Development Corporation and Subsidiaries**

Schedule of Finance and Administrative Expenses

Years ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Salaries	\$ 598,798	589,346
Benefits and payroll taxes	186,627	179,806
Professional fees	116,186	79,584
Accounting fees	107,277	55,421
Board fees	87,612	83,599
Depreciation and amortization	82,127	23,688
Travel and per diem	76,664	108,517
Office expense	44,538	34,022
Utilities	37,119	-
Telephone	31,099	25,703
Insurance	26,619	28,558
Staff training	21,330	19,975
Legal fees	13,950	53,418
Office rent	13,062	63,777
Dues and subscriptions	5,750	2,873
Postage	5,193	2,999
Bank fees	2,005	1,915
Repairs & Maintenance	1,391	-
Miscellaneous	16,222	[102,876]
	<u>\$ 1,473,569</u>	<u>1,250,325</u>

*Audited Financial Statements Prepared by KPMG, LLP*



**DIRECTOR COMPENSATION POLICY**

BBEDC compensates its Directors who attend board and committee meetings with a meeting fee and travel/perdiem. The fee for meetings lasting four hours or less is \$300. For meetings lasting more than four hours, the fee is \$500. No director receives more than \$500 in any one day. BBEDC Directors are appointed for three year terms but may be replaced in accordance with BBEDC By-laws.

<b>Compensation for the aggregate of 17 Directors for 2007</b>		<b>\$165,800</b>
<b>Professional Fees - 2007</b>		
Legal Expenses		\$ 116,969
Lobbying		\$ 95,227
Audit & Tax		\$ 115,477
Audit	49% =	\$56,577
Tax	51% =	\$58,900
<b>Total for professional fees</b>		<b>\$ 327,673</b>
<hr/>		
<b>Top 5 Employee Compensation - 2007</b>		
<b>Name/Title</b>		<b>Compensation</b>
Paul Peyton, Seafood Industry Investment Officer Anchorage, AK		\$ 122,558
	<i>2007 Bonus</i>	\$ 10,000
		<b>\$ 132,558</b>
H. Robin Samuelson, President/CEO Dillingham, AK		\$ 88,824
	<i>2007 Bonus</i>	\$ 15,000
		<b>\$ 103,824</b>
Robert Leingang, Chief Financial Officer Dillingham, AK		\$ 88,824
Helen Smeaton, Chief Administrative Officer Dillingham, AK		\$ 69,715
Alice Ruby, ECD & BB Permit Brokerage Coordinator Dillingham, AK		\$ 69,260

**RELATED PARTY TRANSACTIONS**

BBEDC reports any transactions over the amount of \$20,000 with any director or their family members. There were no such transactions in 2007.

**LEGAL PROCEEDINGS INVOLVING DIRECTORS**

BBEDC reports any pending litigation between itself and any Directors. There is no such litigation for 2007.



# BBEDC STAFF MEMBERS

H. Robin Samuelsen, Jr., CEO & President

*sockeye1@nushtel.net*

Frank Barrus, Chief Financial Officer

*frank@bbedc.com*

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*Photo credits (cover and pages 1 & 11): Clark James Mishler Photography*

*“Providing Opportunities - Accept the Challenge”*

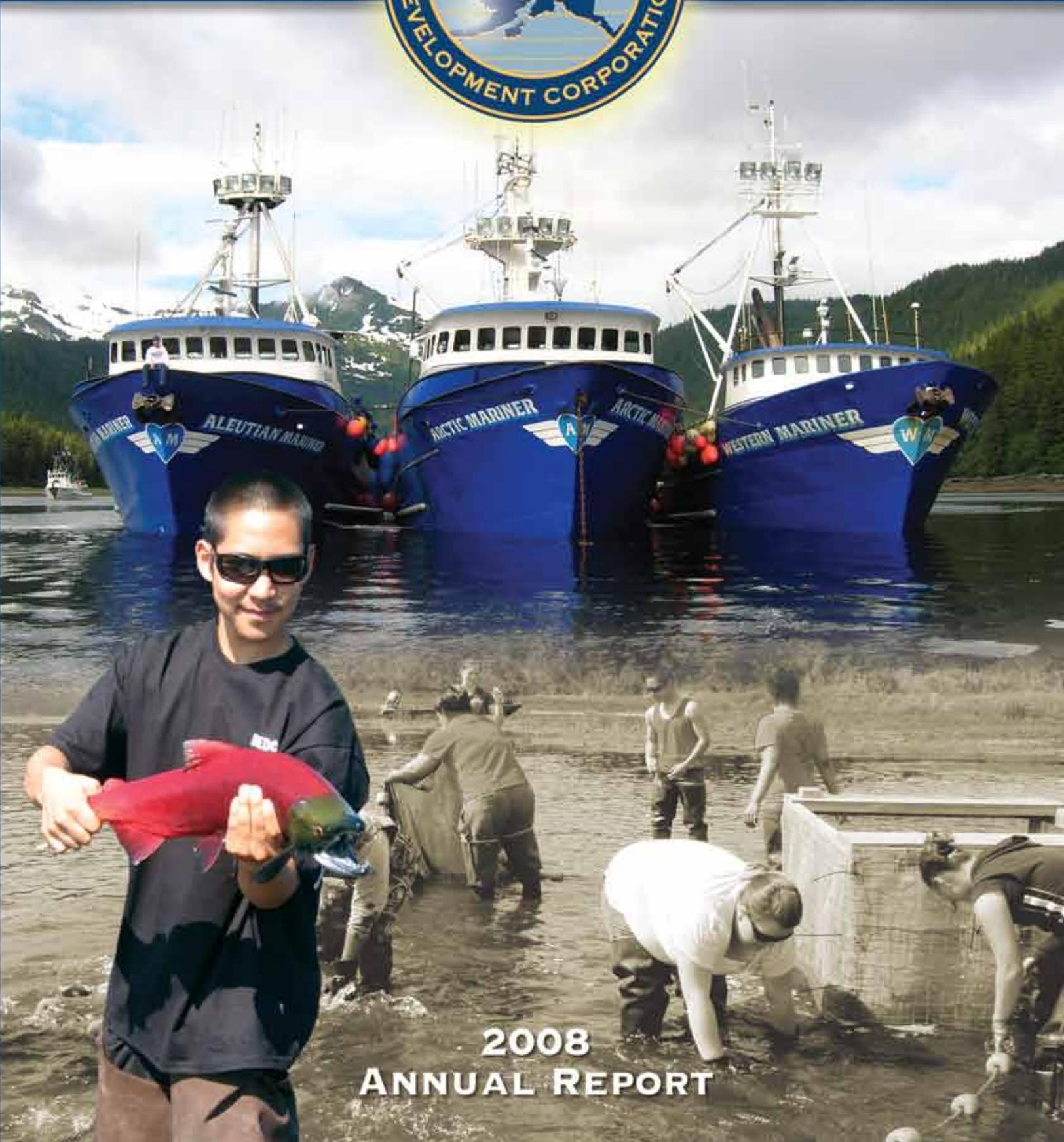
**BRISTOL BAY ECONOMIC DEVELOPMENT CORPORATION**  
**P. O. BOX 1464, DILLINGHAM, ALASKA 99576 / WWW.BBEDC.COM**

*“Providing Opportunities, Accept the Challenge”*



**BBEDC**  
P.O. Box 1464  
DILLINGHAM, AK 99576

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Anchorage, AK  
Permit #69



**2008  
ANNUAL REPORT**

# BBEDC Staff Members

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Nicole Krause, Administrative Assistant II

*nicole@bbedc.com*

## Executive Committee

Robin Samuelsen, President

Fred T. Angasan, Vice-President

Hattie Albecker, Secretary

Robert Heyano, Treasurer

Victor Seybert

Moses Kritz

Gerda Kosbruk

## Finance & Audit Committee

Robert Heyano, Chair

Victor Seybert

Moses Kritz

Fred T. Angasan

Hattie Albecker

## Regional Fisheries Committee

Moses Kritz, Co-Chair

Robert Heyano, Co-Chair

Victor Seybert

Mark Angasan

Hattie Albecker

Steven Angasan

## E&T/Education Committee

Steven Angasan, Chair

Fred Bartman

Fritz Sharp

Mary Ann Johnson

Gerda Kosbruk

## Policy Committee

Fred T. Angasan, Chair

Mark Angasan

Harry Wassily

Fritz Sharp

Sergie Chukwak

## Bristol Bay Science and Research Institute

Executive Committee

## Harvey Samuelsen Scholarship Trustees

Mary Ann Johnson, President

Sylvia Kazimirowicz, Treasurer

Fritz Sharp, Vice President

Harry Wassily, Secretary

Lucy Goode

## Permit Loan Committee

Robert Heyano, Chair

Hattie Albecker

Moses Kritz

## Bristol Bay Ice, LLC

Robin Samuelsen, Chair

Robert Heyano

Hattie Albecker

Moses Kritz

*“Providing Opportunities - Accept the Challenge”*

**Bristol Bay Economic Development Corporation**

P. O. Box 1464, Dillingham, Alaska 99576 / [www.bbedc.com](http://www.bbedc.com)

# BBEDC Annual Report 2008

## *Mission Statement*

*“It is the purpose of the Bristol Bay Economic Development Corporation to promote economic growth and opportunities for residents of its member communities through sustainable use of the Bering Sea resources.”*



### **BBEDC Dillingham**

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Dillingham, Alaska 99576  
(907) 842-4370 / Fax: (907) 842-4336  
Toll free: 1 (800) 478-4370

### **BBEDC Anchorage**

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(907) 644-8640 / Fax: (907) 644-8647



# BBEDC Annual Report 2008

## *Letter from the President/CEO*



*“BBEDC is a very dynamic company that continues with growth both in services to its people and in overall growth of the organization.”*

### Greetings!

When I look back over the year 2008 at BBEDC, I am very proud of what my Board and staff have done for the region, these folks are committed to making Bristol Bay a better place to live.

King salmon bycatch remains to be a big issue within Bristol Bay. BBEDC led the charge to get a king salmon cap placed on the pollock fleet to protect this important resource. The pollock fishery took 121,755 kings which had a negative impact on the sport, subsistence and commercial fisheries. BBEDC's Board of Directors took action to get a cap in place to protect king salmon stocks in Bristol Bay. BBEDC pushed hard at the North Pacific Fisheries Management Council to set a bycatch cap of 45,000 kings on the pollock fishery. The cap ended up at 60,000 kings, but all was not lost. If the pollock fishery catches 47,591 kings more than twice within a seven year period, the cap becomes 47,591 kings. Chinook bycatch is down since 2007, to 20,559 in 2008 and it's on course to be well below 20,000 in 2009 as most of the pollock industry is finally starting to get it. BBEDC will be keeping the pressure on to see that this trend continues until the hard cap regulations are in place on January 1, 2009.

BBEDC completed construction of a new ice barge; the M/V Bristol Lady was operated by Ocean Beauty and stationed in Egegik. Both set and drift fishermen are requesting ice and more and more are seeing the value of icing their harvest. Although building and operating an ice barge is very expensive, BBEDC has recognized that ice must be on the water where fishermen can access it. The M/V Bristol Lady and the M/V Bristol Maid supplied close to 2 million pounds of ice to fishermen. Most of the major processors paid an additional 10 cents a pound for chilling and one company paid 16 cents a pound; this makes a big difference at the end of the year for our fishermen. From the beginning, BBEDC has led the way looking to improve the quality of the Bristol Bay salmon fishery and we will continue to do so in an effort to increase the prices paid to fishermen.

A salmon permit retention program has been developed for BBEDC residents. The Permit Loan Program is designed to get additional fishing permits back into the ownership of region residents by providing financial assistance in the form of an interest subsidy and sweat equity as well as business counseling and educational opportunities.

This year the Community Seed Grant Program was converted to a Community Block Grant Program, allowing communities more flexibility to identify projects that fit their specific needs. These projects must lead to economic growth that is sustainable, contribute to the reduction of poverty, contribute to employment, and/or provide economic and social benefits for the residents. In 2008, BBEDC funded this program at \$159,000.00 per community. I hope you are enjoying projects within your community.

BBEDC is a very dynamic company that continues with growth both in services to its people and in overall growth of the organization. I want to thank our Board, staff and partners that contribute to making BBEDC a successful organization. If you have comments or suggestions to improve BBEDC services, please give me a call or email. It is great to serve you all.

Sincerely,

H. Robin Samuelsen, Jr.  
President/CEO



# BBEDC Annual Report 2008

## Highlights

- Construction was completed of the new ice barge M/V Bristol Lady. BBEDC ice barges M/V Bristol Maid and M/V Bristol Lady distributed close to 2 million pounds of ice to fishermen.
- Twenty-four Bristol Bay residents earned over \$457,000 working with BBEDC partners in the Bering Sea fishery.
- BBEDC and the other owners sold their interests in F/V Defender to Dona Martita, increasing BBEDC's share from 49% to 50%.
- The Harvey Samuelsen Scholarship Trust awarded \$308,487 to 78 students.
- Through the Community Block Grant program, \$2,703,000 was awarded to 17 BBEDC communities.
- BBEDC's Regional Fisheries Program expended \$179,000 on slush bags, insulated totes and fish hold insulation.
- Four Bristol Bay residents enrolled in the Permit Loan Program established by BBEDC to help local residents purchase limited entry salmon permits.
- BBEDC and Alaskan Leader Group started a metal fabrication shop to service the Leader boats and other members of the fishing fleet.
- Interest rate assistance was provided to 62 residents; \$108,000 in interest assistance was paid to financial institutions on their behalf.
- BBEDC partner, Alaskan Leader Fisheries once again gave generously through the Alaskan Leader Fisheries Foundation awarding \$29,500 to 17 organizations in BBEDC communities.
- Bristol Bay Permit Brokerage assisted 174 clients with fishing related regulatory transactions.
- Thirteen youth interns were placed around the region, earning \$47,000 in wages.
- Ocean Beauty closed its 80 year old Los Angeles smoke fish processing plant, moving production to its Monroe facility and custom processing locations.
- Arctic Tern Grants totaling \$58,602 were awarded to eleven communities and involved 80-100 youth in unique and worthwhile projects in their communities.
- More than \$1,000,000 was received via tax refunds by participants of the Tax Assistance Program.
- The Bristol Bay Science & Research Institute employed 10 region residents.
- Partnering with the Consumer Credit Counseling Services of Alaska, BBEDC now provides residents free personal finance/education.
- Up to \$2,000,000 per community applicant was made available through the Community In-Region Processing Grant Program.
- Over \$67,000 in wages was earned by 18 residents participating in the Seasonal Employment Opportunities Program.
- Nine residents were placed in Seattle internship positions with BBEDC partners.

*"More than \$1,000,000 was received via tax refunds by participants of the Tax Assistance Program."*

*"Providing Opportunities... Accept the Challenge."*



## BBEDC Annual Report 2008

### *Bristol Bay Science & Research Institute*

*“The Institute has secured over 3.3 million dollars of external funding to support fisheries research and management programs in the Bay since 2002.”*

The Bristol Bay Science and Research Institute has been conducting fisheries research and monitoring in Bristol Bay since 2002. This locally directed non-profit subsidiary of BBEDC was incorporated in 1998 and works closely with State and Federal resource managers and industry to improve management of area fish stocks and other natural resources. BBSRI's mission is:

*“To undertake scientific and educational projects to facilitate a greater understanding of the environment and fisheries resources of the Bristol Bay region and to pursue projects that will foster the economic health and vitality of the region and its inhabitants.”*

Most of BBSRI's work has been associated with the salmon fishery, including annual sampling of the commercial fishery catches, counting salmon in various ways, and operating and interpreting information from the annual Port Moller test fishery. The Institute has secured over 3.3 million dollars of external funding to support fisheries research and management programs in the Bay since 2002.

In addition to the annual monitoring programs conducted in 2008, the Institute completed an exciting multi-year development effort of a sonar system that will be used to count sockeye salmon smolts migrating to sea from area nursery lakes. This innovative application of sonar technology will provide a cost-effective tool for enumerating smolt runs around Bristol Bay, which is one of three focus areas for BBSRI.<sup>1</sup> Smolt enumeration programs will improve preseason forecasts of adult salmon to the different fishing districts and are used to assess and improve goals for the number of fish to let into the spawning grounds each year (i.e., escapement goals). Together, the three focus areas address large-impact issues before the salmon fishery.

The general design of the new sonar system was based on the earlier Bendix Corporation smolt sonar system developed in the 1970s but used modern digital technology and smaller computer components to make relatively inexpensive and much more robust up-looking sonar pods than the Bendix system. Each sonar pod is a stand-alone sonar system and up to 8 pods can be networked together to form a sonar array capable of enumerating tens of millions of smolts going to sea over a few weeks.

The system developed by BBSRI has attracted attention from sonar manufacturing firms from around the world. Working in the field with the Alaska Department of Fish and Game, BBSRI biologists and technicians deployed two new sonar systems in the Kvichak River in May and June, 2008. The tests of each system went well and we were extremely pleased with the systems' performance. Once fully tested and refined in 2009, BBSRI plans to introduce smolt sonar projects on several key Bristol Bay rivers, including the Egegik, Ugashik, Wood, and possibly the Naknek.

<sup>1</sup>The other two focus areas are to improve inseason forecasts of salmon abundance with the Port Moller test fishery and to improve stock composition estimates from fisheries that target Bristol Bay salmon.



# BBEDC Annual Report 2008

## CDQ/IFQ Harvesting Activity

BBEDC was pleased to introduce the Judi B to our fleet in 2008. She is a 92' freezer longliner that will focus on AI sablefish IFQ and CDQ and provide a stable harvester for these challenging fisheries. In addition to BBEDC's allocations, another CDQ group transferred a large portion of their 2008 AI sablefish quota to be pooled with ours. This worked very well for the vessel and for both CDQ groups. Nearly all of the CDQ AI sablefish harvested during the season was from our two groups, only a negligible amount was harvested by the other groups. With such a successful first season on the Judi B we anticipate that there will be a demand from other CDQ groups to harvest their allocations on board as well.

BBEDC had a very successful year getting most of our quota harvested. Pollock fishing was comparable to the 2007 season – but with significantly lower salmon bycatch. The Cascade Mariner experienced mechanical problems that hindered their complete harvest of the BS Sablefish quota. The weak global market for flatfish is reflected in the low percentages harvested for those species. As in 2007, the CDQ halibut harvest in 4D went smoothly and brought in more than 99% of the allocation.

Red king crab and opilio were successfully prosecuted. As in 2007, the western Tanner crab (harvested in conjunction with the opilio season) was never found in marketable quantities. On the other hand, our vessels found eastern Tanners (harvested in conjunction with red king crab) and harvested all of our quota.

*“With such a successful first season on the Judi B we anticipate that there will be a demand from other CDQ groups to harvest their allocations on board as well.”*

### CDQ Harvesting Quotas

	BBEDC Allocation	Percent Harvested	Harvesting Vessels
<b>CDQ Target, mt</b>			
Pollock	21,000.000	100%	American Seafoods - Northern Eagle, Ocean Rover, American Dynasty, Northern Jaeger, American Triumph, Northern Hawk
Pacific Cod	3,822.19	100%	Alaskan Leader Fisheries - Bristol Leader, Bering Leader, Alaskan Leader
BS FG Sablefish	57.20	92%	Cascade Mariner
AI FG Sablefish	69.54	93%	Aleutian Leader Fisheries - Judi B
Flatfish Pool			U.S. Seafoods - Seafreeze Alaska, Ocean Alaska, Legacy
Yellowfin Sole	5,759.95	17%	
Rock Sole	1,846.09	14%	
Flathead Sole	1,128.31	4%	
Atka Mackerel	974.35	100%	
Pacific Ocean Perch	280.89	97%	
BS Sablefish	23.60	52%	
AI Sablefish	9.15	10%	
BS Greenland Turbot	37.45	90%	
Arrowtooth Flounder	1,765.50	16%	
<b>CDQ Target, lbs.</b>			
4D/4E Halibut	243,582	68%	Shemya
EAI Golden King Crab	56,700	100%	Erlan-N
Bristol Bay Red King Crab	386,916	99%	Bristol Mariner, Pacific Mariner, Aleutian Mariner
Opilio Crab	1,260,680	100%	Bristol Mariner, Pacific Mariner, Arctic Mariner, Nordic Mariner
Tanner Crab	93,841	56%	Nordic Mariner

*“Providing Opportunities... Accept the Challenge.”*



# BBEDC Annual Report 2008

## Education Initiative

*“Camp was fast and fun leaving students with a new found respect for salmon as a commercial, sport and subsistence resource.”*

### Salmon Camp

Twenty students from thirteen Bristol Bay communities attended one of the three Salmon Camp sessions scheduled for students in grades six through eleven in 2008. Salmon Camp is a hands on learning experience offered to students throughout the Bristol Bay region.

Students attending the 6th grade camp came from King Salmon, Koliganek, Igiugig, Ekwok and Dillingham. They learned the basic salmon life history, toured the operations at Peter Pan Seafoods in Dillingham, tied flies and learned to fly fish, and collected and analyzed macro invertebrates. Camp was fast and fun leaving students with a new found respect for salmon as a commercial, sport and subsistence resource.

Manokotak, Koliganek, Kokhanok, Port Heiden and Dillingham students attended the 7th/8th grade camp. They gained an appreciation for how Bristol Bay salmon use is managed by the Alaska Department of Fish & Game (ADF&G). They captured, tagged and tracked salmon, spent a day with the Fisheries Research Institute on a spawning stream as well as a day at the Togiak Tower counting and sampling fish. BBNA and ADF&G Subsistence Division gave a presentation on their data collection and analysis methods. Students gave poster board presentations in the BBEDC board room explaining various aspects of a specific salmon species and Bristol Bay drainage.

The high school camp was again taught by Dr. Raddenbaugh from the UAF Bristol Bay Campus. Students from Togiak, Aleknagik and Manokotak received one college credit for the ecology course that involved comparing salmon spawning streams on Lake Aleknagik by observing water quality, stream substrates and biology.



# BBEDC Annual Report 2008

## Education Initiative

### Harvey Samuelsen Scholarship Trust

The Harvey Samuelsen Scholarship Trust continues to provide postsecondary scholarships to BBEDC students throughout the region. The Trust awarded \$308,487 toward the education of 78 BBEDC residents in 2008. Harvey Samuelsen Scholarship recipients attend accredited colleges and universities as full-time students throughout Alaska, Canada, and the lower 48 states.

### College Development Fund

BBEDC is committed to helping students pursuing a college degree who don't have the option of attending school outside of the region. Seventy-seven BBEDC residents received \$86,645 in scholarships during the spring, summer, and fall semesters in 2008. Each recipient is a part-time degree seeking student attending UAF's Bristol Bay Campus, or another University of Alaska institution via distance education. Scholarships are limited to \$1,000 per semester.

### Student Loan Forgiveness

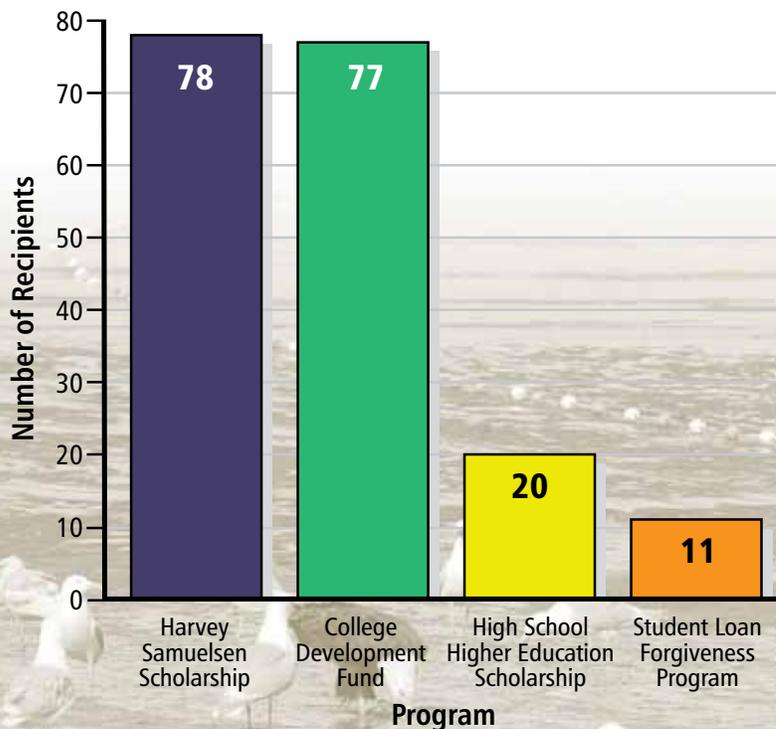
In 2008, 11 residents received Student Loan Forgiveness awards totaling \$22,338. The Student Loan Forgiveness program encourages region residents to return to work in the region after completing their education. Successful applicants must have been a resident of a BBEDC community prior to earning a degree and work in a BBEDC community for 12 months. Student Loan Forgiveness recipients receive financial assistance for their student loans over the course of five years; 10% in year 1, 20% in year 2, 30% in year 3, 50% in year 4, and 100% in year 5. Total amount is not to exceed \$20,000.

