

ALEUTIAN PRIBILOF ISLAND COMMUNITY DEVELOPMENT ASSOCIATION

MULTI-SPECIES CDP 2006-2008

TABLE OF CONTENTS

BOOK ONE OF TWO

EXECUTIVE SUMMARY

1.0	Name of Applicant	.....	1
2.0	Total CDQ and PSC Requested	.....	1
3.0	Communities Represented Within Application	.....	2
4.0	Description of the Managing Organization	.....	3
5.0	Goals/Objectives & Milestones of the CDP	.....	5
5.1	Vision Statement	.....	5
5.1.1	Goal 1	.....	5
5.1.1.1	Goal 1 Objectives	.....	6
5.1.2	Goal 2	.....	6
5.1.2.1	Goal 2 Objectives	.....	6
5.1.3	Goal 3	.....	7
5.1.3.1	Goal 3 Objectives	.....	8
5.4	Milestones	.....	8
6.0	Description of CDP Projects	.....	8
7.0	Management Strategy to Accomplish CDP Projects	.....	13
7.1	CDP Projects	.....	14
7.2	Managing Harvests	.....	18
8.0	Description of Target Fisheries	.....	18
9.0	Harvesting & Processing Information	.....	21
10.0	Benefits to the Region	.....	2

Executive Summary

Section 1.0 Name of Applicant

The applicant is the Aleutian Pribilof Island Community Development Association (APICDA).

Section 2.0 Total CDQ and PSC Requested

APICDA is requesting total CDQ tonnage, target and bycatch, as identified below:

Total Groundfish CDQ Fisheries	CDQ Allocation (%)
Pollock	19%
Pacific Cod	19%
BS FG Sablefish Fixed Gear	20%
AI FG Sablefish Fixed Gear	18%
BS Sablefish	25%
AI Sablefish	25%
WAI Atka Mackerel	30%
CAI Atka Mackerel	30%
EAI Atka Mackerel	30%
Yellowfin Sole	28%
Rocksole	24%
BS Greenland Turbot	20%
Ai Greenland Turbot	18%
Arrowtooth	22%
Flathead Sole	20%
Other Flatfish	26%
Alaska Plaice	20%
BS Pacific Ocean Perch	18%
WAI Pacific Ocean Perch	30%
CAI Pacific Ocean Perch	30%
EAI Pacific Ocean Perch	30%
Northern Rockfish	30%
Shortraker Rockfish	22%
Rougheye Rockfish	22%
BS Other Rockfish	18%
AI Other Rockfish	22%
Other Species	19%
Prohibited Species	CDQ Allocation (%)
Zone 1 Red King Crab (numbers)	24%
Zone 1 Bairdi Tanner Crab (numbers)	26%
Zone 2 Bairdi Tanner Crab (numbers)	24%
Opilio Tanner Crab (numbers)	25%
Pacific Halibut (mt of mortality)	22%
Chinook Salmon (numbers)	14%
Non-Chinook Salmon (numbers)	14%

Executive Summary, APICDA Year 2006/08 CDP

Halibut	
Area 4B	100%
Area 4C	15%
Area 4D	0%
Area 4E	0%

Shellfish CDQ	CDQ Allocation (%)
Bristol Bay Red King Crab	18%
Norton Sound King Crab	0%
Pribilof Red King Crab	50%
Pribilof and St. Matthew's Blue King Crab	50%
C. opilio (Bering Sea)	18%
C. bairdi (Bering Sea)	18%
AI (EAI) Golden (Brown) King Crab	50%
Adak (Petrel Bank) Red King Crab	100%

The purpose of the CDQ program is to develop stable local economies based upon the fishing industry in each CDQ community. Stable economies provide employment opportunities for local residents, tax revenue for local governments, economic growth in the community and region, a higher standard of living, and a reduction in social problems.

CDQ allocations provide two potential opportunities to assist in developing stable local economies. The first is to generate revenue through royalties which can be used to fund education, training and employment programs, and to invest in local infrastructure and businesses. The second is to provide raw product to support business ventures at the local level.

These are two separate and distinct opportunities. A stable local economy can be assisted by revenues flowing from outside investments, but it cannot be maintained without the development of necessary infrastructure and business development at the local level.

To the extent possible APICDA is committed to harvesting and processing its CDQ allocations through vessels and processing facilities it owns all or part of, and to the maximum extent possible to process CDQ allocations at facilities APICDA owns in one or more of its communities.

Section 3.0 Communities Represented Within Application

The following eligible communities participate in APICDA:

<u>Community</u>	<u>Within 50 miles of Bering Sea</u>	<u>On the Bering Sea Coast</u>	<u>Certified Under PL 92-203</u>	<u>Majority of Fishery Activity in Bering Sea</u>
Akutan	Yes	Yes	Yes	Yes
Atka	Yes	Yes	Yes	Yes

Executive Summary, APICDA Year 2006/08 CDP

St. George	Yes	Yes	Yes	Yes
Nelson Lagoon	Yes	Yes	Yes	Yes
False Pass	Yes	Yes	Yes	Yes
Nikolski	Yes	Yes	Yes	Yes

Section 4.0 Description of the Managing Organization

APICDA is a 501 (c) (3) non-profit organization incorporated in the State of Alaska. APICDA is in good standing with the Alaska Department of Commerce & Economic Development.

APICDA owns one umbrella profit-making subsidiary, APICDA Joint Ventures, Inc. (AJV). AJV, in turn, has invested in several subsidiary companies. APICDA has formed, and may continue to form, for-profit subsidiary corporations to serve as the profit-making investment arms of the organization.

The Board of Directors of APICDA is the managing organization. The Board of Directors primarily consists of representatives of fishermen's organizations from the Bering Sea and Aleutian Islands. Aside from the community and fishing expertise brought to the board by the members of the resident communities, the board consists of two members from the business community, one voting and the other ex-officio.

The APICDA Board of Directors serves as the "managing entity" of APICDA. In accordance with its Articles of Incorporation and By-Laws, the Board of Directors is responsible for managing the property and the business of APICDA. It has the sole authority to establish policy, make managerial decisions, formulate budgets, approve capital projects, training and education grants, and resolve matters which may impact the future of the organization.

The organizational structure for the membership and the Board of Directors for APICDA is outlined below:

- 1.) Each of the respective fishermen's associations elects a representative to APICDA. APICDA has two eligibility criteria for the representatives: the individual must have been a member of the fishermen's association for a period of at least one year, and must actually reside in the community that he or she represents for at least eight months each calendar year.
- 2.) The designated representatives from the fishermen's association serve as the "members" of APICDA. As members, they elect themselves to serve as the Board of Directors.
- 3.) The Board of Directors selects the two members who fill the designated "seafood industry" and "financial institution" positions. These two individuals are also elected to serve on the Board of Directors.