### High School Higher Education Scholarship

BBEDC provides high school students with financial aid to take college courses for dual high school/college credit. These courses prepare students for higher education and give them a head start on their postsecondary education. Scholarships are limited to \$500 per semester. Twenty high school students took college classes expending \$7,496.

*"The Harvey Samuelsen Scholarship Trust awarded \$308,487 to 78 BBEDC residents."*

### Number of Higher Education Scholarship Recipients



*"Providing Opportunities... Accept the Challenge."*



# BBEDC Annual Report 2008

## Education Initiative

### Scholarship Recipient Highlights

#### Shelley Dawn Woods

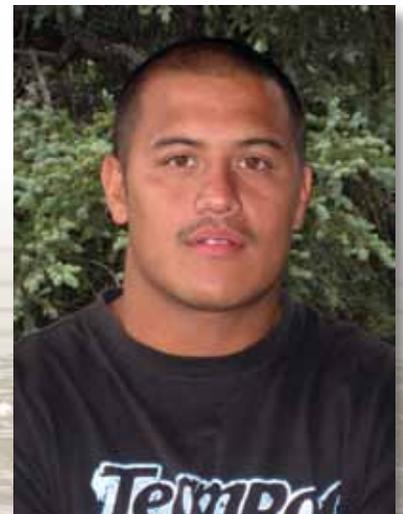
Shelley Woods is a current recipient of the Harvey Samuelsen Scholarship Trust as well as an instructor at BBEDC Salmon Camp. Shelley also has participated in the Bristol Bay Science and Research Institute internship program for 5 years. She recently received the UAF School of Fisheries Outstanding Undergraduate Senior award and had this to say:

*"I am honored to receive the UAF School of Fisheries Outstanding Undergraduate Senior Award for the 2008-09 school year. For the past two years I have been a fisheries student at UAF. The faculty and staff at the School of Fish (SFOS) has been nothing but helpful, and I have found my place in their community. My journey to study fisheries began while running around Ekuik Beach as a little girl. I was always interested in fish and how they ended up on my plate. During breaks from college I have been able to come back home and work in the fisheries field and answer some of my own questions behind salmon biology, social aspects of life in general, and how I am going to fit into the workforce. These experiences cannot be duplicated in the classroom, and I owe a big thank you to BBEDC, BBNA, the Alaska Department of Fish and Game, and the US Fish and Wildlife Service for making my summers exciting and valuable. Without these important internships and the support of my family, friends, and community, I believe I would not have made it this far. I will graduate in December of 2009 and begin a graduate program after that. I still do not know where life will take me, but I will return to Dillingham when I am finished with my degree(s). This place is home, and it is so because I love the people and the land!" - Shelley Woods*



#### James Roscoe Hansen

James Hansen first came to BBEDC as an intern in the Permit Brokerage Department. He has been a Harvey Samuelsen Scholarship recipient for three years and recently graduated in May 2009 from the University of Alaska Fairbanks with a Bachelor of Science Degree in Civil Engineering. During his last month of school, James was offered an engineering position with not just one, but two major engineering firms operating out of Texas. Before James' actual graduation date he accepted the offer with British Petroleum in Houston. James says he will be part of BP's Challenge Program which is a four-year program that not only assigns a mentor for James, but allows him to spend a year working within each of the various engineering specialty departments at BP. Upon completion of the program, James will then decide which department within the mega-petroleum company he would like to work as well as where he would like to be stationed. Congratulations James and good luck to you and your family!



*"Providing Opportunities... Accept the Challenge."*

*"Shelley Woods recently received the UAF School of Fisheries Outstanding Undergraduate Senior award; James Hansen has been a Harvey Samuelsen Scholarship recipient for three years and recently graduated in May 2009 from the University of Alaska Fairbanks with a Bachelor of Science Degree in Civil Engineering."*



# BBEDC Annual Report 2008

## *Employment and Training*

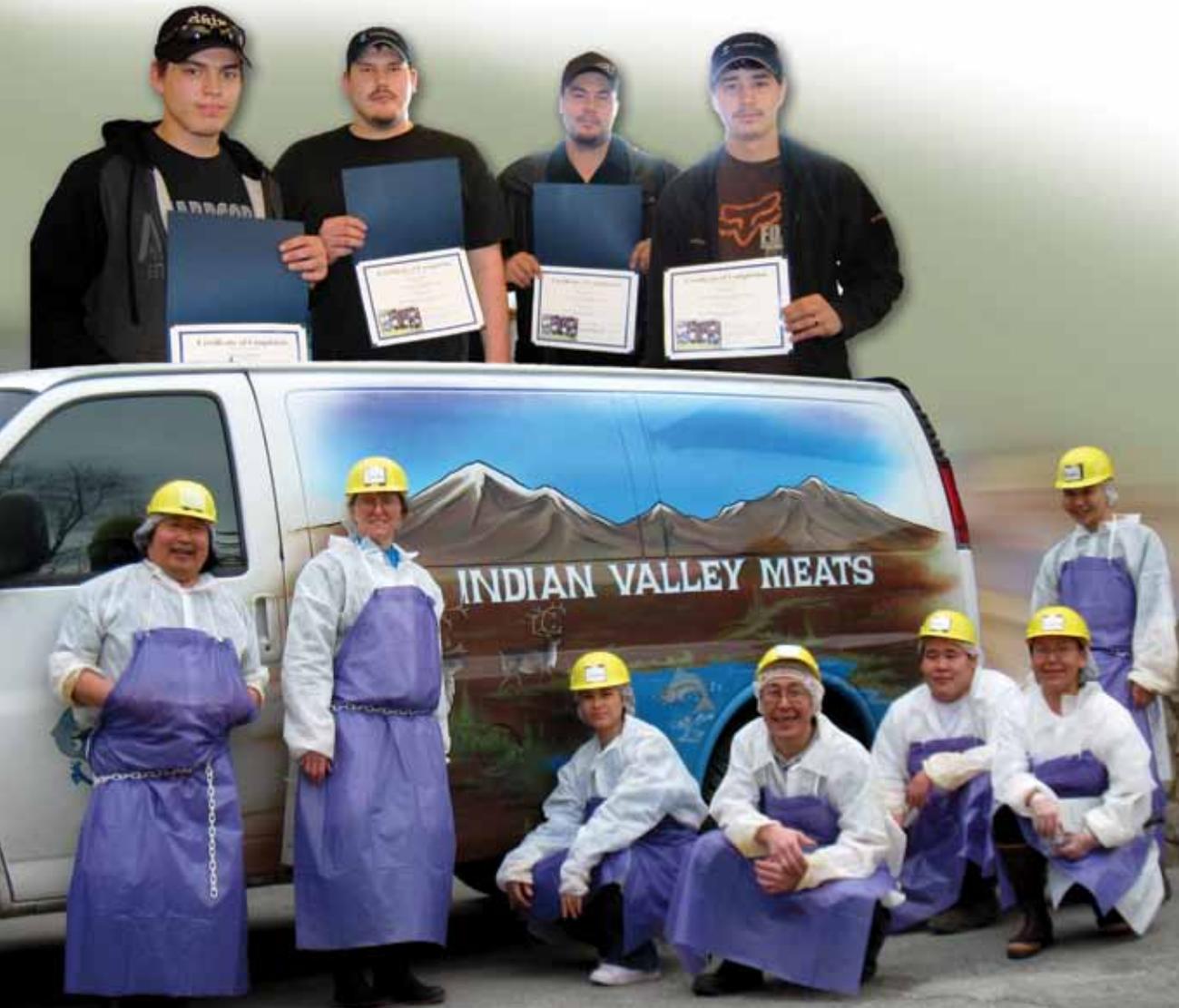
### Seasonal Employment

The Seasonal Employment Opportunities Program was developed in 2008 to create entry level, seasonal employment opportunities for residents by placing them in temporary positions around the Bristol Bay region. BBEDC works with organizations to identify employment opportunities, recruit, interview and hire CDQ residents. These positions can last up to 16 weeks and new opportunities are created annually. In its first year, the program employed 18 residents who earned over \$67,000 in wages.

### Bering Sea Employment

BBEDC has ownership in virtually every sector of the Bering Sea and continues to ensure that employment agreements are in place with each CDQ partner to increase the availability of employment for our residents. Employment opportunities with BBEDC partners in the Bering Sea fisheries on offshore vessels and in onshore plants require commitment and dedication that pay off with attractive wages those residents can bring back to the region. Twenty-four Bristol Bay residents earned over \$457,000 in wages this year. Opportunities are found year round with peak periods of employment January through April and again September through November. Working in the seafood processing industry allows residents to earn good wages as a seasonal employee while still being able to participate in the commercial fishing season and subsistence lifestyle back home.

*“BBEDC is working hard to create new employment opportunities for its CDQ residents.”*



# BBEDC Annual Report 2008

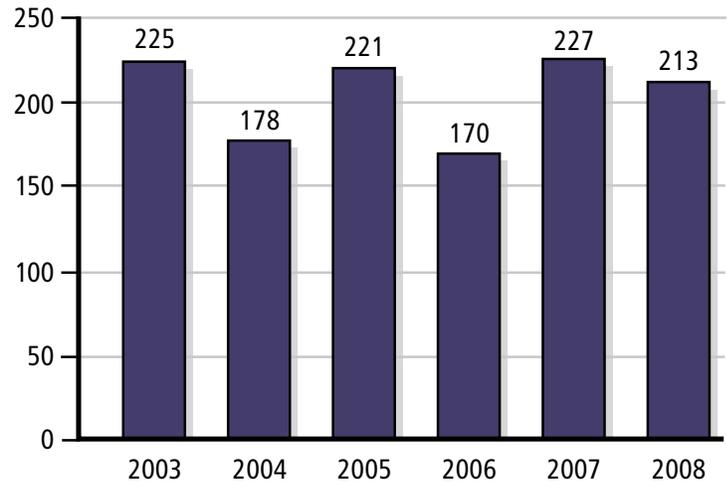
## Employment and Training

*“BBEDC is committed to offering a variety of training opportunities to residents of the 17 CDQ communities.”*

### Basic Vocational Training

Basic Vocational Education programs are offered to provide short-term training necessary for residents needing new skills related to their employment. Classes are currently offered by the Bristol Bay Campus, Southwest Alaska Vocational Education Center along with an occasional other entity such as Bristol Bay Area Health Corporation. Funds from this program also support BBEDC workshops and local career/job fairs. BBEDC provided \$40,000 which allowed 147 CDQ and non-CDQ residents to receive classes at a reduced rate in 2008.

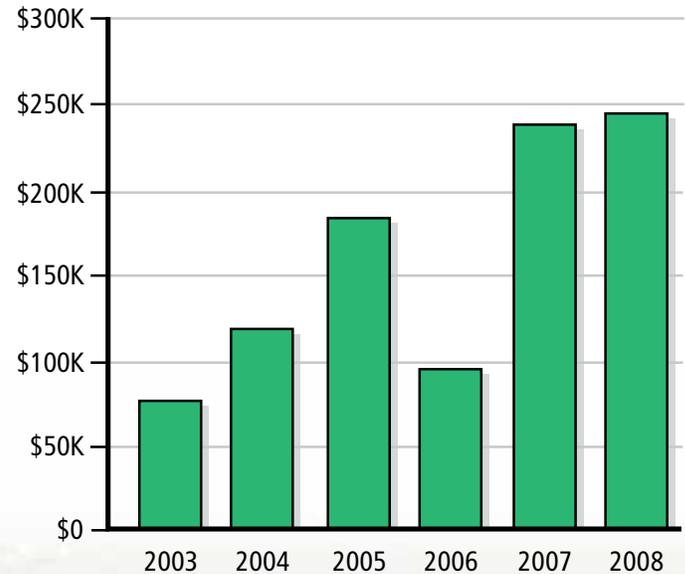
### Vocational Students Trained



### Advanced Vocational/Technical Training

BBEDC's training opportunities continue to grow and expand based on the principle that highly skilled workers earn higher wages and have more employment opportunities. In 2008, the Advanced Vocational/Technical Training Program awarded 66 vocational scholarships, totaling \$210,000. This program supports CDQ residents who are interested in earning a vocational certificate, license or degree. BBEDC provides funding to qualified residents who wish to attend vocational training at a recognized school or training facility; qualified applicants are eligible to receive up to \$5,000 in vocational scholarships.

### BBEDC Vocational Training Funding



### Adult Basic Education

In 2008, \$40,000 in financial support was provided to the Bristol Bay Campus to conduct Adult Basic Education courses and the GED program offered through the University of Alaska Fairbanks. Obtaining a GED and Adult Basic Education skills better equips students for more advanced BBEDC education and training programs as well as increasing their employability. The program continues to be successful with 194 residents participating and 17 students receiving general education diplomas this year.



# BBEDC Annual Report 2008

## Internships

### Seattle-based Internships

The Seattle Internship Program has been an innovative way to introduce a resident with little or no work experience into work settings through our trusted fishing partners in Seattle. BBEDC partners have created internships in their Seattle offices in the areas of accounting, human resources, marketing, information technology, logistics and more. In addition to learning new skills, the Seattle internship introduces interns to the urban lifestyle and culture. This program makes available to local residents several rotating positions per year with a duration of six months each. Many successful interns go on to other full-time jobs or seek additional training or education upon completion of the internship. BBEDC expended \$134,000 in 2008 to place 9 residents in Seattle internship positions.

### Youth Internships

Thirteen youth interns ages 14-17 years old earned \$43,000 in wages around the region in 2008. BBEDC works cooperatively with business entities to create youth internships that focus on helping young adults develop basic and essential employability skills. Primary objectives of the program include teaching youth how to fill out job applications, develop interview skills and learn the importance of having a good work ethic.

### In-Region Internships

Each summer, BBEDC partners with the Alaska Department of Fish & Game and/or the U.S. Fish & Wildlife Service to offer adult internships that have a focused learning plan and are fisheries related. These In-Region internships last approximately 12 weeks and typically employ college students interested in fisheries and science. In the summer of 2008, interns earned over \$11,000 in wages.

*“BBEDC takes pride in its ability to offer a well developed variety of internships to CDQ residents that provide a meaningful work-learning experience.”*



*“Providing Opportunities... Accept the Challenge.”*



# BBEDC Annual Report 2008

## *Regional Fisheries*

*“More fish, lower operating costs and increased income for CDQ residents are the goals of BBEDC’s Regional Fisheries Program.”*

### Regional Fisheries Program

More fish, lower operating costs and increased income for CDQ residents are the goals of BBEDC’s Regional Fisheries Program. Charting its course is the work of Regional Fisheries Committee Co-Chairs Moses Kritz and Robert Heyano, and committee members Hattie Albecker, Victor Seybert, Mark Angasan and Steven Angasan.

### Board of Fisheries

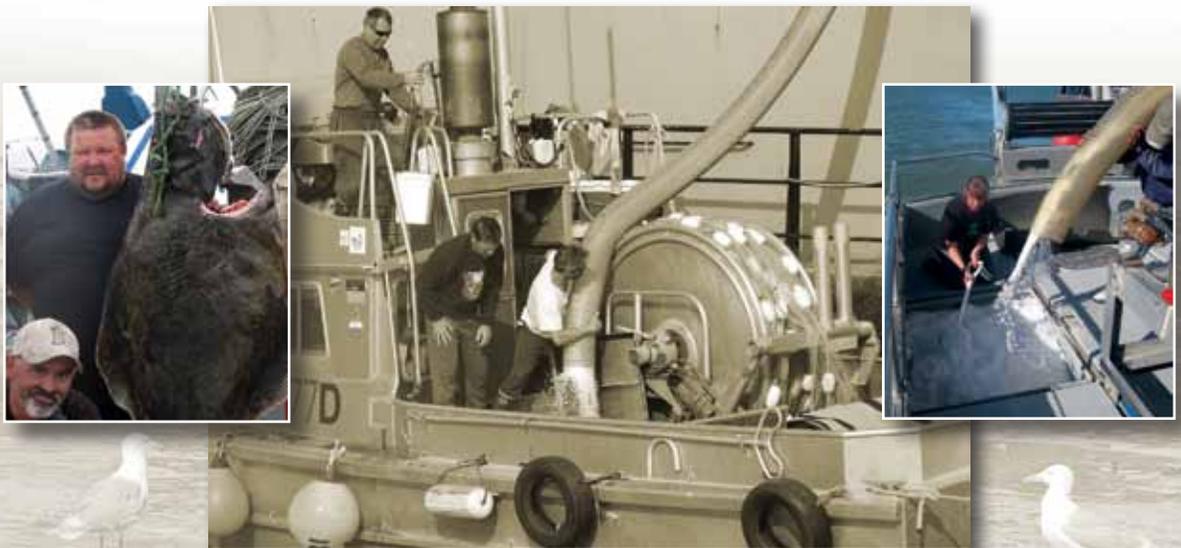
BBEDC’s continued appeals to the Alaska Board of Fisheries to hold its 2009 meeting in a Bristol Bay community were unsuccessful in 2008. Results of a survey of local permit holders’ attitudes regarding permit stacking, the 32-foot vessel limit and related issues will be among materials made available to local residents wishing to testify before the Board, and discussions are ongoing on how to ensure that residents’ concerns are heard. Watershed residents are urged to take advantage of every opportunity to inform themselves on the potential impacts of proposed changes that will affect their livelihoods, and to make plans to participate in the Board process at the 2009 regulatory meeting.

### Chilling the Catch

With the launching of BBEDC’s second ice barge, the Bristol Lady, BBEDC’s ice production more than doubled in 2008. Similar in capacity to the Bristol Maid, a now familiar site on anchor near Clarks Point, the Bristol Lady served the fleet at Egegik. Together they sold close to two million pounds of ice in 2008, enough to chill nearly eight million pounds of fish and boost income to fishers by almost \$1 million.

Does chilling and careful handling make a difference to a fisherman’s bottom line? In addition to a 16 cent a pound chilling bonus, one progressive processor paid an additional three-cent a pound premium for salmon delivered in brailer weights of less than 600 pounds – quality bonuses that amounted to 25 percent more than the average grounds price paid in 2008. Even more was earned by top fishermen participating in a special bleeding and icing program with BBEDC partner Ocean Beauty Seafoods: \$1.19 a pound was paid for live bled and chilled sockeye – 75 percent more than the average 2008 grounds price.

BBEDC continues to provide local fishermen with the tools they need to chill their catch and improve the quality of their salmon. Expenditures on slush ice bags, insulated totes and hold insulation totaled \$179,000 in 2008, up from \$143,000 the previous year. Spending on totes, slush bags and hold insulation totals more than \$800,000 since BBEDC’s chilling program began in 2004.



### Foregone Harvest

After Bristol Bay itself, the world's second biggest salmon run is Bristol Bay's "forgone harvest," those fish surplus to escapement needs that go uncaught when processors suspend buying or put fishermen on limits. A BBEDC-sponsored analysis showed that from 2003 to 2008, salmon worth \$131 million to fishermen -- and \$360 million to the economy as a whole -- were lost to foregone harvest. BBEDC has been working in cooperation with the Bristol Bay Native Association, industry, the state and other entities in attempt to address the very serious problem this lost economic opportunity represents.

### Halibut

Halibut catches in the southern section of Area 4E fished by BBEDC community longliners continued to decline in 2008, with a corresponding lack of participation by local fishers. Reasons for the decline in halibut abundance – from more than 200,000 pounds caught in 2002 to barely 30,000 pounds in 2008 – include allegations of unacceptable levels of by-catch by the yellowfin trawl fishery operating west of Cape Constantine to, as others suggest, natural changes in migration patterns and abundance. Catches in the northern section of Area 4E appear undiminished, however, and BBEDC again shared a portion of its unharvested halibut quota with neighboring CDQ groups in 2008.

*“A BBEDC-sponsored analysis showed that from 2003 to 2008, salmon worth \$131 million to fishermen -- and \$360 million to the economy as a whole -- were lost to foregone harvest.”*



# BBEDC Annual Report 2008

## Community Liaisons

*“Each CDQ community has the opportunity to have an on-site representative to connect local residents with BBEDC programs and services.”*

Efforts to improve lines of communication between BBEDC and our 17 CDQ communities and residents continued in 2008. Each CDQ community has the opportunity to have an on-site representative to connect local residents with BBEDC programs and services. BBEDC made grants of \$27,500 available to each community to be used for wages and support for an individual to serve as the liaison for BBEDC programs. Many of the liaisons have been in their positions for several years. Their individual knowledge and expertise continues to provide a very valuable information resource to both BBEDC and to their residents. Liaisons attend monthly teleconferences and an annual training so that they can offer current information on BBEDC programs to the residents of their communities. BBEDC believes strongly in the power of grass roots communication and knows that the Community Liaison Program is an important component of its outreach efforts.

Contact your Community Liaison for applications and information on BBEDC programs.

### Community Liaisons

<b>Program Manager</b>	<b>Ryan Savo</b>	<b>842-4370</b>
Aleknagik	Danny Togiak	842-5725
Clarks Point	Lawrence Olson	236-1479
Dillingham	Christopher Maines	842-2384
Egegik	Misty Apalone	233-2225
Ekuk	Maria Binkowski	842-3842
Ekwok	Crystal Clark	464-3387
King Salmon	Ralph "Bucko" Angasan, Jr.	246-3553
Levelock	Greg Andrew III	287-3030
Naknek	Viola Savo	246-4210
Manokotak	Tessa Gloko	289-1429
Pilot Point	Victor Seybert	797-2208
Portage Creek	vacant	
Port Heiden	John Christensen, Jr.	837-2295
South Naknek	Karl Rawson	246-8711
Togiak	Joe Alexie	493-5003
Twin Hills	Diane Abraham	525-4821
Ugashik	Nancy Flensburg	797-2400



# BBEDC Annual Report 2008

## *Economic Development*

### Community Grants Support Economic Development

The **Community Block Grant (CBG) Program** was initiated in 2008 to replace the Community Seed Fund program. The CBG Program provides BBEDC communities with the opportunity to fund projects that promote sustainable community and regional economic development. The Board of Directors establishes the amount of funding available each year. In 2008, each community was given an opportunity to receive up to \$159,000 in CBG funds. Projects are fishery related, either directly or in a support service capacity, must operate within the region and must have tangible results that are feasible and sustainable. BBEDC communities used the funds to accomplish a variety of projects that contribute to their individual community economies and to the greater regional economy.