Executive Summary, APICDA Year 2006/08 CDP

- 4.) As discussed above, the Board of Directors is composed of voting and non-voting ex-officio members.

The board has established several committees, including: the Executive Committee, the Financial Investments Committee, the Budget and Audit Committee, the Policy and Procedures Committee, and the Training and Education Committee.

The Executive Committee is composed of the three executive officers. The purpose of the committee is to expand communications between management and the executive leadership of the board, to address personnel issues should they arise, and to deal with issues that have not been delegated to other committees.

The Financial Investments Committee (FIC) has three members and is responsible to oversee management of the Longterm Reserve Account and cash management.

The Budget and Audit Committee has four members and is responsible for reviewing and making recommendations to the full board on proposed, annual budgets. At the end of each quarter during a budget year, the committee reviews management's performance against budget, and then makes recommendations as necessary to management, the full board and subsidiaries.

The Policy and Procedures Committee has four members and is responsible for the development of policies and procedures to guide the conduct and activity of APICDA, its employees, and subsidiaries.

The Training & Education Committee has three members. The T&E Committee oversees APICDA training and education program, including the higher education and supplemental education scholarship programs.

AJV has two committees: an Executive Committee, consisting of the three officers, and a Business Investment Committee consisting of four members. The Business Investment Committee reviews all potential equity investments, ensures due diligence has been completed, and makes a recommendation whether or not to invest to the full board.

APICDA does not, and will not, pay dividends from any of the revenues it receives or generates. Revenues expended by APICDA generally fall into four categories: administrative (board of directors and other administrative costs), non-profit grant activities (scholarships, vocational education activities, substance abuse programs, school grants, etc.), infrastructure development (docks, etc.), and contributions to capital (for equity investments). Capital contributions are normally made to APICDA Joint Ventures, Inc., and are used to acquire profit making assets or support already existing business activities. Equity investment expenditures are managed by APICDA Joint Ventures, Inc., (see later discussion).

Executive Summary, APICDA Year 2006/08 CDP

As APICDA makes equity investments, profit-making subsidiaries may be formed for the purpose of managing the investment in a sound, business-like manner. APICDA, as a non-profit organization, will utilize dividends from the subsidiary as it uses its current revenues: it may expend them in one or more of the expense categories, or it may reinvest the revenues in whole or part in other equity acquisition opportunities. As other equity investments are made, additional profit-making subsidiaries may be created to manage those businesses.

In this manner, APICDA will protect its integrity as a non-profit organization, availing itself of the benefits that accrue to such organizations, while still enjoying the flexibility to engage in profit making enterprises to their benefit.

Section 5.0 Goals/Objectives & Milestones of the CDP

Section 5.1 Vision Statement

The Aleutian Pribilof Island Community Development Association will develop commercial and sport fishing industry related opportunities to enhance the long-term social and economic viability of the coastal communities and their residents in the Bering Sea and Aleutian Islands.

APICDA will optimize benefits to its member communities and their residents through the development of infrastructure and fishery support services in the communities, the acquisition of seafood related businesses, including fishing vessels and/or processing facilities and support service industries at economically beneficial prices, and the acquisition of harvest and processing rights. By enabling the communities to participate in the Bering Sea and Aleutian Island fisheries, APICDA will:

- Promote and participate in business opportunities with capital investment funds;
- Relieve chronic social problems through the creation of jobs, and encourage individual growth through educational and vocational opportunities;
- Promote community control over their individual economic and social destinies; and,
- Continue to assist each community as they make the transition from reliance upon a CDQ allocation to economic and social self-sufficiency.

Section 5.1.1 Goal 1 *Provide capital for construction and investment to community participation in Bering Sea/Aleutian Islands fisheries*

APICDA intends to provide investment capital necessary for residents of the communities to fully participate in the opportunities available from Bering Sea and Aleutian Islands fishery resources. In the past, these opportunities have been foreclosed to local residents because of the

Executive Summary, APICDA Year 2006/08 CDP

high, front-end capital investment costs required to participate directly or indirectly in the seafood industry.

APICDA intends to support capital projects for the eligible communities where capital investment funds are lacking. In the communities where a master plan has already been developed, and work is underway on various aspects of the plan, APICDA will enter into agreements with the community to support affordable and reasonable phases of their master plan. Where master plans have not been developed, APICDA will support feasibility studies to determine the economic viability of proposed projects.

Section 5.1.1.1 Goal 1 Objectives

To accomplish this goal, APICDA will:

- a.) Assess each community's ability to take advantage of fishery support service opportunities;
- b.) Complete its infrastructure development program so the APICDA communities can provide the basic support services from which related businesses will develop, and so that the cost of services to the seafood industry can be reduced;
- c.) Engage in joint venture businesses related to the fishery support services within the communities;
- d.) Provide capital for vessel acquisition, investments in the processing sector, and limited access loan programs.

Section 5.1.2 Goal 2 *Provide and promote employment and educational opportunities for local residents in all aspects of the Bering Sea/Aleutian Islands fisheries*

APICDA intends to provide stable, long-term employment opportunities for residents of its Bering Sea and Aleutian Island coastal communities, and the Aleut people and other needy individuals of Unalaska, in seafood industry related jobs at-sea and shoreside.

APICDA is committed to supporting projects that will provide stable, long-term employment. APICDA will provide training, education, and vocational opportunities to enable community residents to effectively compete for the wide array of jobs available in the commercial fishing and related industries.

Section 5.1.2.1 Goal 2 Objectives

To accomplish this goal, APICDA will:

Executive Summary, APICDA Year 2006/08 CDP

- a.) Continue implementation of its comprehensive employment, education, and job training programs;
- b.) Continue funding higher education scholarships;
- c.) Continue to develop and expand the comprehensive training and employment data base that details the skills, job history, and training and employment desires of APICDA residents; and,
- d.) Continue to promote local hire in all of its capital projects and investments.

Section 5.1.3 Goal 3 *To become a self-sustaining entity that will foster continued development, participation, and stability for the region's communities and their residents*

During its formative stages, the APICDA Board of Directors determined that its initial development focus would be the construction of infrastructure in its member communities. The board continues to support the concept that the development of a stable local economy hinges upon the development of reliable local infrastructure. Since 1992, APICDA has pursued an aggressive infrastructure development program. This program continues, although APICDA is increasingly shifting its focus to business development. The board recognizes that the intensity of development will vary with the community, based upon the availability of fishery resources and other factors; however, the board believes that even limited development provides each community and APICDA with opportunities to enhance the community's social and economic well-being.

APICDA also recognizes that it must develop a diversified economic portfolio to properly sustain and protect itself from periodic adverse conditions. Accordingly, APICDA will focus increased attention upon the acquisition of equity ownership positions in a variety of fishing related businesses. These businesses will represent a broad spectrum of the fishing industry.

In 2000 the APICDA Board of Directors established the Longterm Reserve Account (LRA). The purpose of the LRA was to provide a rainy day account, approximately equal to one year's operating and G&A costs, in the event of an unforeseen and adverse economic event. The LRA was initially funded with a contribution of \$700,000 and thereafter a minimum of ten percent of APICDA's royalties were to be contributed. The initial asset valuation goal for the LRA was \$5 million.

In 2004 the board modified the LRA in several important ways. First, the board increased the asset valuation goal to \$10 million (the \$5 million was reached in 2004). Second, the board changed the nature of the LRA from simply a rainy day account to a combination rainy day account and asset account. The board intends that when the \$10 million is reached, annual earnings in excess of the \$10 million will be used to support targeted APICDA purposes. The board also established that annual earnings in excess of the \$650,000 seed money for in-house investments of LRA funds will be remitted to APICDA's general fund as a dividend.

Executive Summary, APICDA Year 2006/08 CDP

Section 5.1.3.1 Goal 3 Objectives

To accomplish this goal, APICDA will:

- a.) Engage in conservative fiscal management;
- b.) Maintain sufficient liquidity to take advantage of investment opportunities;
- c.) Approve projects which conform to the Board's objective criteria;
- d.) Continue the Product Diversification Program;
- e.) Maintain the *quid pro quo* policy for all infrastructure projects so that APICDA will receive a reasonable return, or the opportunity to obtain a reasonable return, for each investment;
- f.) Maintain diversity on the Board of Directors so that expertise from the commercial fishing industry and the financial banking industry is available and participating; and,
- g.) Fund the Longterm Reserve Account (LRA) to \$10 million, thereafter using returns above that amount as dividends to fund program needs in accordance with applicable CDQ regulations.

Section 5.4 Milestones

Tables 1 depicts APICDA's milestones.

Section 6.0 Description of CDP Projects

APICDA is proposing to move forward with a number of projects during the 2006-2008 CDP cycle. These projects will generate new capital and equity, and will expand and help stabilize the local economies in each of our member communities.

The following infrastructure projects are proposed in this CDP:

- Secure Funding for Construction of a Boat Harbor in Atka: This project will generate employment for local residents during the construction phase. Following completion, local residents will be able to fish commercially year-round. This will increase the tax base for the City of Atka, increase annual income to local residents from both fishing and processing, and diversify Atka Pride Seafoods. APICDA matching funds for this project are expected.
- Widen Face of Atka City Dock: The face of the Atka city dock needs to be widened to provide easier access to the facility by larger vessels (trampers, etc.). This project will generate employment for local residents during the construction phase. It will also improve cargo handling operations and provide the opportunity to expand into the service

Executive Summary, APICDA Year 2006/08 CDP

sector of the industry as it relates to crew changes, fuel delivery, warehouse storage, vessel repair, etc. APICDA matching funds for this project are expected.

- Nikolski Mooring System: Analyze options to develop system (floating dock, mooring facility, barge landing, etc.) to improve marine access to Nikolski; secure planning funds, secure construction funds. This project is intended to enhance access to Nikolski. Improved access will increase and support expanded economic opportunities in Nikolski. Full funding by APICDA is anticipated.
- Complete Nikolski Airport Improvements: This project is also intended to enhance access to Nikolski. \$1.5 million in federal funds have already been secured for airport improvements in Nikolski. Improved access will increase and support expanded economic opportunities in Nikolski. No matching funds from APICDA are anticipated.
- Akutan Harbor: This project will generate employment opportunities both during and following the construction phase. It will enhance the opportunity for local residents to upgrade their vessels so they can fully participate as fishermen in the Bering Sea fisheries. It will improve safety. APICDA has committed \$850,000 in matching funds for this project. Construction is scheduled for 2006.
- Support Construction of Central Bering Sea Research Facility in St. George: The Pribilof Islands are ecologically unique, and the environment is extremely sensitive. Fur sea populations and various sea bird populations have been experiencing declines. A multi-agency research facility would result in continuous, year-round data gathering and analysis on the local ecosystem. Construction of the facility would generate employment both during and after the construction phase. Location of the facility on Tract I would generate lease revenue for Kayux, L.L.C. The project would expand and strengthen the St. George economy. APICDA matching funds may be required as part of this project.
- Complete False Pass Airport Improvements: This project will improve access to False Pass. Employment opportunities will be generated during the construction phase. Improved air access will result in substantial savings to community residents and Bering Pacific Seafoods given the current and past problems in reaching False Pass. Safety will also be improved. \$3.0 million in federal funds have been secured for this project. No APICDA matching funds are anticipated.
- Mark the Nelson Lagoon Ship Channel with Private Aids to Navigation: The entrance from the Bering Sea to the lagoon is shallow, and the sandy bottom is subjected to tidal influences, creating a shifting channel. A channel marked with aids to navigation would improve access to Nelson Lagoon, making the port more attractive to non-resident fishermen who are in need of services. The project would also improve safety. Full funding by APICDA is anticipated.

Executive Summary, APICDA Year 2006/08 CDP

During this CDP cycle APICDA intends to accomplish the following for existing and new business investments, both in and outside APICDA's communities:

- Develop Akutan Support Services and Businesses: In conjunction with construction of the boat harbor in Akutan, APICDA will consider developing joint venture ship supply and associated businesses with the Akutan Village Corporation. This project will expand the local economy, generating year-round employment and revenue. Full funding by APICDA is anticipated.
- Akutan Halibut Quota Share Purchase Program: This project will assist local Akutan residents to purchase halibut quota shares in Area 4A by assisting them to locate available shares and loan them the money to purchase the shares. Acquisition of additional halibut quota shares will expand local residents' participation in the commercial fishing industry and generate employment and revenue to the community.
- Construct New and Larger Atka Pride Seafoods Plant: APS has outgrown its present location. There is no more room for expansion. Fortunately, APICDA has a lease on land adjacent to the City Dock (through our *quid pro quo* agreement). The new facility will have expanded processing capability for Adak red and brown crab, Pacific cod and other species, as well as value added capability. Additional features will include a bunkhouse, construction of an outfall and expanded ice production capability. This project will expand the local economy, generating year-round employment and revenue. Full funding by APICDA is anticipated.
- Develop Fuel Supply Business, Ship Support Businesses, and Other Uplands Development in Atka: In conjunction with construction of the new boat harbor, the new APS processing plant, and expansion of the airport in Atka, APICDA will develop a fuel supply and ship chandlery facility, uplands storage and warehouse facilities, and minor vessel repair facilities. This project will expand the local economy, generating year-round employment and revenue. Full funding by APICDA is anticipated.
- Operate Shoreside Processing Facility in St. George: This CDP anticipates that APICDA will have constructed a multi-species shoreside processing facility in 2005, with operations commencing in January, 2006. The plant will be owned by APICDA, but leased to a joint venture company formed between APICDA and Snopac Products. The facility will focus primarily on crab, but will have Pacific cod, halibut and other species capability. This project would generate increased revenues to the City of St. George, increased fuel sales to the St. George Tanaq Corporation, year-round employment opportunities in both the harvesting and processing sectors for local residents, and would stimulate the development of support businesses. The plant will operate as a custom processing facility.
- Construct Shoreside Processing Facility in Nelson Lagoon: Construction of a shoreside processing facility in Nelson Lagoon would enhance the local economy and generate