### BBEDC 2008 Community Block Grants

\$ 159,000	City of Aleknagik, Float Plane Road
\$ 159,000	Clarks Point Village Council, City Electric Power Upgrade
\$ 159,000	City of Dillingham, Comprehensive Plan Update/Waterfront Development Plan, Infrastructure Assessment
\$ 159,000	City of Egegik, Fisherman's Hall/Community Center, Phase I
\$ 79,500	Ekuk Village Council, Equipment Acquisition, Phase II
\$ 54,000	Ekuk Village Council, Land Purchase
\$ 25,500	Ekuk Village Council, Seafood Business Plan, Phase II
\$ 159,000	Ekwok Village Council, New Clinic Construction
\$ 86,378	King Salmon Village Council, King Salmon Net Storage Building
\$ 72,622	King Salmon Village Council, King Salmon Boat Storage, Part 2
\$ 159,000	Levelock Village Council, Processing Plant Development
\$ 159,000	Manokotak Village Council, Community Plan, Feasibility Study, Boat Launch
\$ 159,000	Naknek Village Council, Dolly's Hall Extension, Phase III
\$ 159,000	Pilot Point Tribal Council, Seafood Infrastructure Projects
\$ 159,000	Native Council of Port Heiden, Fuel Truck & Building Upgrade
\$ 159,000	Portage Creek Village Council, Planning/Design Solid Waste Site Road
\$ 159,000	South Naknek Village Council, Equipment Storage Building, Fisheries Development Center Completion, Furnace Upgrades in Clinic/Administration/Community Center
\$ 36,000	City of Togiak, Business Plan for Voc Training Center
\$ 28,646	City of Togiak, Ice Machine
\$ 94,354	City of Togiak, Rock Drill Purchase
\$ 76,200	Twin Hills Village Council, Solid Waste Landfill Improvements
\$ 82,800	Twin Hills Village Council, Generator Acquisition, Phase II
\$ 20,000	Ugashik Traditional Village, Ice Machine Maintenance
\$ 139,000	Ugashik Traditional Village, Phase 2, Ugashik Dock Project

**\$2,703,000 2008 Total Funds Awarded**

*"The CBG Program provides BBEDC communities with the opportunity to fund projects that promote sustainable community and regional economic development."*

*"Providing Opportunities... Accept the Challenge."*



# BBEDC Annual Report 2008

## *Economic Development*

*“The Interest Rate Assistance (IRA) program was first introduced in 2004 and continues to provide resident fishers assistance with interest expenses that occur with fishing loans.”*

### Bristol Bay Permit Brokerage

For 14 consecutive years, the Bristol Bay Permit Brokerage has assisted residents and non-residents alike with fishing related regulatory transactions, including CFEC permit/vessel renewals, emergency and permanent transfers and Coast Guard documentation. In 2008, 179 clients were assisted with 221 transactions. Over \$20,000 in fees were collected and transmitted to CFEC and Coast Guard for permit/license renewals, transfers and other. BBEDC handled over \$141,000 in emergency transfer/lease fees with most going to CDQ residents. The Brokerage was established in 1994 with the mission of retaining limited entry permits in the Bristol Bay region. Today the office serves as a point for listing permits for sale or lease and as an extension of the licensing section of the Commercial Fishing Entry Commission (CFEC). The Brokerage is an integral part of the Permit Loan Program.

### Permit Loan Program

BBEDC believes that reversing the migration of limited entry salmon permits out of the Bristol Bay region will assure that residents maintain an ability to generate income and thus support resident owned businesses and generally enhance the economic health of our communities. BBEDC's Permit Loan Program was created in 2008 after years of research and consideration. BBEDC works cooperatively with the Commercial Fishery and Agriculture Bank (CFAB) to guarantee appropriate loans to qualified Bristol Bay drainage residents to purchase drift or set permits. After acceptance into the program, the participants receive financial assistance in the form of interest subsidy and “sweat equity” as well as business counseling to enhance the permit holder's operation of their fisheries business. In its initial year, the Permit Loan Program enrolled four Bristol Bay residents. Two residents purchased drift permits and two purchased set permits. Bristol Bay continues to be the sockeye salmon capital of the world. The demand for quality products and the changing markets have had a dramatic impact on the fishing industry in Bristol Bay. Today's commercial fishers are independent small business operators who continue to be leaders in an age-old industry that is becoming increasingly sophisticated. In light of this change, the Permit Loan Program provides mandatory continuing education for the participants so that they can apply current practices to their successful fishing business.

### Interest Rate Assistance

The Interest Rate Assistance (IRA) program was first introduced in 2004 and continues to provide resident fishers assistance with interest expenses that occur with fishing loans. The assistance is provided to allow resident fishers to use more of their fishing income to re-invest in their fishing operations (boat upgrades, chilling systems, gear, purchase permit and other) and become more competitive in the current market. In 2008 there were 62 participants and \$108,000 was paid to financial institutions in interest assistance on their behalf.



# BBEDC Annual Report 2008

## Economic Development

### Arctic Tern supports employment for young people

The Arctic Tern Program provides funding to each of the BBEDC CDQ communities for jobs and educational activities for youth under the age of 17. The opportunities provided to young people encourage pride and a sense of community responsibility and allow youth to gain the self-confidence, career awareness, financial literacy, and interpersonal competencies needed to succeed over the long term. In 2008, grants totaling \$58,602 were awarded to eleven communities and involved 80 to 100 youth in unique and worthwhile projects.

Clarks Point	\$5,500	AFN Elder/Youth Conference Participation for 11 youth
Dillingham	\$5,500	Summer Service Slam – Building Assets and Culture for 15-25 youth
Egegik	\$5,500	Community Clean-Up for 3 to 4 youth
Ekwok	\$5,500	Elder Assistants, Community Clean-up, Cemetery Clean-up for 10 youth
Ekuk	\$5,500	AFN Elder/Youth Conference Participation for 6 to 7 youth
King Salmon	\$4,188	AFN Elder/Youth Conference Participation for 4 youth
Manokotak	\$4,914	Net hanging and Community Clean-up for 16 youth
Naknek	\$5,500	AFN Elder/Youth Conference Participation for 5 youth
Pilot Point	\$5,500	Assistance to Elderly and Fire Hose Cleaning for 3 to 5 youth
Twin Hills	\$5,500	Cultural Activity Project for 11 youth
Ugashik	\$5,500	Assist in Tribal Office/Community Center, Village/Beach Clean-up for 3 to 5 youth

*“In 2008, grants totaling \$58,602 were awarded to eleven communities and involved 80 to 100 youth in unique and worthwhile projects.”*

### Tax Assistance Program

BBEDC continued the Tax Assistance Program in 2008 with more than 900 participants. This program provides up to \$150 towards the preparation of current year federal income tax documents by professional resident tax preparers as approved by BBEDC. The program was established to replace the taxpayer clinics arranged by the IRS until approximately 5 years ago. The program provides residents with an opportunity to timely file accurate tax returns, enhances the amount of money returned to the region in tax refunds and greatly enhances resident’s knowledge of tax obligations. In 2008 BBEDC spent \$130,000+ for tax assistance and more than \$1,001,300 was received via tax refunds by participants of the Tax Assistance Program.

### Technical Assistance Program

Technical Assistance is provided to residents or community entities to develop business plans, project planning and development and other specific projects. Assistance is provided by a professional consulting firm retained by BBEDC. In 2008 our services were expanded to provide assistance to individuals completing applications to the Alaska Division of Investments or the Commercial Fishing and Agriculture Bank for fishing related loans. Staff and contractors travel to communities throughout the region in order to meet face-to-face with potential applicants.



*Participants learn to catch, clean, split and smoke subsistence fish at Culture Camp*

*“Providing Opportunities... Accept the Challenge.”*



# BBEDC Annual Report 2008

## *Economic Development*

*“As a part of the effort to reverse the migration of limited entry permits and enhance healthy economies in our communities, BBEDC developed a program to assist residents individually.”*

### Grant E-List

A grant newsletter is now distributed to our communities via monthly email. The Grant E-list contains current information on funding opportunities that may be of importance to our Bristol Bay communities. Cities and tribal organizations in BBEDC communities are invited to make use of the list. Contact [alice@bbedc.com](mailto:alice@bbedc.com) to ask to be placed on the email list.

### Virtual (Community) Resource Library

Access to current plans, data and information pertaining to both the individual communities and the region as a whole is a critical element for developing a good grant application, business plan, feasibility study and more. In an effort to enhance our community's access to information, BBEDC began a project to create a virtual resource library with the assistance of a professional consulting firm. The project is in the design stage which should allow for use in 2009.

### Personal Finance/Education

As a part of the effort to reverse the migration of limited entry permits and enhance healthy economies in our communities, BBEDC developed a program to assist residents individually. Guidance and counseling on personal financial management/credit recovery is a critical part of providing residents with the knowledge and tools necessary to manage their fishing operations or related small businesses and reverse personal economic distress. In order to assure that residents receive assistance from a reputable and competent source, the BBEDC partnered with the Consumer Credit Counseling Services (CCCS) of Alaska. CCCS of Alaska staff counselor(s) travel to the Bristol Bay Region on a regular basis and provide one-on-one counseling (in person, via phone or email) and workshops in the communities. Clients are not charged a fee when referred by BBEDC for credit counseling, credit recovery, personal budgeting or other services.

### Community In-Region Processing Plant Grant Program

BBEDC communities have a tremendous interest in establishing sustainable processing businesses that will contribute to the community and regional economy. The BBEDC Board determined that the previous Infrastructure Matching Grant Program appeared to be inadequate to provide communities with the resources needed so therefore in 2008, BBEDC introduced the Community In-Region Processing Plant Grant Program (PPGP). The program is available only to tribal and city entities in BBEDC communities and provides funding for projects that promote sustainable community and regional economic development. Applicants are eligible for up to \$2 million per community applicant. Projects must meet strict standards that assure that the project is feasible, sustainable and generates benefits in terms of employment or income generating opportunities for the community, residents and the region. A formal business plan, local ownership and an industry partner are among the standards that must be met. Our Technical Assistance Program is integral to this grant program as it provides business planning guidance to assure that the Business Plan and the Grant Application contain the information necessary for BBEDC to make a positive decision.



# BBEDC Annual Report 2008

*What Keeps Us Afloat*

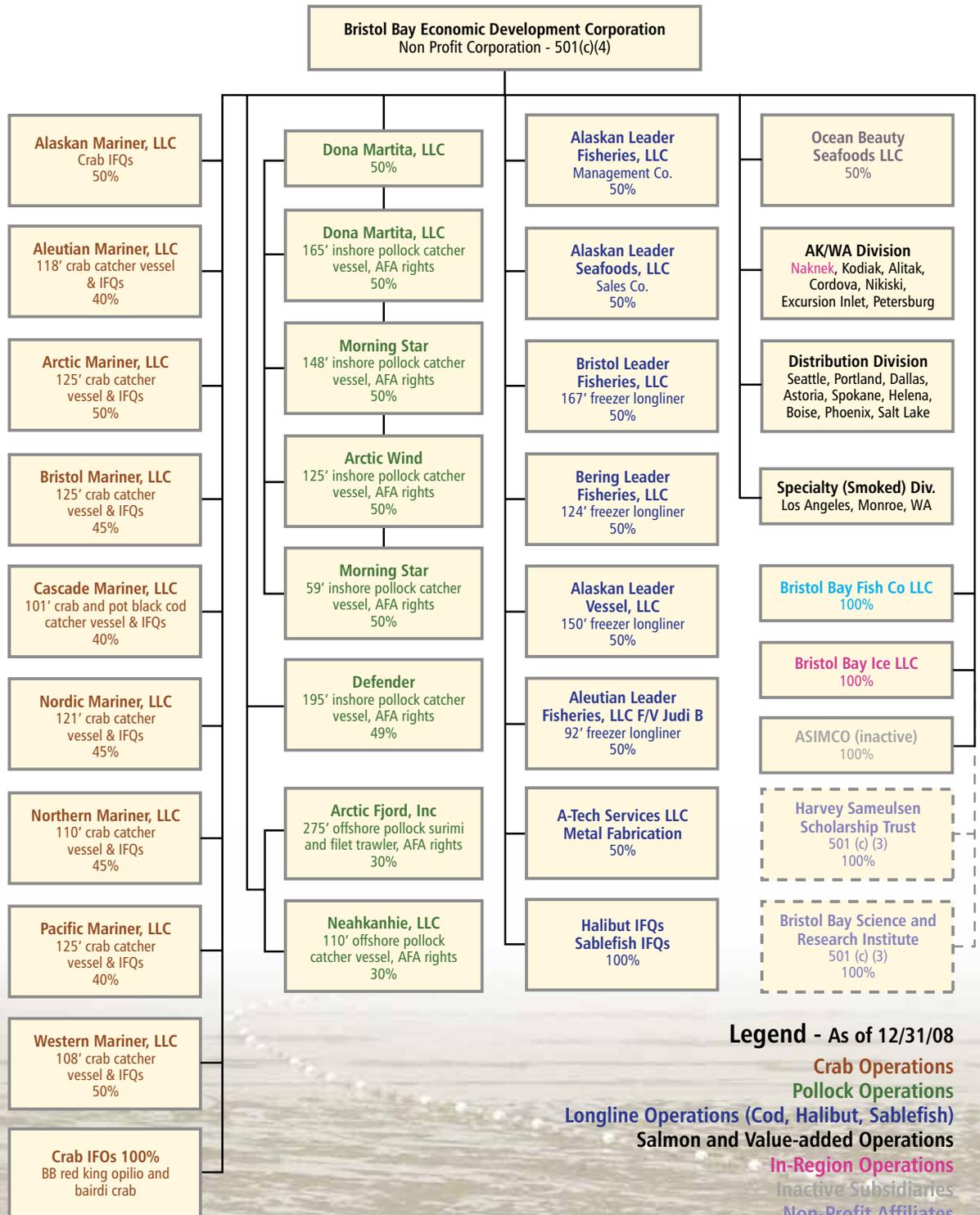


*“The fleet of vessels pictured at left serves our entire BBEDC family, ensuring its prosperity now and in the future.”*



# BBEDC Annual Report 2008

## Organizational Chart



**Legend - As of 12/31/08**

- Crab Operations**
- Pollock Operations**
- Longline Operations (Cod, Halibut, Sablefish)**
- Salmon and Value-added Operations**
- In-Region Operations**
- Inactive Subsidiaries**
- Non-Profit Affiliates**
- Dissolved in 2008**



BBEDC Annual Report 2008  
*Consolidated Statements of Financial Position*

**BRISTOL BAY ECONOMIC  
DEVELOPMENT CORPORATION AND SUBSIDIARIES**

Consolidated Statements of Financial Position

December 31, 2008 and 2007

<b>Assets</b>	<b>2008</b>	<b>2007</b>
Current assets:		
Cash and cash equivalents	\$ 6,817,454	10,164,207
Investments in marketable securities	759,044	1,627,991
Trade Receivables	2,897,776	1,458,067
Receivable from sale of investment	11,123,490	–
Accrued interest	340,611	367,658
Prepaid expenses and other assets	94,640	37,481
Total current assets	<u>22,033,015</u>	<u>13,655,404</u>
Long-term assets:		
Promissory note receivable from affiliate	–	600,000
Investments in marketable securities	43,388,628	48,754,935
Investment in unconsolidated affiliates	54,137,724	54,822,183
Equity method goodwill	30,477,067	36,156,328
Investment in individual fishing quotas	14,642,228	14,642,228
Property, plant and equipment, net	4,723,551	3,251,981
Total long-term assets	<u>147,369,198</u>	<u>158,227,655</u>
	<u>\$ 169,402,213</u>	<u>171,883,059</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 2,295,647	722,360
Deferred revenue	30,000	37,930
Community and business development fund awards	3,576,024	3,226,433
Notes payable	30,840	4,030,869
Total current liabilities	5,932,511	8,017,592
Notes payable less current portion	<u>23,066,240</u>	<u>32,096,810</u>
Total liabilities	28,998,751	40,114,402
Net assets	140,403,462	131,768,657
Commitments and contingencies	–	–
	<u>\$ 169,402,213</u>	<u>171,883,059</u>

*Audited Financial Statements Prepared by KPMG, LLP*

*“Providing Opportunities... Accept the Challenge.”*



BBEDC Annual Report 2008  
*Consolidated Statements of Activity*

**BRISTOL BAY ECONOMIC  
DEVELOPMENT CORPORATION AND SUBSIDIARIES**

Consolidated Statements of Activities

Years Ended December 31, 2008 and 2007

<b>Changes in unrestricted net assets:</b>	<b>2008</b>	<b>2007</b>
<b>Revenues and gains:</b>		
Program revenue	\$ 12,611,347	14,768,161
Interest and dividend income	2,266,627	2,573,394
Net (loss) gain on investments	(9,478,004)	1,392,245
Loss on sale of unconsolidated affiliate	(40,762)	—
IFQ investment income	2,076,105	1,719,768
Grant revenue	250,043	244,525
Equity in income of unconsolidated affiliates	12,895,068	8,804,646
Other	325,548	277,770
Total unrestricted revenues and gains	<u>20,905,972</u>	<u>29,780,509</u>
<b>Expenses:</b>		
Program	9,562,386	7,555,260
Finance and administration	1,551,324	1,473,569
Total expenses	<u>11,113,710</u>	<u>9,028,829</u>
Increase in net assets before income taxes	9,792,262	20,751,680
Income tax expense	(1,157,457)	(267,668)
Increase in net assets	8,634,805	20,484,012
<b>Net assets at beginning of year</b>	<u>131,768,657</u>	<u>111,284,645</u>
<b>Net assets at end of year</b>	<u>\$ 140,403,462</u>	<u>131,768,657</u>

*Audited Financial Statements Prepared by KPMG, LLP*



# BBEDC Annual Report 2008

## *Schedule of Finance and Administrative Expenses*

### **BRISTOL BAY ECONOMIC DEVELOPMENT CORPORATION AND SUBSIDIARIES**

#### Schedule of Finance and Administrative Expenses

Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Salaries	\$ 628,655	598,798
Benefits and payroll taxes	239,104	186,627
Professional fees	113,096	116,186
Accounting fees	102,253	107,277
Board fees	75,619	87,612
Depreciation and amortization	102,134	82,127
Travel and per diem	95,767	76,664
Office expense	57,269	44,538
Utilities	37,313	37,119
Janitorial	18,176	-
Telephone	31,594	31,099
Insurance	36,324	26,619
Staff training	13,081	21,330
Legal fees	25,126	13,950
Rent/storage fees	3,000	13,062
Dues and subscriptions	6,572	5,750
Postage	3,859	5,193
Bank fees	6,336	2,005
Repairs and maintenance	3,246	1,391
Miscellaneous	(47,200)	16,222
	<u>\$ 1,551,324</u>	<u>1,473,569</u>

*Audited Financial Statements Prepared by KPMG, LLP*

*"Providing Opportunities... Accept the Challenge."*



# BBEDC Annual Report 2008

## Transparency Report

**Director Compensation Policy** BBEDC compensates its Directors who attend board and committee meetings with a meeting fee and travel/per diem. The fee for meetings lasting four hours or less is \$300. For meetings lasting more than four hours, the fee is \$500. No director receives more than \$500 in any one day. BBEDC Directors are appointed for three year terms and may be replaced in accordance with BBEDC By-Laws.

**Related Party Transactions** BBEDC reports any transactions over the amount of \$20,000 with any director or their family members. There were no such transactions in 2008.

**Legal Proceedings Involving Directors** BBEDC reports any pending litigation between itself and any Directors. There is no such litigation for 2008.

**Auditor Relationship** BBEDC has had no disagreements with their auditor, KPMG, LLP, during the past two years. In addition to audit services, KPMG, LLP also provides tax and tax consulting services to BBEDC.

**Committees** The BBEDC Board of Directors has the authority to create and dissolve committees and appoint persons to serve on committees. The Finance & Audit Committee is responsible for the budget, financial statement review, and monitoring the investment of funds as well as oversight of the annual audit and other issues governing corporate governance and disclosure. Current members include: Robert Heyano, Chair; Victor Seybert, Moses Kritz, Fred Angasan and Hattie Albecker. In 2008, members met on March 11, June 3, September 23, November 14, and November 18.

<b>Compensation for the aggregate of 17 Directors for 2008</b>		<b>\$110,400.00</b>
<b>2008 Professional Fees</b>		
Legal Fees		127,202.82
Lobbying		93,799.58
Consultants		38,737.59
		<hr/>
<b>Total Professional Fees:</b>		<b>\$ 259,739.99</b>
		<hr/>
<b>Accounting Fees</b>		<b>\$ 103,574.00</b>
		<hr/>
Audit	57.6%	59,706.00
Tax Prep	36.8%	38,090.00
Consulting	5.6%	5,778.00
<b>Top 5 Employee Compensation - 2008</b>		
<b>Name/Title</b>		
Paul Peyton, Seafood Investment Officer Anchorage, AK		125,945.64
H. Robin Samuelsen Jr., President/CEO Dillingham, AK		91,102.73
2008 Bonus		15,000.00
		<hr/>
		<b>106,102.73</b>
Helen Smeaton, Chief Operating Officer Dillingham, AK		81,048.13
Alice Ruby, Economic Development & Brokerage Coor. Dillingham, AK		71,572.44
Anne Vanderhoeven, Fisheries Quota Manager Anchorage, AK		66,231.66



# BBEDC Board Members

Name	Title	Community
H. Robin Samuelsen, Jr.	President/CEO	Dillingham
Fred T. Angasan, Sr.	Vice President	South Naknek
Robert Heyano	Director/Treasurer	Ekuk
Hattie Albecker	Director/Secretary	Ugashik
Mark Angasan	Director	King Salmon
Fred Bartman	Director	Aleknagik
Lucy Goode	Director	Egegik
Sylvia Kazimirowicz	Director	Ekwok
Sergie Chukwak	Director	Levelock
Moses Toyukak, Sr.	Director	Manokotak
Gerda Kosbruk	Director	Port Heiden
Mary Ann K. Johnson	Director	Portage Creek
Moses Kritz	Director	Togiak
Fritz Sharp	Director	Twin Hills
Harry Wassily, Sr.	Director	Clarks Point
Victor Seybert	Director	Pilot Point
Steven Angasan	Director	Naknek



*“Providing Opportunities - Accept the Challenge”*

**Bristol Bay Economic Development Corporation**

P. O. Box 1464, Dillingham, Alaska 99576 / [www.bbedc.com](http://www.bbedc.com)

*“Providing Opportunities...  
Accept the Challenge.”*



**BBEDC**  
P.O. Box 1464  
Dillingham, AK 99576

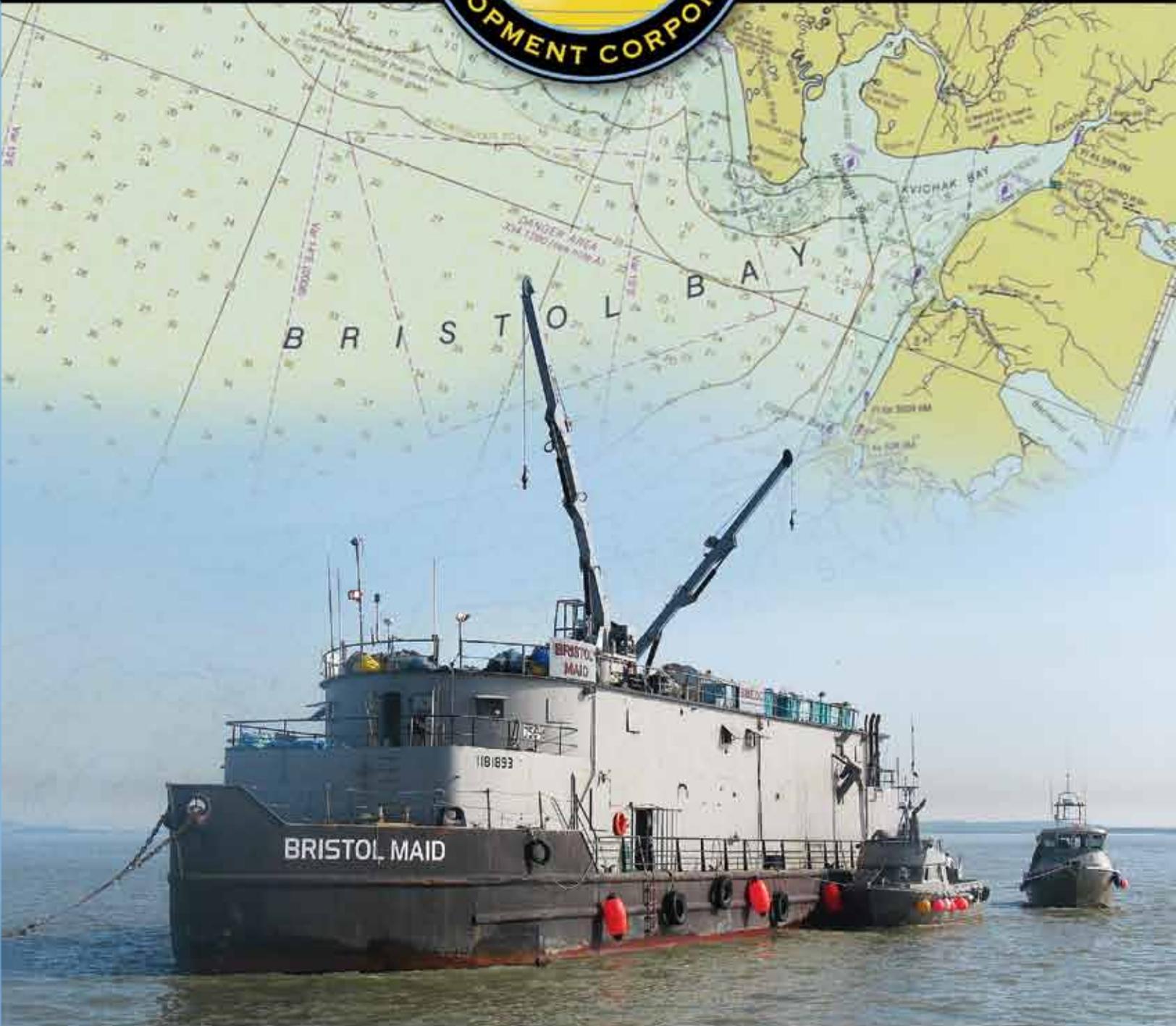
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Permit #69

**BRISTOL BAY ECONOMIC DEVELOPMENT CORPORATION**  
**P.O. BOX 1464, DILLINGHAM, ALASKA 99567 / WWW.BBEDC.COM**

ANNUAL



REPORT



2009

# BBEDC Board Members



<b>Name</b>	<b>Title</b>	<b>Community</b>
H. Robin Samuelsen, Jr.	Director/President/CEO	Dillingham
Fred T. Angasan, Sr.	Director/Vice President	South Naknek
Robert Heyano	Director/Treasurer	Ekuk
Hattie Albecker	Director/Secretary	Ugashik
Mark Angasan	Director	King Salmon
Margie Aloysius	Director	Aleknagik
Lucy Goode	Director	Egegik
Sylvia Kazimirowicz	Director	Ekwok
Sergie Chukwak	Director	Levelock
Moses Toyukak, Sr.	Director	Manokotak
Gerda Kosbruk	Director	Port Heiden
Mary Ann K. Johnson	Director	Portage Creek
Moses Kritz	Director	Togiak
Fritz Sharp	Director	Twin Hills
Harry Wassily	Director	Clarks Point
Pat Patterson, Jr.	Director	Naknek
Victor Seybert	Director	Pilot Point

*“Providing Opportunities - Accept the Challenge”*

## Mission Statement

*"It is the purpose of the Bristol Bay Economic Development Corporation to promote economic growth and opportunities for residents of its member communities through sustainable use of the Bering Sea resources."*



### **BBEDC Dillingham**

P. O. Box 1464  
Dillingham, Alaska 99576  
(907) 842-4370 / Fax: (907) 842-4336  
Toll free: 1 (800) 478-4370

### **BBEDC Anchorage**

8427 Laviento Drive Ste. 104  
Anchorage, Alaska 99515  
(907) 644-8640  
Fax: (907) 644-8647

### BBEDC Annual Report 2009

## Letter from the President/CEO



### Greetings!

What an exciting year at BBEDC, watching the company grow, providing opportunities and seeing our watershed residents and communities taking advantage of the many programs BBEDC has to offer.

One community, Togiak took advantage of our Community Processing Plant Grant Program. BBEDC awarded Togiak two million dollars to develop a sustainable processing business, employ Togiak residents and create opportunities within the Togiak community. Togiak then partnered with Copper River Seafoods, renovated a building in Togiak and started buying salmon. I have seen the building and improvements to the processing plant and it's impressive. Togiak fishermen and the community of Togiak are very excited about the new economic development and we at BBEDC are proud to be part of the solution.

Education and Voc/Tech Training; today our young people are turning more and more to education in both colleges and vocational institutions. This year BBEDC had 580 folks take advantage of these programs. Here is a break down: Harvey Samuelsen Scholarship Trust- 92 students for \$213,572, College Development Fund- 126 students for \$120,298, Advanced Voc/Tech- 123 students for \$353,392, Basic Voc/Tech- 151 students for \$54,187 and Adult Basic Education- 88 students for \$40,000. Other programs BBEDC's Education & Training Department offered our residents were Seattle Internships, Seasonal Employment, Youth Internships, In-region Internships, Student Loan Forgiveness and Salmon Camp. These programs drew 82 students for \$468,078. This year the university system in Dillingham and Naknek had roughly 800 watershed students attend classes; this is 10% of the population of Bristol Bay. Congratulations to all the students who attended and took advantage of these opportunities, you all will make Bristol Bay a better place to live, also congratulations to all the SENIORS of 2010.

BBEDC has looked very hard to find additional salmon buyers for our watershed fishermen. The Board and I know how hard these limits affect your salmon seasons. I could not find any new company that was interested in coming into Bristol Bay for the 2010 season. Most of the players in the salmon industry have stated that money is tight because of the global economy but they may be interested in future years. I want to thank the State of Alaska for their help on our foregone harvest issue; they have made a lot of phone calls trying to help us out.

In closing, it's been a personal honor to serve you as President/CEO. I want to thank the Board of Directors and the BBEDC staff for their dedication and service to the people of Bristol Bay. I also want to thank you all for calling and emailing me about the good things and problem areas in your villages. If you have comments or suggestions to improve BBEDC services, please give me a call or email.

Sincerely,

**H. Robin Samuelsen, Jr.**

President/CEO

## 2009 Highlights

- ❖ BBEDC awarded the first \$2 million Community Processing Plant Grant to the Traditional Council of Togiak who partnered with Copper River Seafoods to establish a processing facility in Togiak.
- ❖ Fuel and electric assistance was provided to 483 households with funds totaling \$434,600.
- ❖ Ocean Beauty Seafoods had deliveries from 52 watershed residents at a value of \$1,834,125.
- ❖ The BBEDC Salmon Camp hosted 19 students from around the region.
- ❖ BBEDC's Basic and Advanced Vocational Programs funded a combined total of \$407,579 to support vocational education for our residents.
- ❖ All seventeen BBEDC communities took advantage of the 2009 Block Grant Program and were awarded \$2,965,400 for projects submitted.
- ❖ The M/V Bristol Maid and M/V Bristol Lady set a new record for ice delivery, 2.4 million pounds of ice was distributed to the fleet.
- ❖ BBEDC partnered with BBNA to assist all Bristol Bay region communities to complete the US Tribal Energy Block Grant application. Nineteen communities and native corporations were able to access \$799,800 in energy block grant funds provided by the Department of Energy.
- ❖ Interest Rate Assistance was provided to 55 residents; \$100,516 was paid to financial institutions on their behalf.
- ❖ Twelve residents were placed in Seattle internship positions with BBEDC partners; \$166,807 supported the program.
- ❖ The Harvey Samuelsen Scholarship Trust awarded 92 students scholarships totaling \$213,572.
- ❖ More than 1000 residents took advantage of the Tax Assistance Program, receiving over \$892,000 via tax refunds.
- ❖ Fifteen youth ages 14-17 years old earned \$67,193 in wages through the Youth Internship Program.
- ❖ Forty-five clients were enrolled through the Personal Finance & Business Education Program and are working with Consumer Credit Counseling Service of Alaska.
- ❖ Over \$125,000 in wages was earned by 18 residents participating in the Seasonal Employment Opportunities Program.
- ❖ The College Development Fund funded 126 degree seeking students at \$120,298.

### BBEDC Annual Report 2009 Community Liaison Program

#### Community Resource

Each CDQ community has the opportunity to have an on-site representative to connect local residents with BBEDC programs and services. BBEDC made grants of \$30,250 available to each community to be used for wages and support for an individual to serve as the liaison for BBEDC programs. Many of the liaisons have been in their positions for several years. Their individual knowledge and expertise continues to provide a very valuable information resource to both BBEDC and to their residents. Liaisons attend monthly teleconferences and an annual training so that they can offer current information on BBEDC programs to the residents of their communities. BBEDC believes strongly in the power of grass roots communication and knows that the Community Liaison Program is an important component of its outreach efforts.

Contact your Community Liaison for applications and information on BBEDC programs.

<b>Program Manager</b>	<b>Ryan Savo</b>	<b>842-4370</b>	Naknek	Vacant	246-4210
Aleknagik	Danny Togiak	842-5725	Manokotak	Roderick Andrews	289-1429
Clark's Point	Lawrence Olson	236-1479	Pilot Point	Victor Seybert	797-2208
Dillingham	Christopher Maines	842-2384	Portage Creek	Vacant	
Egegik	Cindy Gabel	233-2225	Port Heiden	John Christensen, Jr.	837-2295
Ekuk	Maria Binkowski	842-3842	South Naknek	Karl Rawson	246-8711
Ekwok	Crystal Clark	464-3387	Togiak	Joe Alexie	493-5003
King Salmon	Ralph Angasan, Jr.	246-3553	Twin Hills	Diane Abraham	525-4821
Levelock	Howard Nelson	287-3030	Ugashik	Nancy Flensburg	797-2400

#### Arctic Tern Supports Employment & Educational Activities for Young People

The Arctic Tern Program provides funding to each of the BBEDC CDQ communities for jobs and educational activities for youth under the age of 17. The opportunities provided to young people encourage pride and a sense of community responsibility and allow youth to gain the self-confidence, career awareness, financial literacy and interpersonal competencies needed to succeed over the long term.

#### In 2009 the following grants were awarded:

Aleknagik	\$3,340	Youth Participation in the AFN Elders and Youth Convention
Clark's Point	\$6,000	Youth Participation in the AFN Elders and Youth Convention
Dillingham	\$6,000	Summer Service Slam, "Building Assets and Culture"
Ekwok	\$6,000	Ekwok Youth Employment Project
Ekuk	\$6,000	Youth Participation in the AFN Elders and Youth Convention
King Salmon	\$6,000	Youth Participation in the AFN Elders and Youth Convention
Manokotak	\$5,600	Net Hanging Project, Community Clean Up and Youth Participation in the AFN Elders and Youth Convention
Pilot Point	\$6,000	Youth Community Garden Project
Port Heiden	\$6,000	Youth Participation in the AFN Elders and Youth Convention
Togiak	\$6,000	Spring Community Clean-up
Ugashik	\$6,000	Youth Administrative Assistant and Youth Community Garden Project

**2009 Total Funds Awarded: \$62,940**

# BBEDC Annual Report 2009

## Economic Development

### Community Block Grants Support Community Economic Development

The Community Block Grant (CBG) Program provides BBEDC communities with the opportunity to fund projects that promote sustainable community and regional economic development. The Board of Directors establishes the amount of funding available each year. In 2009, each community was given an opportunity to receive up to \$200,000 in CBG funds. Projects are fishery related, either directly or in a support service capacity, must operate within the region and must have tangible results that are feasible and sustainable. BBEDC communities used the funds to accomplish a variety of projects that contribute to their individual community economies and to the greater regional economy.

### BBEDC 2009 Community Block Grants

\$163,700	City of Aleknagik – Float Plane Road Construction Equipment
\$200,000	Clark’s Point Village Council – Construct Central Village Office Building
\$100,000	City of Dillingham – Water System Improvements, Phase 1.3
\$200,000	City of Egegik - Fisherman’s Hall
\$132,000	Ekuk Village Council - Land Purchase
\$68,000	Ekuk Village Council - Land Clearing and Preparation
\$170,300	Ekwok Village Council – Ekwok Vehicles & Clinic Construction
\$200,000	King Salmon Village Council - Boat Yard and Fisheries Center Improvements
\$200,000	Levelock Village Council - Levelock Fish Processing Plant
\$14,675	City of Manokotak - Subdivision of Lots (community)
\$115,725	City of Manokotak - Purchase 3 Community Vehicles – Clinic, VPSO, City Water/Sewer
\$168,100	Naknek Native Village Council - Expansion of Dolly’s Hall
\$6,000	Pilot Point Tribal Council - Wind Generator Inverter
\$183,000	Pilot Point Tribal Council - Seafood Infrastructure Projects
\$183,500	Native Council of Port Heiden - Fisheries Readiness 2010
\$200,000	Portage Creek Village Council – Solid Waste Site Relocation
\$190,100	South Naknek Village Council - Equipment/Boat Storage Next Phase
\$100,000	Traditional Council of Togiak - Seafood Processing Facility/Equipment
\$97,766	Twin Hills Village Council - Solid Waste Improvements
\$57,934	Twin Hills Village Council – Solid Waste Study/Clinic Renovate/Tank Upgrade
\$13,000	Twin Hills Village Council – Business Improvement Project
\$6,000	Twin Hills Village Council – Waste Heat Analysis
\$24,000	Ugashik Traditional Village – Ice Machine M&O
\$171,600	Ugashik Traditional Village – Phase 3, Ugashik Dock Project

**\$2,965,400 2009 Total Funds Awarded**

### Fuel/Electric Assistance Grants

In 2009 a total of \$434,600 was awarded in fuel/electric assistance and 483 households were assisted with amounts ranging from \$700 to \$1,000 each. Following are the Fuel/Electric Assistance Grants that were approved/awarded as a part of the 2009 Block Grant program:

Traditional Council of Togiak	\$100,000	South Naknek Village Council	\$9,900
Curyung Tribal Council	\$100,000	Port Heiden Village Council	\$16,500
Twin Hills Village Council	\$25,300	Naknek Native Village Council	\$31,900
Aleknagik Village Council	\$36,300	Ugashik Traditional Village	\$4,400
Ekwok Village Council	\$29,700	Pilot Point Tribal Council	\$11,000
Manokotak Village Council	\$69,600		

### BBEDC Annual Report 2009 Economic Development

#### Bristol Bay Permit Brokerage

For 15 consecutive years, the Bristol Bay Permit Brokerage has assisted residents and non-residents alike with fishing related regulatory transactions, including CFEC permit/vessel renewals, emergency and permanent transfers and Coast Guard documentation. In 2009, 153 clients were assisted with 238 transactions. Over \$22,000 in fees were collected and transmitted to CFEC and Coast Guard for permit/license renewals, transfers and other transactions. BBEDC handled over \$214,000 in emergency transfer/lease fees with most going to CDQ residents. The Brokerage was established in 1994 with the mission of retaining limited entry permits in the Bristol Bay region and is an integral part of the Permit Loan Program.

#### Permit Loan Program

BBEDC believes that reversing the migration of limited entry salmon permits out of the Bristol Bay region will assure that residents maintain an ability to generate income and thus support resident owned businesses and generally enhance the economic health of our communities. BBEDC works cooperatively with the Commercial Fishery and Agriculture Bank (CFAB) to guarantee appropriate loans to qualified Bristol Bay drainage residents to purchase drift or set permits. After acceptance into the program, the participants receive financial assistance in the form of interest subsidy and "sweat equity" as well as business counseling to enhance the permit holder's operation of their fisheries business. Today's commercial fishers are independent small business operators who continue to be leaders in an age-old industry that is becoming increasingly sophisticated. In light of this change, the Permit Loan Program also provides mandatory continuing education for the participants so that they can apply current practices to their successful fishing business. Two additional residents were enrolled in the Permit Loan Program in 2009, bringing the total at year end to six residents that have acquired permits through the new program.

#### Interest Rate Assistance

The Interest Rate Assistance (IRA) program continues to provide resident fishers with interest assistance for fishing related loans. The assistance is provided to allow resident fishers to use more of their fishing income to re-invest in their fishing operations (boat upgrades, chilling systems, gear, purchase permit, etc.) and become more competitive in the current market. In 2009 there were 55 participants and \$100,516 was paid to financial institutions in interest assistance on their behalf.

#### Community In-Region Processing Plant Grant Program

The Community In-Region Processing Plant Grant Program (PPGP) is available only to tribal and city entities in BBEDC communities and provides funding for projects that promote sustainable community and regional economic development. Applicants are eligible for up to \$2 million per community applicant. Projects must meet strict standards that assure that the project is feasible, sustainable and generates benefits in terms of employment or income generating opportunities for the community, residents and the region. A formal business plan, local ownership and an industry partner are among the standards that must be met. Our Technical Assistance Program is integral to this grant program as it provides business planning guidance to assure that the Business Plan and the Grant Application contain the information necessary for BBEDC to make a positive decision.

## BBEDC Annual Report 2009 Economic Development

### Grant Award

BBEDC awarded the first Processing Plant Grant in 2009 to the Traditional Council of Togiak. They and their industry partner, Copper River Seafoods, established a processing facility to successfully operate in 2009. This project met the strict standards that demonstrated feasibility, sustainability and the benefits of employment opportunities for the community.



Togiak Seafoods initiated a training program with local fishers demonstrating proper handling procedures, bleeding and icing fish during the harvest. Local fisherman Joe Andrews comments that it was a lot of work using ice and slush bags but he made more money and was able to pay his crew more. Fishermen were able to deliver to a tender or in the river next to the plant. Local fisherman Martha Fox described how this saved her money on gas and time on her motor being able to deliver her setnet fish to Togiak Seafoods. The salmon are repacked in totes filled with ice and loaded onto an airplane for processing at the Copper River Seafoods plant. Plans for 2010 will establish a "heading/gutting" processing operation and continue with renovations at the Togiak plant.

Jonathon Forsling is the Traditional Council of Togiak Administrator and representative on the Togiak Seafoods management team; he believes the processing plant in the city of Togiak has the potential to greatly improve the local economy. Creating jobs and realizing higher prices for the fishermen are some of the benefits from the 2009 season. Local residents were also offered reduced freight rates on food, snow machines, four wheelers and other household items that arrived via the chartered airplanes used to haul the iced salmon to Anchorage.

### Technical Assistance Program

Technical assistance is provided to residents or community entities to develop business plans, project planning and development and other specific projects. Assistance is provided by a professional consulting firm retained by BBEDC. Staff and contractors travel to communities throughout the region in order to explain the program, answer questions and meet face-to-face with potential applicants. In 2009 our services helped provide assistance to forty one individuals with completing applications and restructuring loans through the Alaska Division of Investments or the Commercial Fishing and Agriculture Bank for fishing related loans. Seven communities and two non profits were assisted with a variety of projects in various stages of planning and development ranging from expanding fish processing capabilities to developing a business plan.

### BBEDC Annual Report 2009

## Economic Development

### Tax Assistance Program

The Tax Assistance Program registered more than 1035 participants in 2009. This program provides up to \$150 towards the preparation of current year federal income tax documents by professional resident tax preparers as approved by BBEDC. The program was established to replace the tax payer clinics previously arranged by the IRS. The program provides residents with an opportunity to timely file accurate tax returns, enhances the amount of money returned to the region in tax refunds and greatly enhances resident's knowledge of tax obligations. In 2009 BBEDC spent \$153,510 for tax assistance and more than \$892,000 was received via tax refunds by participants of the Tax Assistance Program.

### Grant Writing Assistance

BBEDC retained the services of grant-writing consultants and selects from among those firms to provide the technical services awarded under the Grant Writing Assistance Program. Via an application process, BBEDC absorbs the cost to make the services of one of the firms available to a BBEDC city and/or tribal government for a specific project or specific term. Services include targeted project funding searches and/or varying levels of proposal development as well as grant proposal mentoring. In 2009 BBEDC awarded three major grant writing assistance projects and partnered with the Bristol Bay Native Association on a large scale grant writing project to assist all communities in the Bristol Bay region to complete the US Tribal Energy Block Grant applications for funds that were made available under the Stimulus Program. Through this combined effort nineteen communities and native corporations were able to access \$799,800 of their energy block grant funds provided by the Department of Energy.

### Grant E-List

BBEDC's Grant E-List, a grant newsletter, continues to be distributed to our communities via bi-monthly email. The Grant E-list contains current information on funding opportunities that may be of importance to our Bristol Bay communities. Cities and tribal organizations in BBEDC communities are invited to make use of the list. Contact [alice@bbedc.com](mailto:alice@bbedc.com) to ask to be placed on the email list.

### Personal Finance/Education

As a part of the continuing effort to reverse the migration of limited entry permits out of the region and to enhance healthy economies in our communities, BBEDC developed a program to provide guidance and counseling on personal financial management/credit recovery. This is a critical part of the knowledge and tools necessary to manage a fishing operation or related small business. In order to assure that residents receive assistance from a reputable and competent source, the BBEDC partnered with the Consumer Credit Counseling Services of Alaska (CCCS of AK). Staff counselors travel to the Bristol Bay Region on a regular basis and provide one-on-one counseling (in person, via phone or email) and workshops in the communities. Clients are not charged a fee when referred by BBEDC for credit counseling, credit recovery, personal budgeting or other services. As of 2009, 45 clients from the Bristol Bay area are formally working with CCCS of AK on goals that the individuals have identified. An additional 25 residents were assisted with one-time issues such as negotiating local tax debt, setting up repayment plans for debts, learning to use a budget, setting up personal bookkeeping systems, correcting inaccurate credit reports, refinancing predatory home loans and stopping victimization by an internet scam. Approximately 155 additional residents were assisted during workshops, career fairs and other community events where CCCS of AK was available to provide assistance in locating and reading a credit report. The response from BBEDC residents has been very positive and the program continues in 2010.

## BBEDC Annual Report 2009

# Economic Development

### Virtual (Community) Resource Library

Access to current plans, data and information pertaining to both the individual communities and the region as a whole is a critical element for developing a good grant application, business plan, feasibility study and more. In an effort to enhance our community's access to information, BBEDC initiated this project to create a virtual resource library with the assistance of a professional consulting firm.

Northern Management has created a website, located at <http://www.bbedcgrants.com/> for the purposes of supporting the BBEDC Grant Writing Program. A key feature to this website is the Digital Library. The intent of the Digital Library is to compile community development documents in support of BBEDC's Grant Writing Program and to share those documents with the contract grant writers, municipal/tribal staff, and agencies. Currently, Northern Management staff has compiled community development plans in use by BBEDC member communities. Most documents archived via this website are public access, however, additional documents may be password-protected depending on the wishes of the community. To obtain a username and password, please email your contact information to:

[AnthonyCaole@gmail.com](mailto:AnthonyCaole@gmail.com) and include your 1) First and Last Name, 2) Email Address, 3) Organization you represent, and 4) which community folder you need to access, and 5) the purpose of your inquiry or the project you are working on.

The long term goal of this site is to bring on board individual community contributors to the Digital Library, to compile more of each member community's community development related documents. Special security settings allow for village-based contributors to post documents and records to the site, subject to final approval by the site administrator. The site administrator approves the proposed addition, and verifies that the correct folder has been selected for filing, or adds additional folders as necessary for unique documents.



### BBEDC Annual Report 2009 Employment & Training

#### Seattle-based Internships

Twelve residents packed their bags to embark on an exciting six month work experience with our Seattle based fishing partners. Besides learning to live in a big city, these interns receive on the job training in various departments of the fishing industry such as human resources, accounting, and maintenance to name a few. Several of the interns have received offers of full-time employment with our fishing partners as a result of this training, while others have taken their experience to move on to other jobs or continuing education. In 2009, BBEDC spent \$166,017 to support this program.



*Left to Right: Ocean Beauty Seafoods Interns  
Reanna Lawrence, Bernina Venua, Wassillie Tilden, Elizabeth Gill*

#### Youth Internships

The basic fundamentals of a good work ethic, application procedures and interview skills are the emphasis of BBEDC's Youth Internship Program. BBEDC works cooperatively with business entities to create youth internships. At each pre-employment step, the youth applicant (ages 14-17) is coached by BBEDC staff on proper application and interview practices. Fifteen youth from around the region earned \$67,193 in wages during the summer of 2009.

#### In-Region Internships

In 2009, BBEDC along with the US Fish and Wildlife and the Alaska Department of Fish & Game employed three residents as interns at these two organizations. These are fisheries related work experiences that are science based and offer a strong educational component to the job. The employees selected are usually college students that have expressed interest in this area of work. During the summer, BBEDC paid \$21,224 in wages for this program.