Executive Summary, APICDA Year 2006/08 CDP

local employment. It would also provide local residents with increased fishing opportunities and revenues as there would be a market for shoulder season salmon (other processing plants are closed during those periods). Construction of the plant would likely increase utilization of the Nelson Lagoon Storage Company facilities. Full funding by APICDA is anticipated.

- Develop Nelson Lagoon Store and Ship Supply: In conjunction with construction of the shoreside processing facility in Nelson Lagoon, APICDA will consider developing joint venture store and ship supply businesses with the Nelson Lagoon Village Corporation. This project will expand the local economy, generating year-round employment and revenue. Full funding by APICDA is anticipated.
- Operate Bering Pacific Seafoods: This CDP anticipates that a shoreside processing facility will be constructed in False Pass during 2005, and operational in 2006. The facility will be small, and will focus on salmon, sablefish and halibut production. The facility will provide shoulder season markets for local residents, thereby increasing their fishing and revenue opportunities. The facility will generate increased tax revenues to the City of False Pass. APICDA Bering Sea sablefish CDQ (harvested by APICDA-owned vessels) will be processed at BPS. Operation of the facility, particularly in conjunction with the new boat harbor, will provide local employment opportunities and enhance support businesses. Full funding by APICDA is anticipated.
- Develop False Pass Store, Fuel Farm, and Ship Supply: Construction of the new harbor and processing facility in False Pass in 2005 will provide a variety of support business opportunities. APICDA will work with the local Isanotski Village Corporation to develop these opportunities, including joint venture store, marine fueling facility and ship supply businesses. These businesses will also replace those closed by Peter Pan Seafoods in 2004. This project will expand the local economy, generating year-round employment and revenue.
- Product Diversification Program: APICDA's PDP program will focus its attention on various mariculture projects during the CDP. These include the potential rearing of oysters, mussels and scallops. We also intend to investigate the possibility of shoreside rearing (farming) of red king crab. Should any of these efforts be successful, new business opportunities will become available throughout the region. Full funding by APICDA is anticipated.
- Freight/Logistics/Passenger Ships: Freight and passenger transportation is expensive and unreliable throughout the Aleutians and Pribilof Islands. During this CDP cycle APICDA will investigate purchasing vessels capable of addressing the existing freight and logistics difficulties in our region. Properly developed and managed, this project could save substantial amounts of money for APICDA, its local business ventures, and local communities and residents by making reliable, low cost transportation services available in our region.. Full funding by APICDA is anticipated.

Executive Summary, APICDA Year 2006/08 CDP

- APICDA Vessels, Inc.: AVI has become an important and integral part of APICDA subsidiary operations. Vessels owned by AVI provide employment to APICDA residents, offering them a chance to enter the commercial fishing industry and develop the skills necessary to move up the ladder to larger vessels. AVI vessels provide raw material to APICDA subsidiary processing operations. During this CDP cycle will expand its fleet and the fisheries in which it participates.
- Expand Small Boat Fleet: APICDA will continue to expand its small boat (less than 60 feet) during this CDP cycle. This fleet provides entry level fishing opportunities for local residents and provides raw material to local APICDA processing facilities. This will increase employment opportunities for local residents. Full funding by APICDA is anticipated.
- Ugludax Lodge, L.L.C.: The Ugludax Lodge in Nikolski opened in 2003. The lodge is equally owned by AJV and the Chaluka Corporation of Nikolski. The lodge is managed and marketed through a management agreement with MUM Alaska, L.L.C. Lodge activities include sport fishing for halibut, salmon and other species, marine mammal viewing, birding, duck and reindeer hunting, and ecotourism. The difficulties of reaching Nikolski reduced the number of clients in 2003 and 2004. Navigational and airport improvements implemented by APICDA are expected to ease this problem in the future.
- Purchase Crab Harvesting and Processing Shares: Implementation of crab rationalization makes it imperative that APICDA acquire crab harvesting and processing shares. This is particularly important to support our operations in Atka, False Pass, and St. George. These shares are very expensive. Acquisition of shares will provide security to our crab communities and operations, and ensure that they will continue to be participants in that industry. Full funding by APICDA is anticipated.
- Pursue Investments in Shoreside Support Companies: APICDA intends to seek investment opportunities in various shoreside support business, particularly those with which APICDA does considerable business, such as ship chandlery and ship repair. APICDA will also investigate the possibility of entering the life raft recertification business. These investments will ensure that we are recapturing some of our necessary expenditures. In addition, they will provide expanded employment opportunities for local residents. As part of this project, APICDA will review the possibility of developing a ship repair facility in Unalaska. Full funding by APICDA is anticipated.
- Develop a Private Label and Marketing Program: APICDA will develop its own private label and marketing program for value-added products produced at processing facilities operated by APICDA. This will be done in conjunction with Cannon Fish. Increasingly APICDA is producing value-added products (fletches at APS for example, and salmon fillets planned for BPS). Whole Foods has already recognized the superior quality of APS halibut and features that product at its stores. This program will highlight Aleut

Executive Summary, APICDA Year 2006/08 CDP

culture, enhance and protect the value of our products, and expand our markets. Full funding by APICDA and Cannon Fish is anticipated.

- Explore Power Generation Joint Venture: The cost of power in APICDA communities is high and increasing. This adversely affects the bottom line of APICDA's investments and hurts local residents. A variety of alternate energy generation systems, including wind power, are becoming available. This project will analyze joint venture opportunities with various entities to determine whether a business venture would be beneficial to APICDA, our local business ventures, and our communities. Full funding by APICDA is anticipated.

During this CDP, APICDA will also continue its various training, education and employment programs, and fully fund the Longterm Reserve Account.

Since April, 1999, APICDA has hosted an Annual Community Outreach Conference. The conference is attended by leaders representing each of APICDA's eligible communities, including a representative from the local village corporation, the local government, and the traditional council or IRA. In addition, APICDA board members are management attend. The cost of the conference, including airfare and lodging, is borne by APICDA.