## BBEDC Annual Report 2009

# Employment & Training

BBEDC has put forth a constant effort to provide vocational training scholarships to those residents desiring to improve and enhance their skills through either short-term or long-term training programs. BBEDC believes this investment of building a qualified workforce that is postured for the high paying jobs within the region and state is a major step in building a healthy economy for our region. In 2009, the demand on BBEDC's vocational training programs by residents seeking training was at an all time high, with total overall expenditures for the Basic and Advanced Vocational Programs reaching \$407,579 combined.

### Basic Vocational Training

The Basic Vocational Training Program provides up to \$1,500 to residents looking to enhance their skills through a class that is usually less than one week in duration. It also is used to sponsor fishery-related courses through the UAF Bristol Bay Campus, Southwest Alaska Vocational Education Training Center and other regional entities to help our fishers and the skilled tradesmen that support the fishing industry, in their own businesses. Examples of such classes include welding, marine refrigeration, net-hanging and repair, 40 hour Hazwopper (8 hour refresher) and small engine repair. BBEDC provided \$54,187 to fund residents either individually or through locally sponsored classes.

### Advanced Vocational/Technical Training

The Advanced Vocational Training Program is available to those BBEDC CDQ residents seeking a vocational certificate, license or degree. Qualified applicants must attend the training full-time and are eligible for up to \$5,000 in vocational scholarships. Close to doubling the figures of the previous year, 123 residents received scholarships totaling \$353,392 in 2009.

### Seasonal Employment

2009 was the second year of the BBEDC Seasonal Employment Program that works with organizations and businesses to identify entry level temporary positions in our communities. These work experiences are up to 16 weeks in duration with many leading to repeat seasonal employment opportunities. Besides being involved in the recruitment and hiring of these positions, BBEDC reimburses the employer wages and basic employment benefits. This year BBEDC expended \$125,807 to reimburse employers for 18 residents employed through this program.

### Bering Sea Employment

BBEDC has employment agreements with its Bering Sea Fisheries partners to provide employment opportunities at either their off-shore vessels or on-shore processing plants to those residents willing to commit to long hours and hard work. Three Bristol Bay residents worked on off-shore vessels earning \$95,899 in combined wages during the 2009 fishing season.



Seasonal employees David Savo, left, and Michael Jedlicka at right.

*"Providing Opportunities... Accept the Challenge"*

### BBEDC Annual Report 2009

### Education

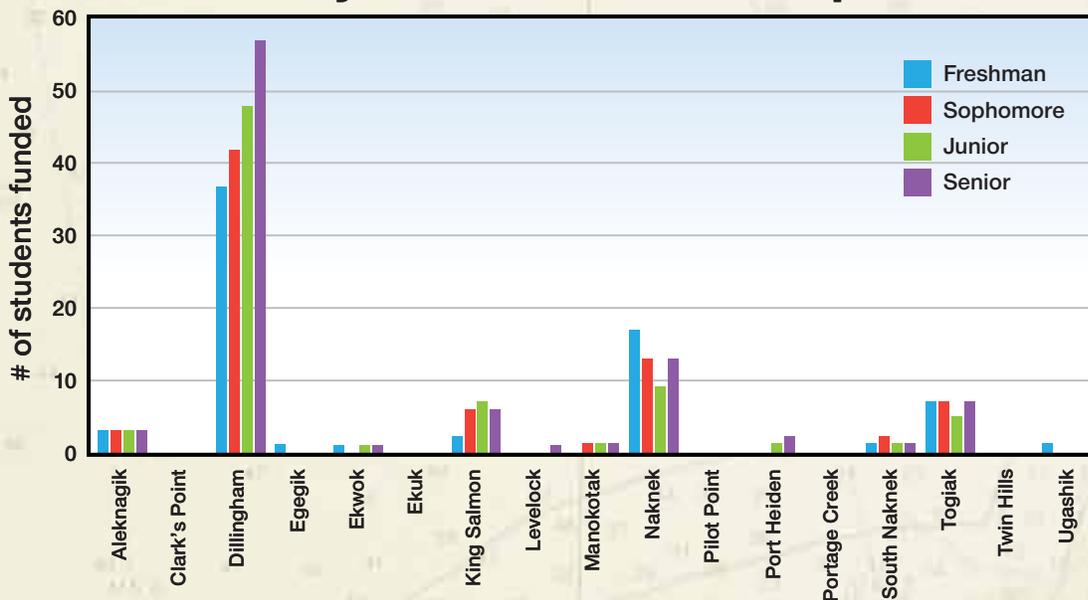
#### Harvey Samuelsen Scholarship Trust

Ninety-two students attending colleges and universities full-time through-out the United States and Canada, received scholarships through the Trust in 2009 totaling \$213,572. These students are working towards Associates, Bachelors, Masters and Doctorate degrees in a wide range of disciplines.

This year fourteen students reported they graduated with their degrees. BBEDC and the Harvey Samuelsen Scholarship Trust proudly congratulates each of these students on reaching their educational goals:

Adrienne Christensen	B.A. Rural Development, University of Alaska Fairbanks, Bristol Bay Campus
Lynsey Groat	B.A. Marketing, University of Nevada, Las Vegas
James Hansen	B.S. Civil Engineering, University of Alaska Fairbanks
Laurinda Hill	B.S. Biological Sciences, University of Alaska Fairbanks
Alannah Hurley	B.A. Native American Studies, University of New Mexico
Cassandra Jones	B.A. Psychology, University of Alaska Anchorage
Francesca Kamkahpak	B.A. Rural Development, University of Alaska Fairbanks
Ronald Latsha	M.S. Counseling Psychology, Alaska Pacific University
June Logusak	B.A. Interdisciplinary Studies, University of Alaska Fairbanks, Bristol Bay Campus
Loulare "Apayo" Moore	B.A. Art-Business, Fort Lewis College
Evelyn Phillips	B.S. Biological Sciences, University of Alaska Anchorage
Bernina Venua	B.A. International Studies, American University
Danica Wilson	B.A. Business Administration, B.A. Social Sciences, Warner Pacific College
Laura Zimin	B.A. Rural Development, University of Alaska Fairbanks

#### Harvey Samuelsen Scholarship Fund



## Education

### Academic Support Initiative

The Academic Support Initiative aims to help first and second year students, the group most at risk of dropping out, attending the University of Alaska Fairbanks, University of Alaska Anchorage, and Fort Lewis College succeed in their classes. BBEDC hires an upper class student at each institution as student coordinators to provide guidance and support to these students. Monthly social activities are planned with the intention of creating a peer network students can access. Through a survey conducted during the summer, it appears the program has already made a positive impact on student retention. BBEDC conducted a simple telephone poll and learned that 90% of the students were continuing their post-secondary education.

### College Development Fund

BBEDC recognizes it is not always possible to leave one's community in pursuit of higher education. Through the College Development Fund, residents can receive up to \$1000 per semester to take classes part-time via distance delivery through the University of Alaska, or locally through the Bristol Bay Campus. In 2009 there were 126 degree seeking students taking classes who received scholarships through the College Development Fund totaling \$120,298. Many of these individuals are active community members who are employed while also taking care of families.

### Student Loan Forgiveness

BBEDC has established a Student Loan Forgiveness Program as encouragement to have BBEDC's residents return to our communities with their valuable education and technical skills. After returning and working a year within a BBEDC community, an individual could have up to \$20,000 paid towards their educational loan principal over a course of five years. In 2009, fifteen residents had a combined total of \$52,677 paid towards their student loans.

### Adult Basic Education

This year 88 students had committed 3,299 contact hours with instructors assisting them in obtaining either their GED or Adult Basic Education skills. Like a snow-ball getting bigger every time it is rolled, every layer of education is important in developing skills for employability and creating a quality of life for people. At BBEDC, we are proud of the 11 individuals that received their General Education Diplomas this year. As continued support for the ABE/GED program in the region, BBEDC provided \$40,000 to the Bristol Bay Campus to help increase student education contact hours.



## BBEDC Annual Report 2009

### Education Initiative

#### 2009 Salmon Camp "Born To Be Wild"



In spite of cool, rainy days, there was tons of fun and learning happening at this year's Salmon Camp held at Camp Polaris on the shores of Lake Aleknagik. Our camp instructors work closely with the US Fish and Wildlife, Alaska Department of Fish and

Game, UAF Bristol Bay Campus and the University of Washington Fisheries Research Institute to give the campers a fun, hands on learning experience in science. Nineteen students from Clark's Point, Dillingham, Egegik, Ekwok, Levelock, New Stuyahok, Pilot Point, Port Heiden, Togiak and Twin Hills attended the two camps combined.

The 6th/7th grade camp ran from August 4th – 7th and activities for the camp included:

- Salmon species identification and life cycle;
- Fly tying and fly fishing;
- Subsistence and cultural discussion and activities;
- Collecting and analyzing macro invertebrates.

This year's 7th/8th grade camp began on July 16th and concluded July 20th.

Activities for this camp included:

- Learning about ADF&G Commercial Fisheries data collections techniques;
- Stream walks;
- ADF&G Subsistence Division Technical Papers discussion;
- Drawing and learning the life history of a particular Pacific salmon;
- Giving presentations of projects at BBEDC's main office.



Conner Ito

Dear BBEDC Salmon Camp Staff,  
Thank you for putting on an awesome camp! I really enjoyed myself while I was there! I especially enjoyed the section on fly tying. Max, Karl, and Shelly, I would like to thank you the most of all for taking care of me and convincing me to go home when I felt sick.  
I have really loved Salmon Camp and will definitely apply next year!

Sincerely,  
Conner Ito



The Bristol Bay Science and Research Institute (BBSRI) has been conducting fisheries research and monitoring in Bristol Bay since 2002. This locally directed non-profit subsidiary of BBEDC was incorporated in 1998 and works closely with State and Federal resource managers and the fishing industry to improve the management of area fish stocks and other natural resources. BBSRI's mission is:

*"To undertake scientific and educational projects to facilitate a greater understanding of the environment and fisheries resources of the Bristol Bay region and to pursue projects that will foster the economic health and vitality of the region and its inhabitants."*

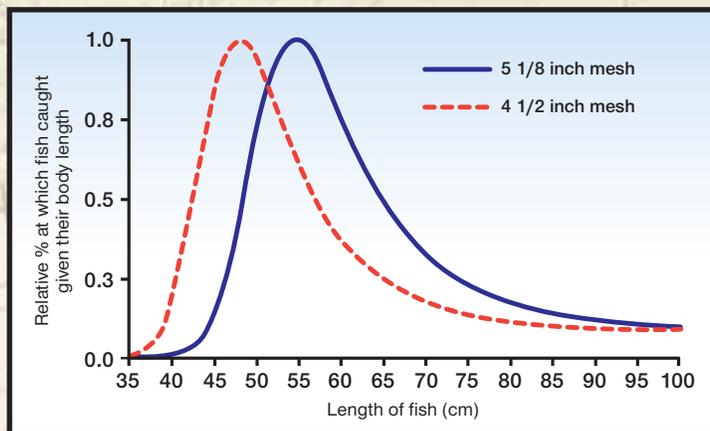
In 2009, BBSRI continued its focus on research to improve management of the Bristol Bay salmon fishery. This was the 7th consecutive year of BBSRI operating and staffing the biological sampling program of the Bristol Bay salmon catch. Research programs in 2009 focused on two areas:

*Improve pre-season forecasts and escapement goals by estimating annual smolt abundance:*

For a second year in a row we deployed two sonar systems in the Kvichak River in May and June to enumerate juvenile sockeye salmon (smolts) headed to sea. BBSRI designed and custom built these sonar systems over the last several years. Like in 2008, the 2009 project was a success and plans are in place to expand the program to include the Ugashik River in 2010.

*Improve in-season management and utilization of Bristol Bay salmon with the Port Moller test fishery:* BBSRI has managed and partially funded the Port Moller Offshore Salmon Test Fishery since 2002. The test fishery provides projections of the river-specific and total Bristol Bay returns in June and July each year. This information is summarized and analyzed daily and is used by fishery managers, fishermen, and processors in the prosecution of the fishery.

In 2009 the BBSRI embarked on an exciting multi-year research program to improve the performance of the Port Moller test fishery. The research has several objectives, including characterizing the selectivity of the historical test gillnet for different sizes of fish and developing a less selective and more effective gillnet. The 2009 program was a success and the results are being used to guide the 2010 research when we expect to fish a second vessel to test new sampling gear and to carefully assess factors affecting the precision of forecasts of salmon abundance from the Port Moller test fishery. The Port Moller test fishery is support by the State of Alaska, BBSRI, Bay Salmon Processors, and the Bristol Bay Regional Seafood Development Association. The research at Port Moller is support by the Alaska Sustainable Salmon Fund, BBSRI, and BBEDC's fishing partners through the State's Landing Tax Credit program.



A plot showing the relative selectivity of 4 1/2 and 5 1/8 inch gillnets compared to size of the fish developed from BBSRI's 2009 project.



Hauling the research salmon gillnet at Port Moller.

## BBEDC Annual Report 2009 Regional Fisheries Program

Increasing the value of Bristol Bay's near-shore fisheries and the income of resident fishers is the mission of the Regional Fisheries Program, which is guided by a five-member oversight committee meeting several times a year. Committee members include co-chairs Moses Kritz (Togiak) and Robert Heyano (Ekuk), and Hattie Albecker (Ugashik), Mark Angasan (King Salmon) and Victor Seybert (Pilot Point).

### 2009 Board of Fisheries Campaign: The Struggle for Equity Continues

Despite a year of appeals from local residents, the Alaska Board of Fisheries refused to hold its 2009 meeting on Bristol Bay regulatory issues in a watershed community. To make sure local voices were heard at the meeting, held in Anchorage in December, BBEDC reached out to regional corporations, municipalities and non-profits for help in paying for residents' travel and lodging. Their generosity, combined with the work of many local volunteers and a body of economic research commissioned by BBEDC, helped defeat efforts to lift the 32-foot limit on Bristol Bay salmon boats and extend permit stacking on drift boats. Both were opposed, according to a 2008 BBEDC survey, by a majority of watershed residents. Independent research confirmed regional concerns that non-residents' greater access to capital to finance larger boats and multiple permits would work to increase the loss of permits in the region and widen the income gap between resident and non-resident fishers.

While the Board of Fisheries' actions generally supported watershed views, the votes were extremely close and there is little expectation that advocates of bigger boats and multiple permits will abandon those efforts. Regional Fisheries is committed to keeping residents informed about these and other regulatory developments that can affect their livelihoods, as well as the pursuit of programs that can increase the value of Bristol Bay's fisheries to watershed residents and communities.

### Halibut



Shawn Kamkhpak

BBEDC manages the near-shore small boat halibut fishery in the southern portion of Area 4E west of Cape Newenham. Although halibut catches in other areas remain strong, local harvests have fallen sharply. Although 40 residents registered to participate in the 2009 4E fishery, less than 20 made deliveries and the total harvest was barely 15,000 pounds. In response to a request from local halibut fishers, the Regional Fisheries Committee extended 4E trip limits to 120 hours, up from 96 previously, and increased to 20 the number of longline skates fishers could deploy except in certain areas south and west of Togiak, where the limit remains 15.

### Foregone Harvest

After Bristol Bay itself, the world's second biggest salmon run is Bristol Bay's "foregone harvest," those fish surplus to escapement needs that go uncaught when processors suspend buying or put fishermen on limits. A BBEDC-funded study showed that from 2003 to 2008, salmon worth \$131 million to fishermen – and \$360 million to the economy as a whole – were lost to foregone harvest. BBEDC continues to work with the Bristol Bay Native Association, industry, the state and other entities in attempt to address this lost economic opportunity.

## BBEDC Annual Report 2009 Regional Fisheries Program

### Chilling the Catch – Bristol Bay’s Number One Priority

In the words of one major processing company executive, “Encouraging more fishermen to ice their fish should be Bristol Bay’s number one priority.” Recognizing that chilling at the point of harvest is the quickest and most cost-effective way to increase the value of salmon, BBEDC embarked on a program in 2004 to provide resident fishers with the tools they need to ice their catch.



*Togiak Ice Machine*

Since then BBEDC has committed more than \$10 million to fish chilling products and infrastructure. Capital projects include two sixty-ton ice barges, the Bristol Maid and the Bristol Lady, that in recent years have served the salmon fleets on the Nushagak and Egegik Rivers. Onshore ice machines were provided to the communities of Egegik, Naknek, Ugashik, Togiak, Port Heiden and Dillingham, and a seventh on-shore ice plant is scheduled to go on line at Ekuk in 2010. Nearly a thousand insulated totes and some 1600 slush ice bags have been provided to fishermen, and scores of vessels insulated.

Regional Fisheries continues to encourage residents to take advantage of the chilling products and services BBEDC provides. Slush bags, made of waterproof vinyl, hold a mix of ice and water that circulates through the mesh of a brailer hung inside the bag; the ice and water stay behind when the brailer is hoisted from the fish hold. Insulated totes store ice until it’s needed, and fish hold insulation slows the melting of ice and helps keep fish colder longer.

Ice production and sales from by BBEDC’s two ice barges – the Bristol Maid and the Bristol Lady – set a new record in 2009, up 17 percent from 2008 with 2.4 million pounds delivered. That was enough ice to chill more than 10 million pounds of salmon – two-thirds of the 16 million pounds delivered in slush ice – and boost fishing income by more than \$1 million. According to reports from processors, more than a third of Bristol Bay’s salmon was chilled at the point of harvest in 2009 – nearly twice as many pounds as were chilled the previous year.



*“So far the market has rewarded us with higher prices for higher quality fish,” one buyer observed. “And there’s every reason to believe that will continue.”*

In order to accommodate shipping times, slush bags and insulated totes need to be ordered soon after the first of the year. Timing for hold insulation is more flexible, but because funding is limited fishers are advised to contact the Regional Fisheries office early in the year to take advantage of these programs. Replacement totes and slush bags are not provided except under special circumstances; similarly fish hold insulation is a one-time opportunity for resident fishers.

*Insulated Fish Hold*

*“Providing Opportunities... Accept the Challenge”*

### BBEDC Annual Report 2009

#### CDQ/IFQ Harvesting Activity

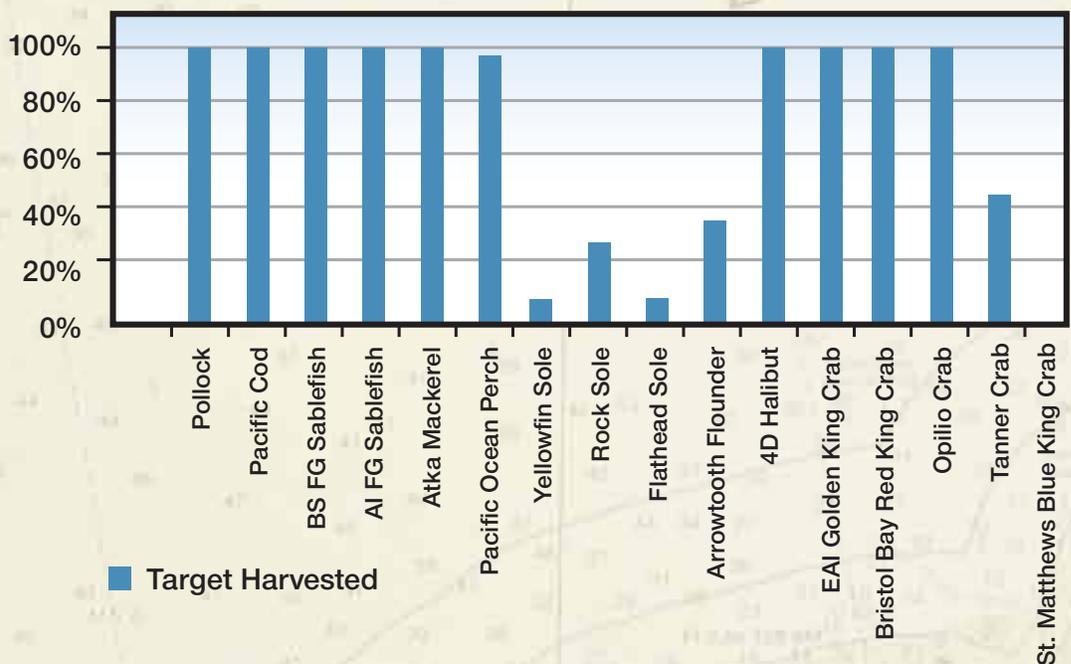
All in all, 2009 was as expected on the CDQ harvest side of the equation. BBEDC knew that flatfish would be a challenge to get harvested this year, and they were. After ten years of being closed, St. Matthews blue king crab opened this year, but it was not surprising when the fishery didn't pan out as well as anyone would have hoped. Prices for most species were disappointing and recovery is taking longer than anyone would like. But, we have great partners and we would have been hard pressed to have performed any better than we did on our CDQ harvest.

In 2009 BBEDC moved its pollock allocation back on to the Arctic Fjord. The partnership was very successful and BBEDC plans to have the vessel harvest the 2010 pollock allocation as well. Chinook bycatch in the Pollock fishery was reduced below the 2008 level as the fleet continues to make improvements to their bycatch avoidance.

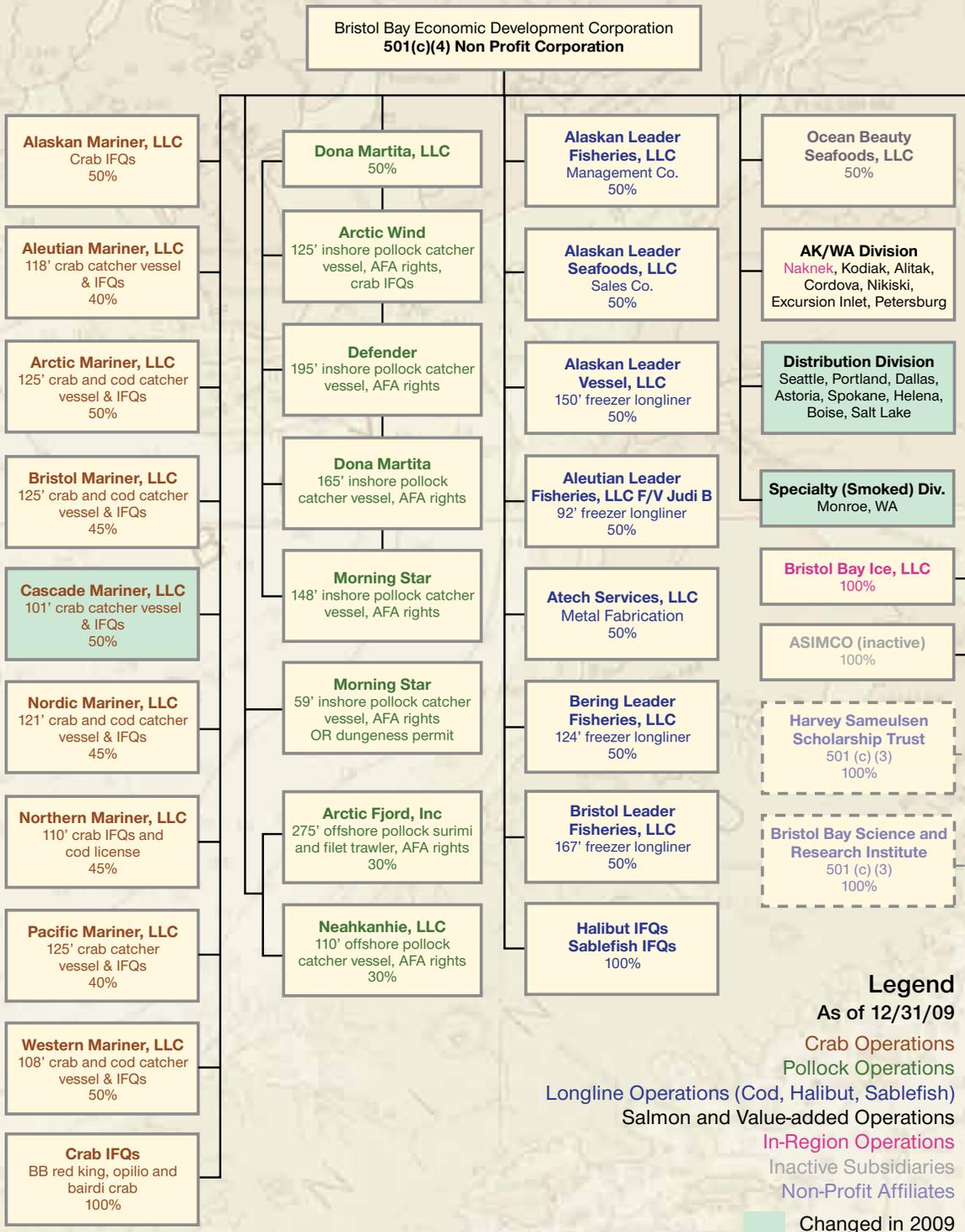
Sablefish was a BBEDC success story in 2009. The Judi B successfully harvested all of the BBEDC AI CDQ allocation. They also landed a significant portion of the CDQ pooled by the other CDQ groups. In a fishery that typically goes virtually unharvested, 71% of the CDQ program allocation was landed in 2009, all of it on the Judi B. In the Bering Sea, it was a challenging year for sablefish in general. Several boats had mechanical problems, there were issues getting the right kind of bait, and it seemed the weather was never very good when boats could get out of town. The CDQ program, as a whole, landed 45% of its allocation. The Western Mariner brought in all of the BBEDC CDQ sablefish.