The purpose of the conference is to exchange information regarding the CDQ program, APICDA's program and plans for the future, the community's needs and desires, ways to improve APICDA's program, and topical issues of interest to the region. The conference is an annual event and will continue to be so during the length of this CDP.

Section 7.0 Management Strategy to Accomplish CDP Projects

APICDA has established a "Management Team" consisting of the CEO, the COO & CFO, the General Manager, the Controller, and the Director of Construction. This team was developed to ensure that quality and continuous discussions occur within senior management. The management team meets frequently, both by teleconference and face-to-face, to coordinate activities, deliver and receive progress report on various projects, and review investment opportunities. In this regard, the team has developed an Investment Priority Matrix that it uses to critique investment opportunities.

The following sections describe how APICDA's management is qualified to properly manage its projects and CDQ harvesting and processing activity.

Section 7.1 CDP Projects

On its own or through AJV, APICDA's management team has successfully established its ability to manage CDP projects. Since 1992, APICDA has completed numerous projects, including the construction of port facilities, the modernization and management of processing plants, the purchase and management of vessels and quota shares, the acquisition of equipment,

Executive Summary, APICDA Year 2006/08 CDP

management of the Longterm Reserve Account, the implementation of training and education programs, and other activities. With few exceptions, these programs have been successful. When a project has not been successful, APICDA has acknowledged its mistakes and learned from them.

In implementing its projects, APICDA management relies upon its professional advisors, its CDQ partners, the expertise of its board members, and the local knowledge and expertise of community residents.

With respect to the disbursement and use of funds allocated by APICDA to the eligible communities, residents, and business investments the Board instructed Pacific Associates, Inc., Ms. Schubert (legal counsel), and Altman & Rogers to respectively monitor the operational, legal, and financial activities of the relevant project. In the case of a construction project, the Board may engage a professional engineer to perform inspection services and intermittently monitor the contractor's performance on behalf of APICDA.

APICDA has the capability to manage and implement each of the following projects:

- Akutan Harbor: APICDA's Management Team will ensure our cash contributions are made in a timely manner, and ensure that the project manager responsibly expends them. APICDA has successfully performed these functions on projects such as the dredging of St. George harbor, and construction of the Atka dock and False Pass city docks.
- Akutan Quota Share Loan Program: This project requires funding by APICDA to finance loans to local residents of Akutan to purchase halibut quota shares, and a means to identify, locate and value available shares. APICDA has budgeted funds for this purpose, and has demonstrated the expertise necessary to locate and appropriately value quota shares by virtue of its previously successful efforts in this, and similar programs in Atka and St. George.
- Secure Funding for Construction of a Boat Harbor in Atka: This project requires coordination with Alaska's Congressional delegation, APICDA Joint Ventures, and the City of Atka. APICDA has successfully led efforts to obtain federal funding for similar projects in the past; including Atka, False Pass and Nikolski airport improvements, False Pass small boat harbor betterments, to name but a few.
- Widen Face of Atka City Dock: This project requires coordination with Alaska's Congressional delegation, APICDA Joint Ventures, and the City of Atka. APICDA has successfully led efforts to obtain federal funding for similar projects in the past; including Atka, False Pass and Nikolski airport improvements, False Pass small boat harbor betterments, to name but a few.

Executive Summary, APICDA Year 2006/08 CDP

- Nikolski Mooring System: APICDA's Management Team will analyze the various options through consultations with recognized experts in the design of mooring systems. Once a system is selected, APICDA's Management team will serve as project manager.
- Complete Nikolski Airport Improvements: This project consists of placing a new navigational system, with attendant flight path, in Nikolski, and improvements to the runway (lighting, fencing, and widening). The project requires coordination with Alaska's Congressional delegation, the FAA, the U.S. Air Force, the state of Alaska, APICDA, and the Chaluka Corporation. Funding has already been secured, and the project is underway. Outside expertise (Jim Miller, Alaska Weather Observations) has been retained. Peninsula Airways is also involved. APICDA has successfully led efforts to obtain federal funding for similar projects in the past; including Atka, False Pass and Nikolski airport improvements, False Pass small boat harbor betterments, to name but a few.
- Support Construction of Central Bering Sea Research Facility in St. George: This project requires coordination with Alaska's Congressional delegation, the City of St. George, the St. George Tanaq Corporation, the St. George Traditional Council, the NMFS, and the F&WS. APICDA has successfully led efforts to obtain federal funding for similar projects in the past; including Atka, False Pass and Nikolski airport improvements, False Pass small boat harbor betterments, to name but a few.
- Complete False Pass Airport Improvements: Funds have already been secured because of AJV's efforts in Washington, D.C. APICDA's Management Team will monitor the project manager to ensure it is executed in a responsible manner. APICDA has successfully performed these functions on projects such as the dredging of St. George harbor, and construction of the Atka dock and False Pass city docks.
- Construct Boat Harbor in False Pass: Funds have already been secured. APICDA's Management Team will monitor the project manager's performance to ensure it is executed in a responsible manner. APICDA has successfully performed these functions on projects such as the dredging of St. George harbor, and construction of the Atka dock and False Pass city docks.
- Mark the Nelson Lagoon Ship Channel with Private Aids to Navigation: This project will require coordination between APICDA, the Nelson Lagoon Village Corporation, and the U.S. Coast Guard. APICDA's Management Team will analyze the various options through consultations with recognized experts in the design of aids to navigation systems. Once a system is selected, APICDA's Management team will serve as project manager, relying on the backgrounds of its members and its demonstrated proficiency in managing and overseeing port and waterway projects since 1993.
- Construct New and Larger Atka Pride Seafoods Plant: APICDA's Management Team, the Atka Fishermen's Association, and contract experts will scope and design the

Executive Summary, APICDA Year 2006/08 CDP

project.. APICDA's Management Team will perform project management functions. APICDA has repeatedly demonstrated its expertise in plant design and construction over the past ten years with APS.