The fall crab fisheries for Bristol Bay red king crab and eastern Tanner crab CDQ were once again fully prosecuted by the Mariner fleet. Ocean Beauty marketed the CDQ red king crab again. For the first time in ten years, the St. Matthews blue king crab fishery opened. Fishing was pretty scratchy during the season and catch would be starting to look up one day only to be pretty dismal the next. Based on those reports from the grounds, not many boats made the effort to fish blue crab after they finished their red king crab harvest. Western Tanner crabs (harvested in conjunction with opilio crab) were never found in marketable quantities in 2009. It's therefore not surprising that this fishery will not be opening in 2010.

### CDQ Target Harvested



Organizational Chart



2009 Changes

Ocean Beauty sells Phoenix distribution; Ocean Beauty closes Los Angeles smoked fish plant, farmed salmon products largely sourced from Europe.  
20% partner interest in Cascade Mariner, LLC redeemed; BBEDC becomes 50% owner.

### BBEDC Annual Report 2009

## Consolidated Statements of Financial Position

### Bristol Bay Economic Development Corporation and Subsidiaries

#### Consolidated Statements of Financial Position

December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<b>Assets:</b>		
Current assets:		
Cash and cash equivalents	\$16,240,587	\$6,817,454
Investments in marketable securities	131,487	759,044
Trade receivables	1,717,189	2,897,776
Income taxes receivable	2,360,381	-
Receivable from sale of investment	-	11,123,490
Accrued interest	301,937	340,611
Prepaid expenses and other assets	672,719	94,640
	<u>21,424,300</u>	<u>22,033,015</u>
Long-term assets:		
Investments in marketable securities	50,221,661	43,388,628
Investments in unconsolidated affiliates	50,437,565	54,137,724
Equity method goodwill	30,477,067	30,477,067
Investment in Individual Fishing Quotas	15,313,804	14,642,228
Property, plant and equipment, net	4,228,574	4,723,551
	<u>150,678,671</u>	<u>147,369,198</u>
	<u>\$172,102,971</u>	<u>\$169,402,213</u>
<b>Liabilities and Net Assets:</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$1,685,513	\$2,295,647
Deferred revenue	163,000	30,000
Community and business development fund awards	4,524,048	3,576,024
Current portion long-term debt	32,051	30,840
	<u>6,404,612</u>	<u>5,932,511</u>
Notes payable less current portion	15,067,091	23,066,240
	<u>21,471,703</u>	<u>28,998,751</u>
Net assets	150,631,268	140,403,462
Commitments and contingencies	-	-
	<u>\$172,102,971</u>	<u>\$169,402,213</u>

*Excerpt of Financial Statements Audited by KPMG, LLP*

## Consolidated Statements of Activities

## Bristol Bay Economic Development Corporation and Subsidiaries

Consolidated Statements of Activities  
Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<b>Changes in unrestricted net assets:</b>		
Revenues and gains:		
Program revenue	\$13,617,186	\$12,611,347
Interest and dividend income	1,995,719	2,266,627
Net gain (loss) on investments	4,440,873	(9,478,004)
Loss on sale of unconsolidated affiliate	(37,004)	(40,762)
Loss on disposition of assets	(2,348)	-
IFQ investment income	1,530,389	2,076,105
Grant revenue	1,389,878	250,043
Equity in earnings of unconsolidated affiliates	1,066,661	12,895,068
Other	204,257	325,548
	<u>24,205,611</u>	<u>20,905,972</u>
Expenses:		
Program	12,478,872	9,329,826
Finance and administration	1,967,805	1,783,884
	<u>14,446,677</u>	<u>11,113,710</u>
	9,758,934	9,792,262
Income tax benefit (expense)	468,872	(1,157,457)
	10,227,806	8,634,805
Net assets at beginning of year	<u>140,403,462</u>	<u>131,768,657</u>
Net assets at end of year	<u>\$150,631,268</u>	<u>\$140,403,462</u>

*Excerpt of Financial Statements Audited by KPMG, LLP*

*"Providing Opportunities... Accept the Challenge"*

### BBEDC Annual Report 2009

## Schedule of Finance and Administrative Expenses

### Bristol Bay Economic Development Corporation and Subsidiaries

#### Schedule of Finance and Administrative Expenses

Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Salaries	\$676,227	\$628,655
Benefits and payroll taxes	306,511	239,104
Professional fees	247,360	185,876
Accounting fees	132,747	111,448
Depreciation and amortization	121,338	102,134
Travel and per diem	120,029	109,408
Board fees	75,925	85,329
Bank fees	56,219	63,465
Office expense	44,633	41,396
Utilities	40,670	37,313
Insurance	33,654	36,324
Telephone	28,358	31,594
Staff training	21,725	13,081
Janitorial	19,387	18,176
Legal fees	12,351	25,711
Advertising	4,930	17,995
Repairs and maintenance	4,614	3,246
Postage	3,525	3,859
Rent/storage fees	3,000	3,000
Dues and subscriptions	2,989	6,572
Miscellaneous	32,908	50,916
Administrative overhead	(21,295)	(30,718)
	<u>\$1,967,805</u>	<u>\$1,783,884</u>

*Excerpt of Financial Statements Audited by KPMG, LLP*

*"Providing Opportunities... Accept the Challenge"*

## Transparency Report

### Director Compensation Policy

BBEDC compensates its Directors who attend board and committee meetings with a meeting fee and travel/per diem. The fee for meetings lasting four hours or less is \$300. For meetings lasting more than four hours, the fee is \$500. No director receives more than \$500 in any one day. BBEDC Directors are appointed for three year terms and may be replaced in accordance with BBEDC By-Laws.

### Related Party Transactions

BBEDC reports any transactions over the amount of \$20,000 with any director or their family members. There were no such transactions in 2009.

### Legal Proceedings Involving Directors

BBEDC reports any pending litigation between itself and any Directors. There is no such litigation for 2009.

### Auditor Relationship

BBEDC has had no disagreements with their auditor, KPMG, LLP, during the past two years. In addition to audit services, KPMG, LLP also provides tax and tax consulting services to BBEDC.

### Committees

The BBEDC Board of Directors has the authority to create and dissolve committees and appoint persons to serve on committees. The Finance & Audit Committee is responsible for the budget, financial statement review, and monitoring of the performance of the investment of funds as well as oversight of the annual audit and other issues governing corporate governance and disclosure. In 2009, the Finance & Audit Committee met on March 11, September 2, September 9, October 19 and November 4.

In April 2010, the Board decided to separate out the Audit Committee from the Finance & Audit Committee in order to increase and improve board governance best practices. The Audit Committee is responsible for the oversight of the annual audit and other issues governing corporate governance, disclosure, and responsibility. Current members include: Robin Samuelsen, Chair; Mark Angasan; and Lucy Goode. The Finance & Budget Committee is responsible for the budget, financial statement review, and monitoring of the performance of the investment funds. Current members include: Robert Heyano, Chair; Victor Seybert; Moses Kritz; Fred Angasan, Sr.; and Hattie Albecker.

<b>Compensation for Board of Directors for 2009</b>	<b>\$130,700.00</b>
<b>2009 Professional Fees</b>	
Legal Fees	133,274.43
Lobbying	93,608.73
Consultants	430,276.54
<b>Total Professional Fees:</b>	<b>\$ 657,159.70</b>
<b>Accounting Fees</b>	
Audit	48.5% 69,140.00
Tax Prep	38.5% 54,775.00
Consulting	13.0% 18,569.75
<b>Top 5 Employee Compensation - 2009</b>	
<b>Name/Title</b>	
Paul Peyton, Seafood Investment Officer Anchorage, AK	132,015.32
H. Robin Samuelsen Jr., President/CEO Dillingham, AK	98,492.21
2009 Bonus	10,000.00
	<b>108,492.21</b>
Helen Smeaton, Chief Operating Officer Dillingham, AK	88,036.56
Alice Ruby, Economic Development & Brokerage Coord. Dillingham, AK	77,392.07
Christopher Napoli, Chief Administrative Officer Dillingham, AK	74,960.64

# BBEDC ANNUAL REPORT

## Bristol Bay Economic Development Corporation

BBEDC Annual Report 2009  
What Keeps Us Afloat



*This fleet of vessels serves our entire BBEDC family, ensuring its prosperity now and in the future.*

*"Providing Opportunities... Accept the Challenge"*

# BBEDC Staff Members



**H. Robin Samuelsen, Jr., CEO & President**  
sockeye1@nushtel.net

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**Paul Peyton, Seafood Invest. Officer**  
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**Helen Smeaton, Chief Operating Officer**  
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**Chris Napoli, Chief Administrative Officer**  
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**Anne Vanderhoeven, Fisheries Quota Manager**  
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**Alice Ruby, Economic Dev./Brokerage Coordinator**  
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**Fritz Johnson, Regional Fisheries Coordinator**  
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**Alice Chythlook, Receptionist**  
achythlook@bbedc.com

**Nicole Krause, Administrative Assistant II**  
nicole@bbedc.com

## **Executive Committee**

Robin Samuelsen, President  
Fred T. Angasan, Vice-President  
Hattie Albecker, Secretary  
Robert Heyano, Treasurer  
Victor Seybert  
Moses Kritz  
Gerda Kosbruk

## **Finance & Budget Committee**

Robert Heyano, Chair  
Victor Seybert  
Moses Kritz  
Fred T. Angasan  
Hattie Albecker

## **Regional Fisheries Committee**

Moses Kritz, Co-Chair  
Robert Heyano, Co-Chair  
Victor Seybert  
Mark Angasan  
Hattie Albecker

## **E&T/Education Committee**

Mary Ann Johnson, Chair  
Lucy Goode  
Fritz Sharp  
Gerda Kosbruk  
Moses Toyukak, Sr.

## **Policy Committee**

Fred T. Angasan, Chair  
Mark Angasan  
Harry Wassily  
Fritz Sharp  
Margie Aloysius

## **Bristol Bay Science and Research Institute**

Executive Committee

## **Audit Committee**

Robin Samuelsen, Chair  
Mark Angasan  
Lucy Goode

## **Harvey Samuelsen Scholarship Trustees**

Mary Ann Johnson, President  
Sylvia Kazimirowicz, Treasurer  
Fritz Sharp, Vice President  
Harry Wassily, Secretary  
Lucy Goode

## **Permit Loan Committee**

Robert Heyano, Chair  
Hattie Albecker  
Moses Kritz  
Sergie Chukwak  
Moses Toyukak, Sr.

## **Bristol Bay Ice, LLC**

Robin Samuelsen, Chair  
Robert Heyano  
Hattie Albecker  
Moses Kritz

*“Providing Opportunities - Accept the Challenge”*



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[WWW.BBEDC.COM](http://WWW.BBEDC.COM)

ANNUAL



REPORT  
2010





*Fishing fleet heading out of the Dillingham Harbor for an opener*

*“Providing Opportunities - Accept the Challenge”*

# BBEDC Annual Report 2010

## *Mission Statement*

*“It is the purpose of the Bristol Bay Economic Development Corporation to promote economic growth and opportunities for residents of its member communities through sustainable use of the Bering Sea resources.”*



### **BBEDC Dillingham**

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Toll free: 1 (800) 478-4370  
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### **BBEDC Anchorage**

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(907) 644-8640  
Fax: (907) 644-8647

*“Providing Opportunities... Accept the Challenge”*



*This photo, and sidebar images, courtesy of Bob Waldrop*

## BBEDC Annual Report 2010

### Letter from the President/CEO

#### Camai!



On behalf of the BBEDC Board of Directors, staff and myself, I would like to thank all of the individuals and communities that took advantage of the opportunities BBEDC had to offer in 2010. Page 4 of this report highlights some of our 2010 activities and as you can see, there are many programs at BBEDC with benefits that go directly to CDQ residents and communities. We are striving to make the Bristol Bay region a better place to live and will continue to improve on the services to our residents.

The Bristol Bay commercial salmon fishery is improving in both price and quality. This year BBEDC put an ice machine in Ekuk; that makes seven ice machines placed in BBEDC communities. Residents have taken advantage of vessel improvement grants and BBEDC ice barges have distributed over 1.9 million pounds of ice to fishermen. The ice chills many pounds of salmon and allows fishermen to fetch an additional \$.15 per pound; this is making a difference in the region.

The Harvey Samuelsen Scholarship Trust and vocational training programs continue to provide much needed scholarship and training awards to region residents. Overall, this money is well spent on the education and training of people who come back to live and work within the region, bringing new ideas to communities.

Communities were provided \$2.5 million dollars for much needed projects through the Community Block Grant Program. Many of them use BBEDC funds as seed money to obtain additional dollars through other grant programs. I cannot stress enough the importance of these funds to our communities; they are really helping the communities accomplish projects that contribute to their economies.

In closing, the BBEDC Board continues to look at different ways to help our residents and communities. Many of you have called or sent me an email about things you would like to see happen in Bristol Bay; thank you and please continue to send your ideas and suggestions on ways to improve BBEDC services.

Sincerely,

*H. Robin Samuelsen, Jr.*

President/CEO

## BBEDC Annual Report 2010

### Your 2010 Board Members



Name	Title	Community
H. Robin Samuelsen, Jr.	Director/President/CEO	Dillingham
Fred T. Angasan, Sr.	Director/Vice President	South Naknek
Robert Heyano	Director/Treasurer	Ekuk
Hattie Albecker	Director/Secretary	Ugashik
Mark Angasan	Director	King Salmon
Margie Aloysius	Director	Aleknagik
Lucy Goode	Director	Egegik
Lorraine King	Director	Ekwok
Raymond Apokedak	Director	Levelock
Moses Toyukak, Sr.	Director	Manokotak
Gerda Kosbruk	Director	Port Heiden
Mary Ann K. Johnson	Director	Portage Creek
Moses Kritz	Director	Togiak
Fritz Sharp	Director	Twin Hills
Harry Wassily, Sr.	Director	Clarks Point
Pat Patterson, Jr.	Director	Naknek
Victor Seybert	Director	Pilot Point

## BBEDC Annual Report 2010

### 2010 Highlights

- ❖ Fuel and electric assistance was provided to five communities with funds totaling \$221,150.
- ❖ Ocean Beauty Seafoods had deliveries from 65 watershed residents at a value of \$2,742,451.
- ❖ Twenty-seven students from around the region attended Salmon Camp this year, participating in hands-on and classroom activities in limnology, ichthyology, and fisheries research & management.
- ❖ BBEDC's Advanced Vocational Program funded 119 students in the amount of \$271,994 to support vocational education for our residents.
- ❖ All seventeen BBEDC communities took advantage of the 2010 Block Grant Program and were awarded a total of \$2,293,850 for projects submitted in addition to the fuel and electric assistance awards.
- ❖ The M/V Bristol Maid and M/V Bristol Lady distributed 1,895,556 pounds of ice to the fleet.
- ❖ BBEDC provided \$549,000 in grants of \$31,762 to each community to employ a liaison to connect local residents with BBEDC programs and services.
- ❖ Interest Rate Assistance was provided to 47 residents; over \$61,000 was paid to financial institutions on their behalf.
- ❖ Eleven residents were placed in six month Seattle internship positions with BBEDC partners; one intern stayed on to take a permanent position with Arctic Storm.
- ❖ The Harvey Samuelsen Scholarship Trust awarded 97 students scholarships totaling \$348,000.
- ❖ 1,156 residents registered for the Tax Assistance Program; receiving in excess of \$1,445,100 via tax refunds.
- ❖ Sixteen youth ages 14-17 years old earned \$55,028 in wages through the Youth Internship Program.
- ❖ More than 30 clients were enrolled through the Personal Finance & Business Education Program and are working with Consumer Credit Counseling Service of Alaska.
- ❖ Twenty-five residents earned \$121,769 in wages by participating in the Seasonal Employment Opportunities Program.
- ❖ The College Development Fund funded 145 degree seeking students totaling \$135,313; fourteen graduated in 2010.
- ❖ The Arctic Tern Program made available \$102,000 in the form of \$6,000 available to each community to support employment and educational activities for youth under the age of seventeen.

## BBEDC Annual Report 2010

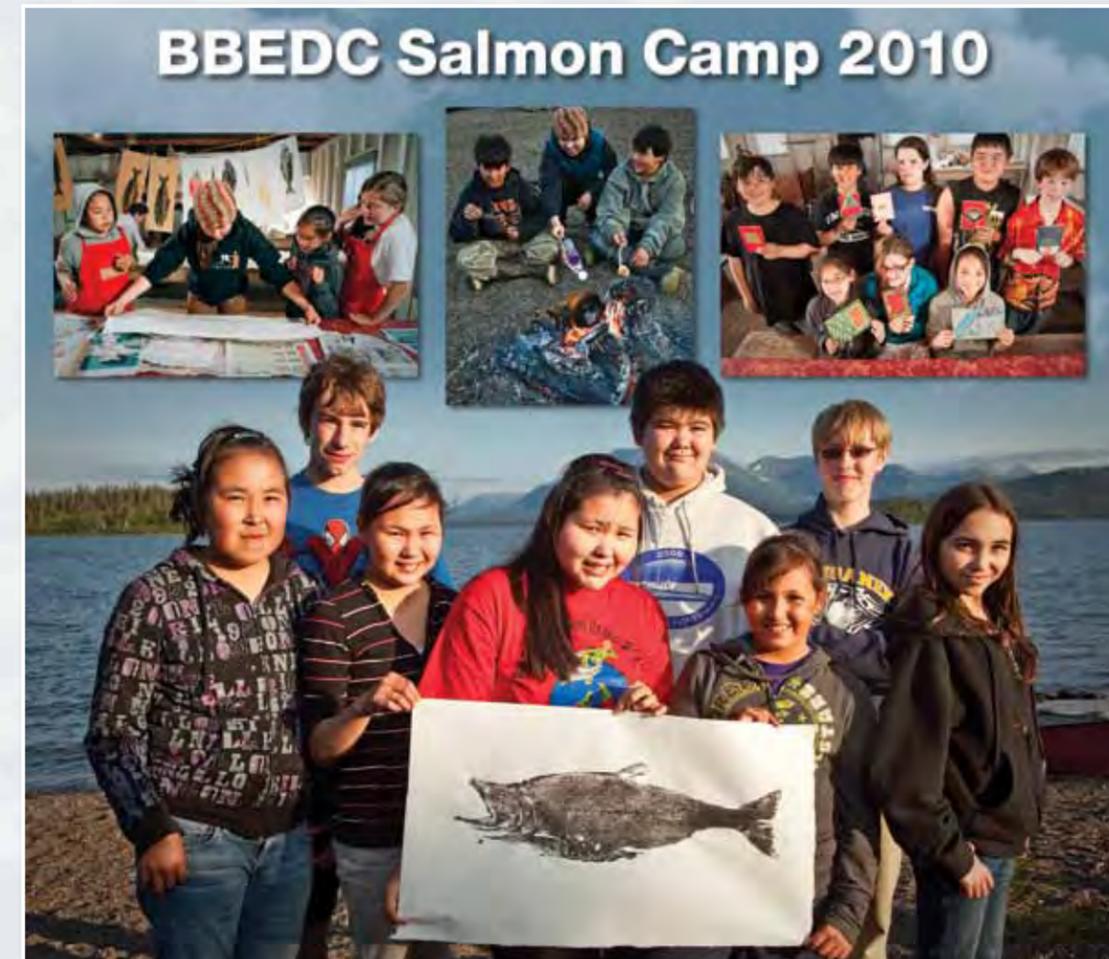
### Education Initiative

#### 2010 Salmon Camp “Rock the Boat”

Twenty-seven Bristol Bay campers ‘rocked the boat’ on the waters and shores of Lake Aleknagik while attending Salmon Camp this year. These students participated in many different hands-on and classroom activities in limnology, ichthyology, fisheries research and management.

Through partnership, the Alaska Nature Conservancy provided artists who worked with the students using the original Japanese style of printing utilizing salmon as the stamp. Students enjoyed trying their hands at using this unique method of printing.

Renewable energy was another exciting addition to the 10th – 12th grade camp. Students erected a small wind generator, installed solar panels and used a bicycle powered generator to power the camp and computer lab.



Photos courtesy of Clark James Mishler

## BBEDC Annual Report 2010

### Scholarships

#### Harvey Samuelsen Scholarship Trust

The Harvey Samuelsen Scholarship Trust awarded 97 scholarships totaling \$348,000 in 2010 to residents attending colleges and universities full-time. Following are the communities where these students reside:

Aleknagik	-	3 students	King Salmon	-	7 students
Clarks Point	-	1 student	Levelock	-	1 student
Dillingham	-	58 students	Manokotak	-	1 student
Egegik	-	1 student	Naknek	-	10 students
Ekwok	-	3 students	Togiak	-	12 students

#### Congratulations and Kudos to the 2010 HSST Graduates!

<b>Lisa Babiak</b>	Naknek	Doctor of Pharmacy	Creighton University
<b>Gary Cline</b>	Dillingham	B.A. Business Administration	Fort Lewis College
<b>Janelle Fritze</b>	Dillingham	B.A. Rural Development	University of Fairbanks
<b>Hannah Hulsing</b>	Dillingham	A.A.S. Nursing	Northwest Technical College
<b>Troy Jaecks</b>	Dillingham	M.S. Ocean & Fishery Science	University of Washington
<b>Cheri Johansen</b>	Dillingham	B.A. Rural Development	UAF Bristol Bay Campus
<b>Colleen Johnson</b>	Dillingham	B.A. Psychology	Fort Lewis College
<b>Shamai Larson</b>	Dillingham	B.S. Health Science / Military Science	Austin Peay State University
<b>Ronald Latsha</b>	Dillingham	M.S. Counseling Psychology	Alaska Pacific University
<b>Charlene Lopez</b>	Dillingham	B.A. Rural Development	UAF Bristol Bay Campus
<b>Leona Schroeder</b>	Dillingham	A.A.S. Nursing	U of A Anchorage
<b>Sarah Swartz</b>	King Salmon	B.A. Psychology	U of A Fairbanks
<b>Shannon Swift</b>	Dillingham	Associate of Arts	Central New Mexico CC
<b>James Walsh</b>	Dillingham	B.S. Computer Science	U of A Fairbanks
<b>Shelley Woods</b>	Dillingham	B.S. Fisheries	U of A Fairbanks



#### Colleen Johnson & Family

*“I would like to thank BBEDC in supporting me throughout my college career by providing scholarship opportunities and having BBEDC representatives visit Fort Lewis College. It was a great experience and achievement for me. I’m thankful that BBEDC has great opportunities for the Bristol Bay communities.”*

Colleen Johnson,  
2010 Fort Lewis College Graduate

## BBEDC Annual Report 2010

### Scholarships



Jenny Bennis, Fort Lewis College Student Coordinator with some Bristol Bay students

#### College Development Fund

One hundred and forty-five residents received scholarships totaling \$135,313 in 2010. These degree seeking students are attending college part-time and many are working full-time and raising families. This year’s students reside in the following communities:

Aleknagik	3 students
Dillingham	79 students
Dillingham High School	34 students
King Salmon	1 student
Manokotak	5 students
Naknek	10 students
Pilot Point	1 student
Port Heiden	1 student
South Naknek	1 student
Togiak	10 students

#### College Development Fund Graduating Class of 2010

Beatrice Grewal	Dillingham	B.A. Rural Development
L. Scharell Anderson	Dillingham	A.A. General Studies
Celena Brown	Dillingham	A.A. General Studies
Zach Finley	Dillingham	A.A. General Studies
Karen McCambly	Dillingham	A.A. General Studies
Kinka Parker-Aposik	Togiak	A.A. General Studies
Misty Daye Savo	Dillingham	A.A. General Studies
Cindra Barrett	Dillingham	A.A.S. Applied Business Computer Applications
Heather J. Savo	Dillingham	A.A.S. Applied Business Finance
Marilyn Casteel	Dillingham	A.A.S. Applied Business Human Resources
Geraldine Cross	Dillingham	A.A.S. Applied Business Human Resources
Renee Lee-Roque	Dillingham	Certificate – Accounting Technician
Sidney Nelson	Dillingham	Certificate – Environmental Studies
Tina Tinker	Aleknagik	Certificate – Environmental Studies

These students all graduated from the UAF Bristol Bay Campus. A big congratulations to them all!