- Develop Fuel Supply Business and Uplands in Atka: This project will require coordination between APICDA, the Axtam Corporation of Atka, the City of Atka, the IRA, private fuel supply companies, and support services companies in the seafood industry. A feasibility study will be commissioned, and business plans developed where warranted.. The APICDA Management Team will serve as project manager. It has demonstrated its expertise in these areas over the years with projects in nearly all of APICDA's communities.
- Operate Shoreside Processing Facility in St. George Processing: The processing facility will be a joint venture between AJV and Snopac Products. Snopac is a successful seafood processing company, focusing on crab and salmon. APICDA's Management Team will monitor the project to ensure the facility performs in a financially responsible manner.
- Construct Shoreside Processing Facility in Nelson Lagoon: This project is already in process. The feasibility study and business plan developed for Bering Pacific Seafoods (by McDowell & Associates and Bob Waldrop) is being used as a template for this proposed venture. APICDA's Management Team will serve as project manager, though close coordination with the Nelson Lagoon Fishermen's Association is required. APICDA has repeatedly demonstrated its ability to construct and operate these "in region" facilities.
- Develop Nelson Lagoon Store and Ship Supply: This project will require coordination between APICDA and the Nelson Lagoon Village Corporation. A feasibility study and business plan will be developed. The APICDA Management Team will serve as project manager. It has demonstrated its expertise in these areas over the years with projects in nearly all of APICDA's communities.
- Operate Bering Pacific Seafoods: A plant manager will be hired to manage the operation in False Pass. APICDA's Management Team will serve as project manager. Its expertise has been demonstrated through the operation of similar "in region" facilities since the mid 1990's.
- Product Diversification Program: Outside experts and APICDA's Management Team will analyze opportunities for development of mariculture projects. APICDA has engaged private contractors in the past to examine the feasibility of initiating fisheries for clams, sea urchins, and red salmon.
- Freight/Logistics/Passenger Ships: The Management Team and outside experts will analyze alternatives for this project. Through the operations of AVI and seafood plants in

Executive Summary, APICDA Year 2006/08 CDP

the Pribilof and Aleutian Islands, management has developed a great deal of experience operating in its region. Transportation problems abound, and reliance on outside providers has proven to be costly and unreliable. APICDA's Management Team, relying on the knowledge and experiences of its communities' residents, is ideally qualified to investigate solutions to the problem, and then implement and operate the solutions.

- Expand Small Boat Fleet: APICDA has successfully demonstrated its ability to profitably identify, purchase, operate and maintain a small boat fleet. This project is merely an expansion of past projects, and APICDA's past performance speaks for itself.
- Purchase Crab Harvesting and Processing Shares: APICDA's Management Team has substantial expertise in purchasing fishing rights. This expertise will, as usual, be augmented through discussions with APICDA's CDQ harvesting and processing partners. This project is merely an expansion of past projects, and APICDA's past performance speaks for itself.
- Pursue Investments in Shoreside Support Companies: APICDA's Management Team will identify investment opportunities. They will be reviewed with APICDA's harvesting and processing partners. Outside expertise may be utilized to conduct feasibility studies and business plans, review financials and provide additional analysis as necessary. This project is merely an expansion of past projects, and APICDA's past performance speaks for itself.
- Develop a Private Label and Marketing Program: APICDA will develop its own private label and marketing program for value-added products produced at processing facilities operated by APICDA. This will be done in conjunction with Cannon Fish Company, a company in which APICDA holds ownership. Cannon Fish purchases, markets, sells and distributes a variety of seafood products throughout the west coast and has substantial expertise in this arena.
- Explore Power Generation Joint Venture: This project will be done in coordination with APICDA's community entities and established power generation companies. Outside expertise will be utilized to review financials and provide additional analysis. The APICDA Management Team has worked with local entities on several power generation projects in the past. This project is merely an expansion of past projects, and APICDA's past performance speaks for itself.

Section 7.2 Managing Harvests

APICDA maintains continual liaison with its CDQ partners during periods when harvesting and processing of the allocated CDQ to APICDA occurs. During and following each harvesting and processing season, APICDA monitors the catch, production, marketing, and sales activities of all business entities working with APICDA and its subsidiary companies. APICDA's CDQ partners have contractually agreed to open their records at any time, and to provide access to their vessels

Executive Summary, APICDA Year 2006/08 CDP

and plants to APICDA's designee at any time the relevant fisheries are being prosecuted, to verify their compliance with the terms of the contract and NMFS rules and regulations.

APICDA maintains a daily harvest and production log of all CDQ harvests. Since December 1998, APICDA has relied upon the CatchPoint software produced by OceanLogic (an AJV subsidiary) to provide electronic accounting for its groundfish CDQ harvests.

APICDA meets with its partners every year, prior to the commencement of CDQ harvesting operations. The preceding year is reviewed, problems identified and resolved. The next year's allocations are made. When making allocations, APICDA withholds a certain amount of tonnage in a "reserve" account. Generally the reserve account is sufficient to deal with unforeseen needs in other fisheries or to cover an overage.

Section 8.0 Description of Target Fisheries

Atka Mackerel: Atka mackerel is a very difficult fishery. The value of the fish is based upon its size; the larger the fish, the more valuable. Very small fish currently have no value. The Aleutian Islands Atka mackerel fishery is allocated between three areas: Area 541 (Eastern Aleutians), Area 542 (Central Aleutians), and Area 543 (Western Aleutians). The mackerel in Area 541 are more often large fish, while the fish in Area 542 are smaller, and the fish in Area 543 are mostly small. Hence, the most profitable operations are in 541, which also make them the most desirable.

The CDQ fishery will be prosecuted using trawl gear as no other gear is available to harvest this species. The fishery will occur when the open access fisheries are closed. The harvesting strategy for the CDQ fishery will be to maximize the economic value of the fishery resource. The fishery will occur in each of the three statistical areas for which there are Atka mackerel allocations.

Pacific Cod: The Pacific cod fishery is prosecuted by fixed gear and by trawl gear. Due to the comparatively high rate of PSC bycatch by trawl gear, APICDA has elected to harvest its Pacific cod CDQ using fixed gear. Vessels using pot and jig gear are generally able to fish Pacific cod year round. APICDA's Pacific cod CDQ will be harvested exclusively with longline gear. All CDQ Pacific cod harvest are retained.

Sablefish — Bering Sea: The CDQ fishery will be prosecuted using longline pots. APICDA was one of two companies, YDFDA being the other, that successfully pioneered the development and use of longline pots as an alternate gear for the harvest of sablefish. Prior to the use of longline pots, a significant amount of the sablefish harvested by traditional longline gear was consumed by orcas before the fish could be brought on board the vessel. That problem does not exist with longline pots since orcas are unable to access the sablefish inside.

Executive Summary, APICDA Year 2006/08 CDP

The use of longline pots also significantly reduces bycatch mortality of other species since most are alive when the pots reach the surface and can be safely released into the sea.

Longline pots also make it possible to deliver a “live” product to the processing plant, providing the vessel has the appropriate hold and gear. A live product delivered to a processing plant increases the quality and value of the final product.

Sablefish — Aleutian Islands: The Aleutian Islands are a very difficult area to fish due to the bottom terrain, the many passes and shifting currents at all depths. The catch per unit effort in the Aleutians is notoriously low, resulting in much higher operating costs. APICDA vessels have yet to perfect their participation in this fishery. APICDA’s Aleutian Islands sablefish CDQ fishery will be prosecuted using longline pots, as in the Bering Sea, with the same attendant benefits.

Yellowfin Sole and Flatfish: In 2003, APICDA became the first CDQ group in the history of the program to harvest 100% of its yellowfin sole CDQ allocation. In addition APICDA harvested some 300 mt of NSEDC’s yellowfin sole and a significant amount of rock sole. Our PSQ and bycatch rates were very low. We expect a similar experience with our 2004 fishery, although it will not be completed until after the due date for this CDP.

Yellowfin sole and flatfish are harvested using bottom trawl gear. These fisheries have a history of high bycatch and discard of other species, although significant improvement has occurred in the conduct of the fishery the past three years. By careful monitoring, a CDQ yellowfin sole and/or flatfish operation can fish relatively clean.

Bottom trawl fisheries typically encounter mixed stocks. Bycatch rates of non-target species can be high. Discard rates of both target and non-target species can also be high. The bycatch of PSC species is also normally high. The 2003 fishery conducted by APICDA’s partner was remarkable for its very low discard rate (approximately one percent) and its low bycatch of PSQ. We are experiencing similar results in our 2004 fishery. When compared against open access flatfish fisheries, this effort displays the true value and positive impact of a rationalized fishery.

Bristol Bay Red King Crab: The allocation will be harvested by vessels owned in whole or part by APICDA using pot gear.

Opilio Tanner Crab: The allocation will be harvested by vessels owned in whole or part by APICDA using pot gear.

Bairdi Tanner Crab: The bairdi Tanner crab fishery has been closed for several years, although there are signs the stock is rebounding and there may be a commercial fishery during this CDP cycle. We expect that a bairdi CDQ fishery would occur as an allowable bycatch in the Bristol Bay red king crab CDQ fishery. The allocation will be harvested by vessels owned in whole or part by APICDA using pot gear.

Executive Summary, APICDA Year 2006/08 CDP

Pribilof Islands Red and Blue King Crab: The Pribilof Islands red and blue king crab fishery has been closed for several years. Although red king crab stocks appear to have rebounded and could probably support a small fishery, blue king crab stocks remain depressed. Nevertheless, it is possible there may be a small fishery during this CDP cycle. The allocation will be harvested by vessels owned in whole or part by APICDA using pot gear.

St. Matthew's King Crab: The St. Matthew's king crab fishery has been closed for several years, although it is possible there may be a small fishery during this CDP cycle. Our St. Matthew's king crab CDQ will be harvested by vessels owned in whole or part by APICDA.

Adak Red King Crab: The Adak red king crab fishery is in a rebuilding state that will likely require three to five years before a commercial fishery can be allowed. In the past, the fishery has been conducted near Atka..

APICDA will be collaborating with CBSFA for the harvesting and processing of APICDA's Adak red crab CDQ allocation. CBSFA is invested in three AI brown crab vessels, while APICDA is invested in none. APICDA's Adak red crab CDQ allocation will be harvested by one or more of the three vessels partially owned by CBSFA.

Aleutian Islands Brown King Crab: The Aleutian Islands brown crab fishery is a difficult and expensive fishery to prosecute. The fishery is composed of two areas, Eastern and Western. The Western area is proximate to Atka.

APICDA will be collaborating with CBSFA for the harvesting and processing of APICDA's Aleutian Islands brown crab CDQ allocation. CBSFA is invested in three AI brown crab vessels, while APICDA is invested in none. APICDA's AI brown crab CDQ allocation will be harvested by one or more of the three vessels partially owned by CBSFA.

Area 4B Halibut: The local Atka fishermen, through the Atka Fishermen's Association (AFA), have harvested the Area 4B halibut CDQ since 1995. They have used their own vessels and vessels owned by APICDA Vessels, Inc., and delivered the fish to the Atka Pride Seafoods processing plant. In 1993, Atka fishermen harvested 20,000 pounds of halibut CDQ; in 2003, Atka fishermen harvested and Atka Pride Seafoods processed over 800,000 pounds of halibut (the quota was reduced to 562,000 pounds in 2004, all of which was harvested)

Area 4C Halibut: There are two eligible halibut CDQ communities in Area 4C: St. George and St. Paul. During the three years encompassing 1995 through 1997, the two communities jointly operated the Pribilof Island Fishermen's Association (PIF) which managed the halibut CDQ. Since 1998, APICDA has acted as St. George's representative for the 4C halibut CDQ. APICDA's CDQ harvesting and processing partners for the Area 4C halibut CDQ fishery are vessels owned by local residents and APICDA Vessels, Inc. for harvesting and the new shoreside processing facility in St. George for processing. The CDQ fishery will be prosecuted longline gear.

Executive Summary, APICDA Year 2006/08 CDP

Pollock: Royalties from pollock constitute nearly 90% of APICDA's royalty income. Distributions to APICDA Joint Ventures, Inc. from our investment in the Starbound Partnership (twenty percent commencing in 1999) have been significant. Pelagic trawl gear will be used to harvest the CDQ allocation. The fishery is very clean, with little groundfish or PSQ bycatch.

Section 9.0 Harvesting & Processing Information

APICDA has carefully chosen its partners. Each of the companies is one of the premier harvesters and processors for its particular allocation. Each company has an excellent reputation, a good history in terms of regulatory compliance, and is noted for its ability to fish cleanly, efficiently, and profitably. With the exceptions of M/V Savage, Inc., (which is 19% Japanese owned), each of the companies is 100% owned and operated by U.S. citizens. APICDA and its partners have developed an excellent working relationship. The parties respect and work closely with each other.

Atka Mackerel: APICDA's CDQ harvesting and processing partner for the Atka mackerel fishery is M/V SAVAGE, Inc., operating the F/T *SEAFISHER*.

APICDA selected M/V SAVAGE, Inc., as its partner in 1997 following discussions with other companies involved in the Atka mackerel fishery. We have had an excellent relationship with the company.

Pacific Cod: APICDA's CDQ harvesting and processing partners for the Pacific cod fishery are the Prowler and Ocean Prowler, L.L.C.s, which own three vessels, the *Prowler*, *Bering Prowler* and *Ocean Prowler*, collectively referred to as Prowler. APICDA owns twenty percent of the companies, along with CVRF, John Winther, Bart Eaton and Jerry Kennedy.

APICDA selected the Prowler companies to be its partner when the decision was made to invest in the companies. We have had a long and productive relationship. As long as we are invested in the Prowler companies we will maintain a CDQ harvesting relationship. To send our CDQ Pacific cod elsewhere would violate the spirit of our relationship and negatively affect the owners.

Sablefish — Bering Sea: APICDA's CDQ harvesting and processing partners for the Bering Sea sablefish fishery are APICDA Vessels, Inc. (for harvesting) and Bering Pacific Seafoods (for processing). Both entities are 100% owned by APICDA.