#### Academic Support Initiatives

This year our student coordinators at UAA and Fort Lewis College helped students with class registration, campus orientations, locating tutors, providing care packages during mid terms and finals week, and hosting monthly fun gatherings to strengthen the Bristol Bay student bond. These activities have made a positive impact on the retention of freshmen and sophomores at these schools.



Fort Lewis College students spelling out “fish”

## BBEDC Annual Report 2010

### Education and Training

#### Student Loan Forgiveness

This year BBEDC provided payments on behalf of sixteen residents that were applied directly towards the principal balance of their student loans in the amount totaling \$54,511. Two of these residents “graduated” from the program; one reached the \$20,000 maximum award allowable by the program and the other’s loan was paid off after five years in the program. BBEDC is happy that these students have returned to our communities with their gained knowledge and talents!

#### Adult Basic Education

This year, BBEDC provided \$40,000 to the Bristol Bay Campus for their adult learning program. Through their outreach efforts they reported that 10 individuals in our region received their General Education Development (GED) diplomas in 2010. BBEDC applauds them for their dedicated pursuit to obtain this education achievement!

#### Basic Vocational Training

The Basic Vocational Training Program is for residents who wish to attend a training that is less than one week in duration and costs no more than \$1,500. It is also used to sponsor fishery related classes in our communities. As an example of classes sponsored, this year Togiak arranged for a HACCP/Sanitation class to be held in their village. Eighteen of their residents took the class for college credit and received HACCP certification. These individuals all received employment at Togiak Seafoods and started with a fifty cent increase over people hired without this certificate. During that very same week, 61 residents of Togiak completed a two-day First Aid/CPR class and received certification.

Another great example of a community based training was the 40 hour hazwopper training held in Port Heiden. Twenty residents from Egegik, Pilot Point and Port Heiden completed the training and received hazwopper certification. Many of these residents received employment on a remediation project conducted by the US Air Force.

Other community based classes sponsored by BBEDC in our region include:

- Gas Tungsten Arc Welding
- Gas Metal Arc Welding (Dillingham)
- Gas Metal Arc Welding (King Salmon)
- First Aid & CPR: Wilderness First Aid & CPR
- Net Mending
- Build Your Own Gillnet
- Net Hanging
- Construction Trades

During 2010, \$47,475 was spent to either fund individuals in short term trainings or sponsor classes in our communities.



Construction Trades Class (above)



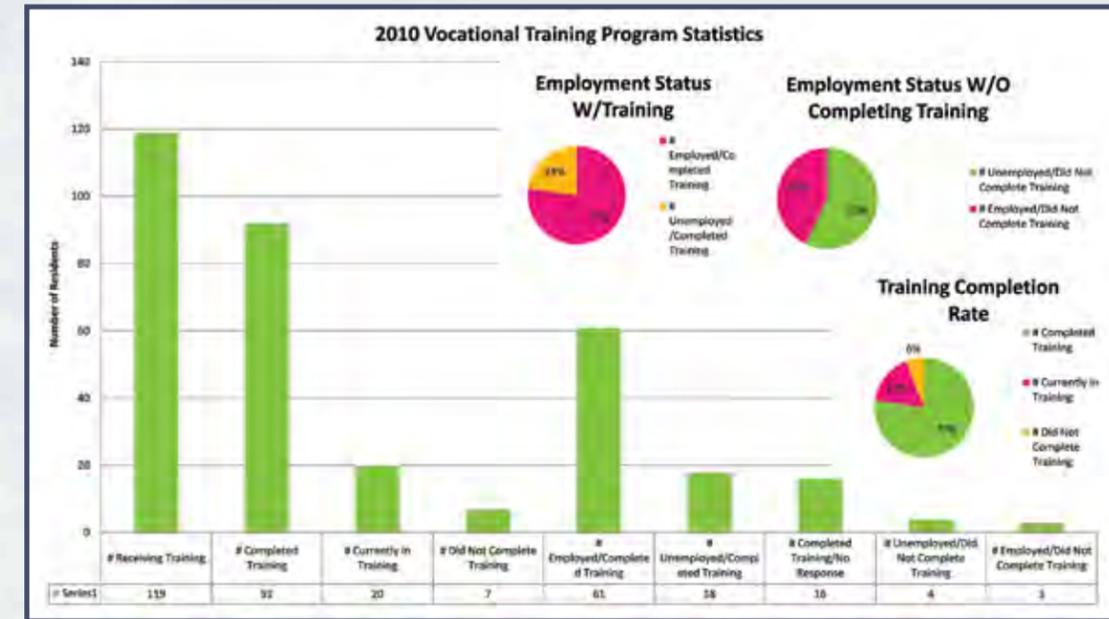
Meagan Tolley – Construction Trades Student

## BBEDC Annual Report 2010

### Training

#### Advanced Vocational Training

One hundred and nineteen residents received scholarships totaling \$271,994 working towards their vocational certification. A telephone survey of those receiving scholarships was conducted with the following results:



#### Professional Pilot Program – Mary Tadina

“BBEDC has been awesome to work with and an incredible help in accomplishing some of my major goals. Your funding helped me to complete my Bachelor of Science in Aeronautics which I received in January. In February, I was able to travel with a friend who was also funded by BBEDC, to complete our Airline Transport Pilot Certificates. Thank you!”

– Mary Tadina

My favorite passenger quote: “Oh. Wait. You’re the pilot? But you’re a girl.”

## BBEDC Annual Report 2010

### Employment and Internships

#### Seasonal Employment

Twenty-five positions were supported through BBEDC’s Seasonal Employment Program. Employers were reimbursed \$121,769 for wages and basic employment benefits.



Amber Christensen-Fox completed her heavy equipment operator training at West Coast Training and is now employed in Port Heiden running this piece of equipment.



Brittnay Niedermeyer – King Salmon Ground Service seasonal employee

#### Bering Sea Employment

In 2010, two residents participated in the Bering Sea offshore fisheries earning \$17,147 in crew shares. We continue to work with our Seattle based seafood partners in recruiting for these jobs that are either on the offshore catcher/processor vessels or at the onshore plants. Residents interested in this line of employment are encouraged to contact BBEDC for applications.

This year recruitment officers from American Seafoods, Arctic Storm/Arctic Fjord, Ocean Beauty Seafoods and Westward Seafoods all travelled to the region in an effort to increase Bristol Bay hires for their companies.

#### Seattle-based Internships

Eleven residents spent six months in Seattle working for our Seattle seafood partners. Besides learning the job skills required in the departments they are working, they learn firsthand the challenges associated with living in a big city. Two of the interns spent an entire year in Seattle in advanced internship positions with one leading to a permanent position with Arctic Storm as a recruitment officer.

#### Youth Internships

In cooperation with local businesses and governing entities, BBEDC employed sixteen youth interns ages 14-17 during the summer in various jobs within their communities. These interns earned \$55,028 in wages while gaining valuable on-the-job training and learning the importance of practicing good work ethics.

#### In-Region Internships

BBEDC employed three individuals to work in internships with the Alaska Department of Fish & Game and the U.S. Fish & Wildlife Service. These adults work approximately 12 weeks under an individualized learning plan with measured benchmarks while earning wages. This year BBEDC paid \$18,533 in wages for this program.

## BBEDC Annual Report 2010

### Outreach

#### A Liaison in Each Community

Grants of \$31,762 were available in 2010 to each community to employ an on-site representative to connect local residents with BBEDC programs and services for a total investment of \$549,000.

Contact your Community Liaison for applications and information on BBEDC programs.

### Your Community Liaisons

Shelly Aloysius	Aleknagik	842-2856
Lawrence Olson	Clarks Point	236-1479
Christopher Maines	Dillingham	842-2384
Cindy Gabel	Egegik	233-2211
Maria Binkowski	Ekuk	842-3842
Judy Walcott	Ekwok	464-3387
Ralph “Bucko” Angasan	King Salmon	246-3553
Greg Andrew III	Levelock	287-3030
Ann Cornell	Naknek	246-4210
Roderick Andrew	Manokotak	289-1429
Victor Seybert	Pilot Point	797-2208
Vacant	Portage Creek	
John Christensen, Jr.	Port Heiden	837-2295
Karl Rawson	South Naknek	246-8711
Joe Alexie	Togiak	493-5003
Diane Abraham	Twin Hills	525-4821
Nancy Flensburg	Ugashik	797-2400



Liaisons and staff at annual Community Liaison Training

## BBEDC Annual Report 2010

### Youth Employment and Education

#### Employment and Educational Activities for Youth

The Arctic Tern Program offered \$102,000 via grants of \$6,000 to each community to support employment and educational activities for resident youth under the age of 17.

Aleknagik Traditional Council	\$6,000	Youth participation in the AFN Elders and Youth Convention
Curyung Tribal Council	\$6,000	Summer Service Slam & Culture Camp
Egegik Tribal Council	\$6,000	Water Survival and Swimming Class
Ekuk Tribal Council	\$6,000	Participation in the Ketchikan Youth Court
Ekwoq Village Council	\$6,000	Swimming/Winter Survival Class
City of Manokotak	\$3,300	Community Clean-up
Pilot Point Tribal Council	\$6,000	Discipline and Hard Work Pays! - Hired Youth to Maintain Community Garden
Native Council of Port Heiden	\$6,000	Subsistence Assistance-Helped Elders with Subsistence Gathering
Togiak Traditional Council	\$6,000	Community Spring Clean-up
Twin Hills Village Council	\$5,558	Youth Participation in the AFN Elders & Youth Convention
Ugashik Traditional Village	\$6,000	Community Clean-up, Assisting Elders & Work on the Community Center
<b>Total Funds Awarded:</b>	<b>\$62,858</b>	



Curyung Tribal Council Culture Camp

## BBEDC Annual Report 2010

### Economic Development Program Services

#### Technical Assistance

BBEDC continues to promote solid business planning as critical for expanding an existing commercial fishing operation or starting small businesses whether it is locating financing, assistance with loan applications and process, exploring business ideas, analyzing cash-flow or financial feasibility. In 2010, BBEDC provided over 1,200 hours of professional business counseling assistance through a contractual relationship with the Alaska Business Development Center including fisheries processing feasibility and planning for 3 separate community government organizations.

#### Tax Assistance Program

In 2010, BBEDC invested more than \$140,000 in tax preparation assistance. Residents were provided up to \$125 towards the preparation of current year federal income tax documents by professional tax preparers. The program resulted in 1,156 residents registering and more than \$1,445,100 in refunds were returned to the region.

#### Grant Writing Assistance

BBEDC places a priority in investing in community infrastructure as a critical part of economic development within the region. The Grant Writing Assistance Program provides grant writing services by professional consulting firms to tribal and municipal organizations located in the CDQ communities. Over 350 hours of consulting services totaling more than \$39,500 were provided to communities in 2010 for Community Development Block Grant, Alaska Energy Authority and other grant applications.

#### Grant E-list

BBEDC distributes a grant e-newsletter to community organizations in the CDQ communities in an effort to enhance access to funding sources for infrastructure development. The grant e-list is distributed bi-monthly and contains information on federal, state and foundation funding sources as well as contact information for BBEDC community grants.



#### Personal Finance/Education

Reducing migration of permits out of the region includes providing assistance to residents who may be at risk because of personal financial situations. BBEDC continued a relationship with the Consumer Credit Counseling Services of Alaska to provide individual counseling services and educational activities. In 2010, this included the registration of more than 30 clients for formal credit recovery services and ongoing services to residents carried over from 2009. Community workshops and educational events were held in communities throughout the region on a quarterly basis.

## BBEDC Annual Report 2010

### Economic Development

#### Block Grants

Community Block Grants of \$150,000 were available to each community in 2010. A total of \$2,293,850 was awarded to fund projects that promote sustainable community and regional economic development in BBEDC communities.

City of Aleknagik- Purchase Equipment	\$114,800
Clarks Point Village Council- Community Building	\$150,000
City of Dillingham- Wastewater Treatment & Snag Point Sewer	\$150,000
City of Egegik- Fishermen’s Hall, Phase 3	\$109,000
Egegik Tribal Council- Wind Turbine	\$ 25,000
Ekuk Village Council- Equipment Truck & Trailer	\$150,000
Ekwok Village Council- Generator, Power Stat & Fuel Delivery Upgrade	\$150,000
King Salmon Traditional Village- Boat Yard Equipment/Improvements	\$150,000
Levelock Village Council- Processing Plant	\$150,000
City of Manokotak- Landfill Project	\$ 75,000
Naknek Native Village Council- Fisheries Logistical Support Facility Project	\$150,000
Pilot Point Tribal Council- Multiple Projects	\$135,000
Native Council of Port Heiden- Community Generator Replacement	\$130,000
Portage Creek Village Council- Solid Waste Site Subdivision	\$150,000
South Naknek Village Council- Community Storage Building Completion Phase	\$150,000
City of Togiak- Old School Re-use Project	\$ 75,000
Twin Hills Village Council- Community Tendering Feasibility & Business Plan	\$111,288
Twin Hills Village Council- Telephone System & Street Lights	\$ 18,762
Ugashik Traditional Village- Dock Project, Phase 4	\$126,000
Ugashik Traditional Village- Ice Machine Project	\$ 24,000

**Total Funds Awarded** **\$2,293,850**

#### Fuel/Electric Assistance Grants

2010 Fuel/Electric Assistance Grants approved/awarded as part of the Community Block Grant Program:

Aleknagik Traditional Council	\$ 35,200
Egegik Tribal Council	\$ 16,000
Manokotak Village Council	\$ 75,000
Traditional Council of Togiak	\$ 75,000
Twin Hills Village Council	\$ 19,950
Native Council of Port Heiden	\$ 20,000
Pilot Point Tribal Council	\$ 15,000

**Total Funds Awarded** **\$256,150**



*Ekwok equipment purchase provides improved service*

## BBEDC Annual Report 2010

### Economic Development

#### Community In-Region Processing Grant Program

Encouraging communities to pursue sustainable economic development and enhance the commercial fishing industry within the region is the focus of BBEDC’s investment in Community In-Region Processing Plant Grant Program. The \$2 million grant awarded to the Traditional Council of Togiak in 2009 continued to be administered through 2010 with very positive impact on resident employment and community development. All BBEDC communities are eligible for a grant of up to \$2 million per community applicant provided the projects meet the strict standards that assure project feasibility, sustainability and community benefit. A formal business plan that demonstrates feasibility and sustainability, demonstration of local ownership and an industry partner are among the standards that must be met to meet eligibility requirements.



*Togiak Seafoods Processing Plant*

## BBEDC Annual Report 2010

### Permit Services and Assistance

#### Bristol Bay Permit Brokerage

The brokerage continues the effort to retain limited entry permits in the Bristol Bay region through assistance to watershed residents with fishing related issues including CFEC permit/vessel renewals, emergency and permanent permit transfers, US Coast Guard vessel documentation and transfers. The brokerage also makes a concerted effort to facilitate access to alternative financial resources such as the State Division of Investments and CFAB. In over 316 transactions, \$33,000 was collected and paid to the Alaska Commercial Fisheries Entry Commission (CFEC) and/or the U.S. Coast Guard for commercial fishing permit and vessel renewals and transfers.

In 2010, a new website [www.bristolbaytrader.com](http://www.bristolbaytrader.com) was created to provide watershed residents with an online opportunity to buy, sell, and trade commercial fishing related items. The site also highlights important fishery related programs that are provided through BBEDC.

#### Permit Loan Program

The Permit Loan Program reflects an investment in the return and retention of permits in the Bristol Bay region. Working with the Commercial Fishing and Agriculture Bank (CFAB), the program provides BBEDC Loan Guarantees and other program benefits to qualified watershed residents to purchase limited entry permits. Participants earn “sweat equity” in the form of partial payment of their annual loan payment for the initial term of the loan by meeting requirements including maintaining their residency in the Bristol Bay watershed, actively fishing the permit, attending educational events and participating in business counseling activities. BBEDC invested over \$30,000 in interest and “sweat equity” assistance in 2010; there are seven current drift-net and/or set-net participants in the Permit Loan Program.



PLP Participant, Annette Wilson and Chris Napoli, CAO

#### Interest Rate Assistance

BBEDC recognizes that maintaining a fishing operation in the Bristol Bay salmon fishery requires constant attention to equipment, vessels and gear in order to continue to be competitive which often requires access to financing through established financial institutes. The Interest Rate Assistance Program continues to provide CDQ resident fishers with interest assistance for commercial fishing related loans. The program allows residents to invest the saved interest in their fishing operation; to upgrade their fishing equipment and ultimately to encourage residents to stay in the fishery. In 2010, BBEDC invested over \$61,000 in the program to assist 47 resident fishers with interest portions of their annual payments of up to 4%.

## BBEDC Annual Report 2010

### Bristol Bay Science and Research Institute (BBSRI)

BBSRI is a non-profit research entity and subsidiary of BBEDC that has been involved in local fisheries research and monitoring over the last decade.

#### BBSRI’s Mission:

*“To undertake scientific and educational projects to facilitate a greater understanding of the environment and fisheries resources of the Bristol Bay region and to pursue projects that will foster the economic health and vitality of the region and its inhabitants.”*

Over the years, BBSRI has brought resources and focus to important topics and research needs that sometimes “fall between the cracks” of agencies with declining budgets or constrained by narrow mandates. For example, the State of Alaska is responsible for ensuring that the Bay salmon fishery provides a sustainable catch over time, but no state or federal agency has a mandate to ensure economic vitality of the fishery. Stemming directly from its mission, much of BBSRI’s work over the last decade has been toward fostering the economic health and vitality of the region and its inhabitants.

Two useful research programs that fell between the cracks were the Bristol Bay salmon smolt program and the Port Moller test fishery. These programs were essentially discontinued in the early 2000s. Both programs affect the economic performance of the fishery and over the last decade BBSRI stepped up to provide leadership, funding, and technical support to both programs, which was continued in 2010.

#### Bristol Bay Smolt Program

The goal of this program is to provide annual estimates of the number of juvenile salmon (smolts) going to sea in major Bay rivers and use these numbers to improve pre-season forecasts of adult salmon returns and to better refine spawning (escapement) goal targets. Over the last 5 years, BBSRI has designed and built a sonar system to count smolts and has operated this equipment on the Kvichak River each May and June since 2008.

In 2010, BBSRI expanded the smolt program to operate a project on the Ugashik River (with financial assistance from the City of Pilot Point and Pilot Point Village Council). The smolt field projects provided hourly, daily, and seasonal abundance estimates of sockeye salmon smolts in the Kvichak and Ugashik rivers. In 2011, the program will expand to include the Egegik River.

#### Port Moller Test Fishery

This is a gillnet-based assessment project operated in the Bering Sea about 250 miles west of Bristol Bay salmon fishing districts. The project is used to assess the abundance and timing of the different Bristol Bay salmon stocks returning to the Bay; it is funded by ADF&G, salmon processors, gillnet fishermen (Bristol Bay RSDA), and BBSRI. BBSRI scientists synthesize the Port Moller information daily and distribute these daily updates to fishery managers, fishermen, processors, and the public.

BBSRI has always worked closely with ADF&G to conduct the Port Moller project and together they made the 2010 project a success. ADF&G provided the test fishing vessel (R/V Pandalus) and its crew, and analyzed the genetics data from the fish caught. BBSRI provided technicians to sample the catch, prepared daily public updates, and continued its research to improve the Port Moller sampling protocols from a second vessel (F/V Deliverance).

The utility and value of information from Port Moller continues to grow. With each additional year, the industry and fishery managers use it to complement other assessment tools. In 2010, there was a smaller-than-forecast Egegik run and the larger-than-forecast Kvichak run. Relative-

## BBEDC Annual Report 2010

### Bristol Bay Science and Research Institute (BBSRI)

stock strength in the Port Moller test fishery contributed to managers' understanding of how best to react to the run with fishing times and areas. As the test fishery continues to improve and a longer track record develops, we expect that Port Moller will create greater economic benefits from the catch than is possible without the project.

*“Port Moller information was extremely useful to fishery managers in 2010. BBSRI and ADF&G have created real synergy in their collaboration on the Port Moller Test Fishery.”*

*Slim Morstad, Naknek-Kvichak Fishery Manager, ADF&G*

Using the second chartered fishing vessel, BBSRI tested a new gillnet at Port Moller in 2010 and tested bottom-founded sonar gear to study salmon abundance and behavior in the vicinity of the gillnet test fishing stations. The 2010 research yielded valuable results that will further improve the test fishery for 2011 and beyond.

*“The Bristol Bay salmon fishery is one of the great biological success stories in fisheries management. Over the last 50 years ADF&G has pioneered and mastered the many tools used to provide large and sustainable harvests from this great resource. BBSRI continues to do its part to help improve the ‘economic success’ of the fishery.”*

*Michael Link, Chief Scientist, BBSRI*



*“...bottom-founded sonar gear to study salmon abundance and behavior in the vicinity of the gillnet test fishing stations.”*



*BBSRI provided technicians to sample the catch, prepared daily updates, and continued its research to improve the Port Moller sampling protocols from a second vessel (F/V Deliverance).*

## BBEDC Annual Report 2010

### Regional Fisheries Program

#### Regional Fisheries Overview

The collapse of Alaska salmon prices in 2001, combined with low fish returns to Bristol Bay, was devastating to Alaska fishermen, watershed residents especially. Calls to restructure the industry through permit consolidation, fleet reduction and other changes continue to reverberate, although at lower volume recently since salmon prices began to recover. The response of BBEDC's Regional Fisheries Program was to focus on boosting salmon quality and market demand by providing the tools fishers need to chill their catch. Continuing to provide slush ice bags, insulated fish totes and vessel insulation to resident fishers improves the value of the entire Bristol Bay salmon pack, and insures that local fishers can take advantage of chilling bonuses of 10 to 16 cents a pound and more paid by increasing numbers of fish companies. A new fleet modernization program, approved in 2010 by Regional Fisheries oversight committee, promises to help watershed residents stay competitive as the industry evolves and world demand builds for Bristol Bay's premier wild salmon.

#### Where We've Been

BBEDC's Regional Fisheries Development Program was launched in 1996 when it became apparent that BBEDC was in a unique position to help watershed residents increase their fishing income. Revenues derived from Bering Sea groundfish and crab harvests had begun to provide the revenue stream envisioned under the Community Development Quota provisions of the Magnuson Stevens Act for economic development in Alaska's coastal communities. Regional Fisheries initiatives included investment in icing infrastructure, market research, technical training and exploration of underdeveloped fisheries. Many projects bore fruit, all provided valuable information, and collectively they helped advance Regional Fisheries' mission of increasing fishing income for BBEDC community residents.

#### Highlights of Regional Fisheries Development Program Projects:

##### 4E Halibut Fishery

From 1995 until 2010, local fishermen harvested more than 1.2 million pounds of halibut from the near shore small boat fishery in Area 4E. Ex-vessel earnings totaled close to \$3 million. Although catches in recent years have declined, the 15-year average income was \$6,652 per boat.

##### Icing

Recognizing that the quickest way to increase the value of Bristol Bay salmon was through chilling, BBEDC embarked on an ambitious program to provide ice to the region's fishermen. Ice machines were provided to seven communities – the Bristol Bay Borough, Dillingham, Ekuk, Egegik, Togiak, Port Heiden and Ugashik at a cost of \$1.3 million. Three ice barges were built, including Ice Barge I, a prototype in cooperation with Trident Seafoods. The Bristol Maid was launched in 2006, followed by the Bristol Lady in 2008, at a total cost of \$3.8 million; together the two barges can produce 100 tons of ice a day and store nearly 140 tons. BBEDC continues to provide icing equipment to local fishermen as increasing numbers take advantage of ice to earn a premium price for their fish. Between 2001 and 2010 more than 1,200 insulated totes have been provided to the fleet, along with more than 1700 slush ice bags to chill the catch and 11 fish hold insulation projects completed. The program has also provided 17,850 square feet of rolled insulation to fisher's for their vessels.

## BBEDC Annual Report 2010

### *Regional Fisheries Program*

#### **New Markets/Research**

Since 1995 BBEDC has invested more than \$10 million in researching new markets, fisheries science and related research projects. Some of those projects included:

#### **1995-2000**

- Analysis of market and product demand in the US and Europe
- Feasibility of a surf clam industry explored
- Local fishers test Bristol Bay's near shore waters for Pacific cod
- Explore value-added and shoulder season fishing opportunities
- Marketing efforts put Bristol Bay salmon for sale in the Orvis sport-fishing supply catalog
- Wildfish brand established to market salmon to organic retailers in the US and Europe

#### **2001-2005**

- Chef's collaboration project designed to increase awareness of Bristol Bay sockeye
- Bait resources explored
- Containerized processing plant designed and promoted
- Salmon marketing research: England, Europe and China
- As a demonstration project, Bristol Bay Fish Company, LLC was formed to buy, custom process and sell salmon under the brand name Wildfish; it provided valuable insights into the risks involved in the seafood industry
- Developed the Bristol Bay Wild certification standard for salmon harvested under strict quality control standards; promoted at Washington, D.C. and Anaheim, CA natural food shows
- Bristol Bay sockeye fillets featured at McCormick & Schmick's national restaurant chain
- BBEDC sponsors the formation of the Bristol Bay Regional Seafood Development Association (BBRSDA) to promote the region's salmon industry
- Bristol Maid ice barge launched

#### **2006-2010**

- Slush bag, tote and fish hold insulation program implemented
- BBEDC helped coordinate regional attendance at 2006 Board of Fisheries meeting
- Bristol Bay Wild certification program concluded after three years with 7.6 million pounds of salmon certified at three fish plants
- Bristol Lady ice barge launched
- Bristol Bay socio-economic research begun for 2009 Board of Fisheries meeting
- With wide support from Bristol Bay organizations, villages and scores of local fishers, BBEDC coordinates a regional presence at the Alaska Board of Fisheries' Bristol Bay regulatory meeting in Anchorage, successfully halting efforts to end the 32-foot boat limit and expand permit stacking
- BBEDC-sponsored study of foregone harvests study shows more than \$132 million lost to Bristol Bay fishers since 2003
- BBEDC marshals a regional presence at 2010 Area M Board of Fisheries meeting in Anchorage

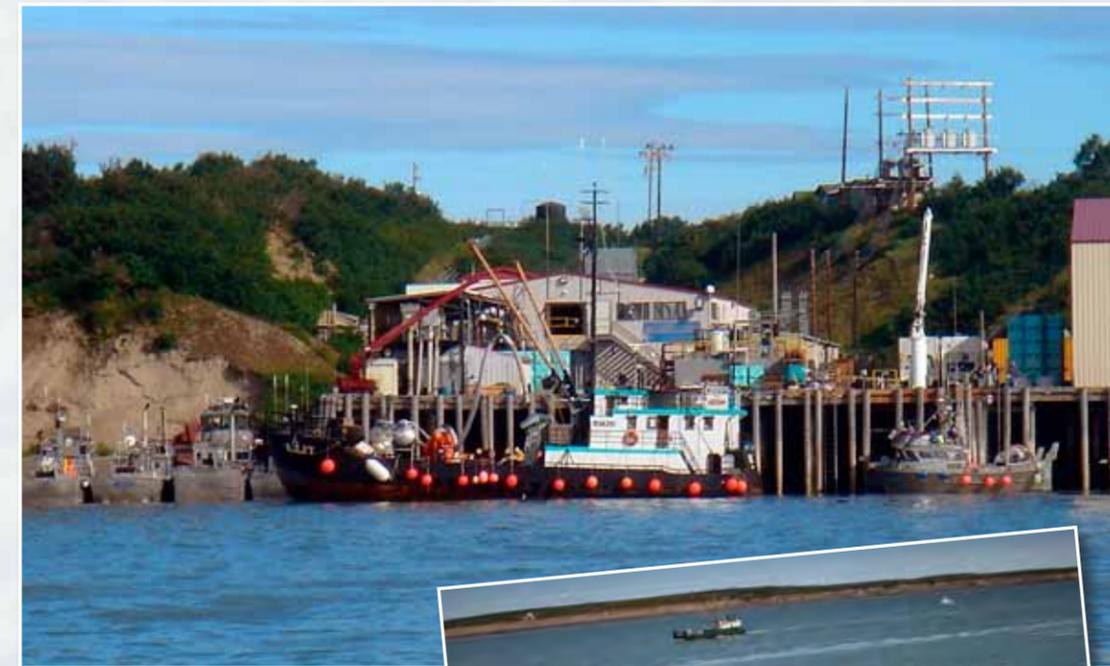
## BBEDC Annual Report 2010

### *Regional Fisheries Program*

#### **Where We're Going**

Regional Fisheries' oversight committee members in 2010 were Moses Kritz and Robert Heyano (co-chairmen), Mark Angasan, Hattie Albecker and Victor Seybert. The committee meets several times a year to guide the Regional Fisheries Program, and completed a three-part planning workshop in 2010 that identified specific tasks and objectives to pursue in the years ahead. Projects on-deck for Regional Fisheries include the following:

- Research a loan program for spring start-up costs
- Promote shoulder season fishing opportunities
- Research options for community cold storage
- Evaluate how restructuring guidelines developed for the Alaska Board of Fisheries can best serve watershed residents
- Promote regional participation in political and regulatory arenas
- Evaluate effectiveness of state loan programs for watershed residents and help residents access commercial fishing loans
- Determine if Bristol Bay's dual set net regulation is helping or hurting local fishers
- Continue to improve programs to increase permit ownership by watershed residents.
- Expand BBEDC's vessel upgrade program
- Promote a regional summit on tourism business opportunities



*Ocean Beauty Dock, Naknek*



*The Bristol Lady –  
photo courtesy of Bob Waldrop*

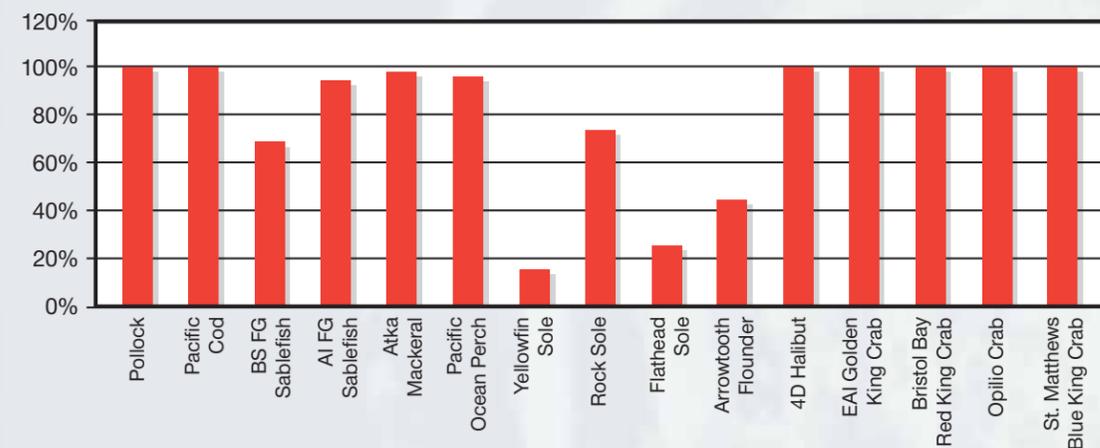
## BBEDC Annual Report 2010

### CDQ/IFQ Harvesting Activity

Harvesting CDQ quota is a BBEDC activity often not understood well. Most people outside the groundfish and crab industries in the North Pacific are unfamiliar with the gear and vessel types, complex regulations and in some cases, even the species being harvested.

BBEDC receives an annual quota for each species in the CDQ program. Some of those are target species, like pollock or Atka mackerel. Others, like arrowtooth flounder, are sometimes targeted but primarily caught incidentally when harvesting other species. Most species in the CDQ program are primarily targeted but are needed incidentally in other target fisheries. In terms of both volume and royalties generated, pollock dominates all other CDQ allocated species.

### CDQ Percentage of Target Species Harvested in 2010



It is our goal to balance how the BBEDC quota is allocated between harvesting partners to maximize both our harvest and the royalties generated. Exceeding the quota for any allocated species is prohibited. Making the best use of BBEDC's quota requires a blend of trawl catcher/processors, trawl catcher vessels, freezer longline vessels, longline catcher vessels, and catcher vessels using pot gear. BBEDC has an ownership interest in many of the vessels that harvest the CDQ quota.

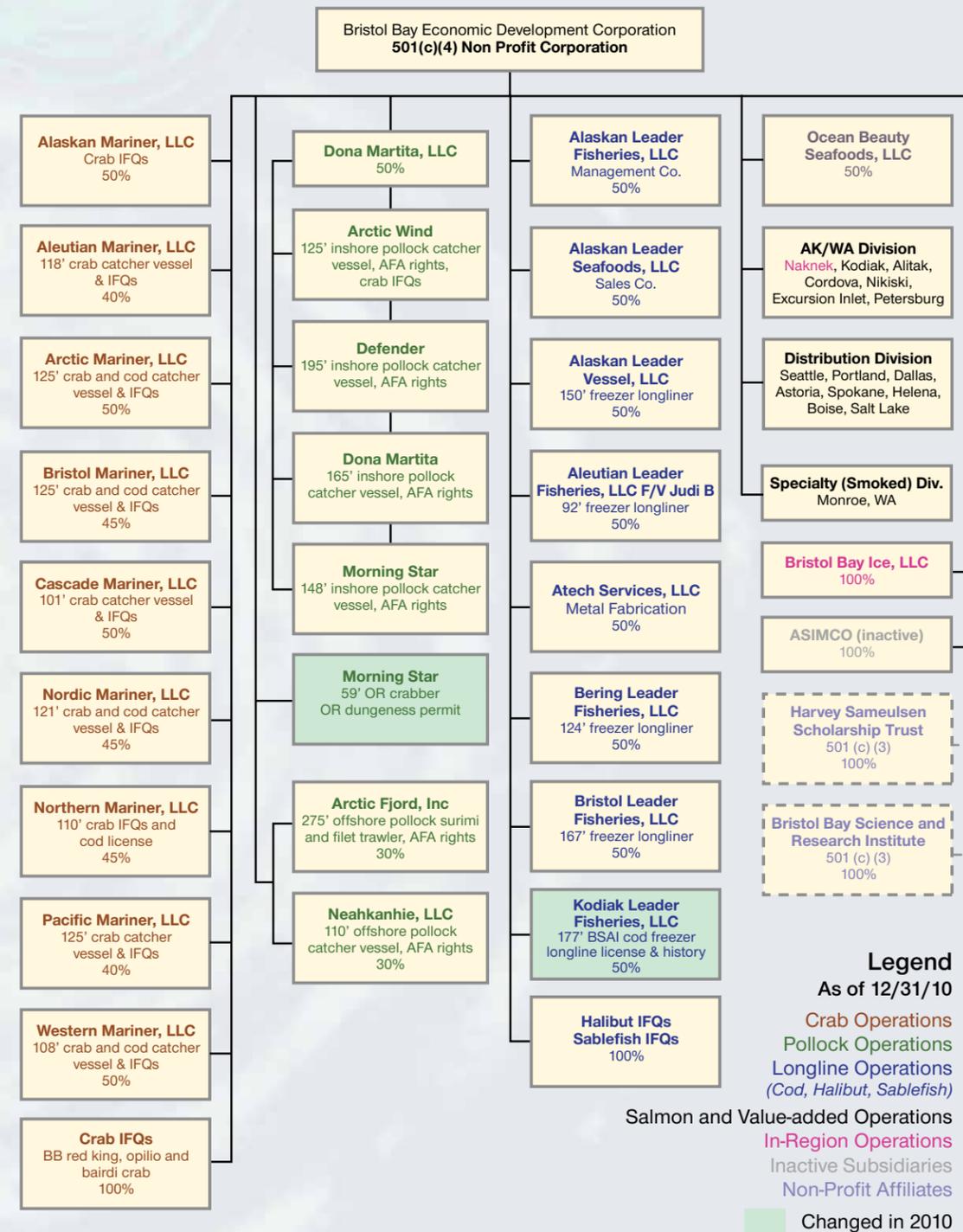
In 2010, BBEDC attained maximum harvest for nearly all of the target species of groundfish and crab. Abundance of each species varies naturally and although several key species were below average abundance levels harvest rates were generally not affected. Stock assessment indications are that those species should all recover to above average levels over the next few years.



CDQ Fishing - A View from Above

## BBEDC Annual Report 2010

### Organizational Chart



### 2010 Changes

DMLLC sold AFA rights for the little Morning Star; leased vessel back; still fishes Dungeness in OR.

Formed Kodiak Leader Fisheries, LLC with Alaskan Leader Group to purchase Alaska Patriot FLL cod license LLG2112 and history.

**BBEDC Annual Report 2010**  
*Consolidated Statements of Financial Position*

**Bristol Bay Economic Development Corporation and Subsidiaries**  
 Consolidated Statements of Financial Position  
 December 31, 2010 and 2009

	2010	2009
<b>Assets:</b>		
Current assets:		
Cash and cash equivalents	\$ 14,558,207	\$16,240,587
Investments in marketable securities	167,077	131,487
Trade receivables	6,751,085	1,717,189
Income taxes receivable	852,507	2,360,381
Accrued interest	285,746	301,937
Prepaid expenses and other assets	549,181	672,719
Total current assets	<u>23,163,803</u>	<u>21,424,300</u>
Long-term assets:		
Note receivable from affiliate	3,000,000	—
Investments in marketable securities	53,361,338	50,221,661
Investments in unconsolidated affiliates	57,384,331	50,437,565
Equity method goodwill	30,477,067	30,477,067
Investment in Individual Fishing Quotas	15,313,804	15,313,804
Property, plant and equipment, net	3,741,297	4,228,574
Total long-term assets	<u>163,277,837</u>	<u>150,678,671</u>
Total assets	<u>\$ 186,441,640</u>	<u>\$172,102,971</u>
<b>Liabilities and Net Assets:</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 775,952	\$1,685,513
Deferred revenue	134,000	163,000
Community & business development fund awards	4,392,073	4,524,048
Current portion of notes payable	33,476	32,051
Total current liabilities	<u>5,335,501</u>	<u>6,404,612</u>
Notes payable less current portion	<u>7,033,579</u>	<u>15,067,091</u>
Total liabilities	<u>12,369,080</u>	<u>21,471,703</u>
Net assets	174,072,560	150,631,268
Commitments and contingencies	—	—
	<u>\$186,441,640</u>	<u>\$172,102,971</u>

*Excerpt of Financial Statements Audited by KPMG, LLP*

**BBEDC Annual Report 2010**  
*Consolidated Statements of Activities*

**Bristol Bay Economic Development Corporation and Subsidiaries**  
 Consolidated Statements of Activities  
 Years Ended December 31, 2010 and 2009

	2010	2009
<b>Changes in unrestricted net assets:</b>		
Revenues and gains:		
Program revenue	\$14,421,665	\$13,617,186
Interest and dividend income	1,895,945	1,995,719
Net gain on investments	3,155,653	4,440,873
Loss on sale of unconsolidated affiliate	—	(37,004)
Loss on disposition of assets	—	(2,348)
IFQ investment income	2,065,190	1,530,389
Grant revenue	670,769	1,389,878
Equity in earnings of unconsolidated affiliates	10,963,265	1,066,661
Other	379,798	204,257
Total unrestricted revenues and gains	<u>33,552,285</u>	<u>24,205,611</u>
Expenses:		
Program	7,831,534	12,478,872
Finance and administration	1,833,423	1,967,805
Total expenses	<u>9,664,957</u>	<u>14,446,677</u>
Increase in net assets before income taxes	23,887,328	9,758,934
Income tax (expense) benefit	<u>(446,036)</u>	<u>468,872</u>
Increase in net assets	23,441,292	10,227,806
Net assets at beginning of year	<u>150,631,268</u>	<u>140,403,462</u>
Net assets at end of year	<u>\$174,072,560</u>	<u>\$150,631,268</u>

*Excerpt of Financial Statements Audited by KPMG, LLP*

## BBEDC Annual Report 2010

### Schedule of Finance and Administrative Expenses

**Bristol Bay Economic Development Corporation and Subsidiaries**  
 Schedule of Finance and Administrative Expenses  
 Years Ended December 31, 2010 and 2009

	2010	2009
Salaries	\$710,530	\$676,227
Benefits and payroll taxes	292,936	306,511
Professional fees	142,477	226,278
Audit and accounting fees	132,987	132,747
Depreciation and amortization	97,683	121,338
Travel and per diem	85,995	120,029
Board fees	82,600	75,925
Bank fees	65,914	56,219
Office expense	37,309	44,633
Insurance	32,312	33,654
Utilities	30,520	40,670
Telephone	28,366	28,358
Information systems	25,905	21,082
Janitorial	18,520	19,387
Staff training	10,602	21,725
Advertising	7,399	4,930
Legal fees	6,697	12,351
Postage	4,474	3,525
Repairs and maintenance	3,873	4,614
Dues and subscriptions	3,721	2,989
Rent/storage fees	3,000	3,000
Miscellaneous	40,491	32,908
Administrative overhead	(30,888)	(21,295)
	\$1,833,423	\$1,967,805

*Excerpt of Financial Statements Audited by KPMG, LLP*

## BBEDC Annual Report 2010

### Transparency Report

#### Director Compensation Policy

BBEDC compensates its Directors who attend board and committee meetings with a meeting fee and travel/per diem. For 2010, the fee for meetings lasting four hours or less is \$300. For meetings lasting more than four hours, the fee is \$500. No director receives more than \$500 in any one day. Starting in 2011, BBEDC Directors will be paid a flat \$500 per day meeting fee. BBEDC Directors are appointed for up to a three year term and may be replaced in accordance with BBEDC By-Laws.

#### Related Party Transactions

BBEDC reports any transactions over the amount of \$20,000 with any director or their family members. There were no such transactions in 2010.

#### Legal Proceedings Involving Directors

BBEDC reports any pending litigation between itself and any Directors. There is no such litigation for 2010.

#### Auditor Relationship

BBEDC has had no disagreements with their auditor, KPMG, LLP, during the past two years. In addition to audit services, KPMG, LLP also provides tax and tax consulting services to BBEDC.

#### Committees

The BBEDC Board of Directors has the authority to create and dissolve committees and appoint persons to serve on committees. The Finance & Audit Committee is responsible for the budget, financial statement review, and monitoring of the performance of the investment of funds as well as oversight of the annual audit and other issues governing corporate governance and disclosure. In 2010, the Finance & Audit Committee met on February 9 and April 26. In late April 2010, the Board decided to separate out the Audit Committee from the Finance & Audit Committee in order to increase and improve board governance best practices. The Finance & Audit Committee was renamed as the Finance & Budget Committee and is responsible for the budget, financial statement review, and monitoring of the performance of the investment funds. The Finance & Budget Committee met on September 28, and November 8.

The Audit Committee is responsible for the oversight of the annual audit and other issues governing corporate governance, disclosure, and responsibility. The Audit Committee met on September 28.

Compensation for Board of Directors and/or Alternates for 2010		\$110,000.00
<b>2010 Professional Fees</b>		
Legal Fees	147,094.40	
Lobbying	93,527.19	
Consultants	162,639.26	
<b>Total Professional Fees:</b>		<b>\$ 403,260.85</b>
<b>Accounting Fees</b>		<b>\$ 134,786.00</b>
Audit	51.2%	69,000.00
Tax Prep	45.2%	60,965.00
Consulting	3.6%	4,821.00
<b>Top 5 Employee Compensation - 2010</b>		
<b>Name/Title</b>		
Paul Peyton, Seafood Investment Officer Anchorage, AK		136,585.88
H. Robin Samuelsen Jr., President/CEO Dillingham, AK		102,009.89
2010 Bonus		10,500.00
		<b>112,509.89</b>
Helen Smeaton, Chief Operating Officer BBSRI Executive Director Dillingham, AK		91,698.98 8,648.25 <b>100,347.23</b>
Staci Fieser, Finance Officer Dillingham, AK		90,422.05
Alice Ruby, Economic Development & Brokerage Coord. Dillingham, AK		80,816.12

*“Providing Opportunities... Accept the Challenge”*

## BBEDC Annual Report 2010

*What Keeps Us Afloat*



*This fleet of vessels serves our entire BBEDC family, ensuring its prosperity now and in the future.*



# BBEDC Staff Members



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sockeye1@nushtel.net

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**Paul Peyton, Seafood Invest. Officer**  
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**Helen Smeaton, Chief Operating Officer**  
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**Chris Napoli, Chief Administrative Officer**  
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**Anne Vanderhoeven, Fisheries Quota Manager**  
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**Fritz Johnson, Regional Fisheries Coordinator**  
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**Iva Koutchak, Receptionist**  
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**Kristy Peters, Administrative Assistant II**  
kristy@bbedc.com

## **Executive Committee**

Robin Samuelsen, President  
Fred T. Angasan, Vice-President  
Hattie Albecker, Secretary  
Robert Heyano, Treasurer  
Victor Seybert  
Moses Kritz  
Gerda Kosbruk

## **Finance & Budget Committee**

Robert Heyano, Chair  
Victor Seybert  
Moses Kritz  
Fred T. Angasan  
Hattie Albecker

## **Regional Fisheries Committee**

Moses Kritz, Co-Chair  
Robert Heyano, Co-Chair  
Victor Seybert  
Mark Angasan  
Hattie Albecker

## **E&T/Education Committee**

Mary Ann Johnson, Chair  
Lucy Goode  
Fritz Sharp  
Lorraine King  
Moses Toyukak, Sr.

## **Policy Committee**

Fred T. Angasan, Chair  
Mark Angasan  
Harry Wassily  
Fritz Sharp  
Margie Aloysius

## **Bristol Bay Science and Research Institute**

Executive Committee

## **Audit Committee**

Robin Samuelsen, Chair  
Mark Angasan  
Lucy Goode

## **Harvey Samuelsen Scholarship Trustees**

Mary Ann Johnson, President  
Fritz Sharp, Vice President  
Harry Wassily, Secretary  
Lucy Goode  
Gerda Kosbruk

## **Permit Loan Committee**

Robert Heyano, Chair  
Hattie Albecker  
Moses Kritz  
Raymond Apokedak  
Moses Toyukak, Sr.

## **Bristol Bay Ice, LLC**

Robin Samuelsen, Chair  
Robert Heyano  
Hattie Albecker  
Moses Kritz

*“Providing Opportunities - Accept the Challenge”*



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DILLINGHAM, AK 99576

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US Postage  
**PAID**  
Anchorage, AK  
Permit #69



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*Cover photos courtesy of Clark James Mishler*