APICDA owns 100% of APICDA Vessels, Inc and Bering Pacific Seafoods. Harvesting our CDQ with our vessels and processing our CDQ in our plants in our communities has always been a goal of APICDA.

Executive Summary, APICDA Year 2006/08 CDP

Sablefish — Aleutian Islands: APICDA's CDQ harvesting and processing partners for the Aleutian Islands sablefish fishery are APICDA Vessels, Inc. (for harvesting) and Atka Pride Seafoods (for processing). APICDA Vessels, Inc. is owned 100% by APICDA and Atka Pride Seafoods is owned 50% by APICDA and 50% by the Atka Fishermen's Association.

APICDA owns 100% of APICDA Vessels, Inc and Atka Pride Seafoods is owned 50% by APICDA and 50% by the Atka Fishermen's Association. Harvesting our CDQ with our vessels and processing our CDQ in our plants in our communities has always been a goal of APICDA.

Yellowfin Sole and Flatfish: APICDA's CDQ harvesting and processing partner for the yellowfin sole and flatfish fisheries is the M/V SAVAGE, Inc.

APICDA selected M/V SAVAGE, Inc., as its partner in 1997 following discussions with other companies involved in the yellowfin sole and flatfish fisheries. We have had an excellent relationship with the company.

Bristol Bay Red King Crab: APICDA will have constructed a shoreside processing plant in False Pass (Bering Pacific Seafoods) by the conclusion of 2005. The plant will have the capability to process crab. BPS did not qualify for individual processor quota shares (IPQs). As a result, the only crab that BPS will be able to purchase are category B shares. The red king crab CDQ allocation will be an important part of Bering Pacific Seafoods operations, and an important economic contributor to False Pass and its residents.

Commencing with 2006, we intend that 100% of our red king crab CDQ allocation will be harvested by vessels owned in whole or part by APICDA and delivered for processing to the new Bering Pacific Seafoods shoreside processing facility in False Pass.

APICDA owns 100% of Bering Pacific Seafoods and owns or will own a portion of the vessel(s) harvesting our red king crab CDQ. Harvesting our CDQ with our vessels and processing our CDQ in our plants in our communities has always been a goal of APICDA.

Opilio Tanner Crab: APICDA will have constructed a shoreside processing plant in St. George by the conclusion of 2005. The plant will have the capability to process crab. The economy of St. George is virtually at a standstill following the collapse of the opilio crab fishery. The only real hope to establish a viable economy for the community is through a shoreside processing facility. The opilio crab CDQ allocation will be an important part of the new facility's operations, and an important economic contributor to St. George and its residents.

Commencing with 2006, we intend that 100% of our opilio crab will be harvested by vessels owned in whole or part by APICDA and delivered for processing to the new shoreside processing facility in St. George.

Executive Summary, APICDA Year 2006/08 CDP

The new shoreside processing facility in St. George will be owned by APICDA and operated through a joint venture company consisting of APICDA Joint Ventures, Inc. and Snopac Products. The plant will provide custom processing services for APICDA CDQ crab, Snopac IPQ crab, and other companies.

APICDA owns a portion of the vessel(s) harvesting our red king crab CDQ. Harvesting our CDQ with our vessels and processing our CDQ in our plants in our communities has always been a goal of APICDA.

Bairdi Tanner Crab: We expect that a bairdi CDQ fishery would occur as an allowable bycatch in the Bristol Bay red king crab CDQ fishery. In that case, our CDQ would be processed at the Bering Pacific Seafoods new shoreside processing in False Pass.

APICDA owns 100% of Bering Pacific Seafoods and owns or will own a portion of the vessel(s) harvesting our red king crab CDQ. Harvesting our CDQ with our vessels and processing our CDQ in our plants in our communities has always been a goal of APICDA.

Pribilof Islands Red and Blue King Crab: Our Pribilof Islands red and blue king crab CDQ will be harvested by vessels owned in whole or part by APICDA and delivered for processing to the new shoreside processing facility in St. George. The new shoreside processing facility in St. George will be owned by APICDA and operated through a joint venture company consisting of APICDA Joint Ventures, Inc. and Snopac Products. The plant will provide custom processing services for APICDA CDQ crab, Snopac IPQ crab, and other companies.

APICDA owns will own a portion of the vessel(s) harvesting our red and blue king crab CDQ. Harvesting our CDQ with our vessels and processing our CDQ in our plants in our communities has always been a goal of APICDA

St. Matthew's King Crab: Typically, St. Matthew's crab has been processed on board floating processing vessels since the distance from the fishery grounds to most plants can result in high levels of dead loss. St. George, however, is close enough to the grounds to allow for shoreside processing. Our St. Matthew's king crab CDQ will be harvested by vessels owned in whole or part by APICDA and delivered for processing to the new shoreside processing facility in St. George.

The new shoreside processing facility in St. George will be owned by APICDA and operated through a joint venture company consisting of APICDA Joint Ventures, Inc. and Snopac Products. The plant will provide custom processing services for APICDA CDQ crab, Snopac IPQ crab, and other companies.

APICDA owns a portion of the vessel(s) harvesting our St. Matthew's king crab CDQ. Harvesting our CDQ with our vessels and processing our CDQ in our plants in our communities has always been a goal of APICDA

Executive Summary, APICDA Year 2006/08 CDP

Adak Red King Crab: APICDA will be collaborating with CBSFA for the harvesting and processing of APICDA's Adak red crab CDQ allocation. CBSFA is invested in three AI brown crab vessels, while APICDA is invested in none. APICDA owns Atka Pride Seafoods (APS) which is within the Adak red crab area. APICDA intends to construct a new and larger APS facility during this CDP that will have the capability to process crab.

Therefore, APICDA's AI brown crab CDQ allocation will be harvested by one or more of the three vessels partially owned by CBSFA. When the new Atka Pride Seafoods plant is operational, APICDA intends that its Adak red crab CDQ allocation will be delivered to and processed at the new facility. In the interim, APICDA's Adak red crab CDQ allocation will be processed at the same facility that processes CBSFA's Adak red crab CDQ allocation.

APICDA owns 50% of Atka Pride Seafoods and owns or will own a portion of the vessel(s) harvesting our red king crab CDQ. Harvesting our CDQ with our vessels and processing our CDQ in our plants in our communities has always been a goal of APICDA. In the interim – until the new plant in Atka is constructed – it is in the best interests of both APICDA and CBSFA to form this partnership.

Aleutian Islands Brown King Crab: APICDA will be collaborating with CBSFA for the harvesting and processing of APICDA's Aleutian Islands brown crab CDQ allocation. CBSFA is invested in three AI brown crab vessels, while APICDA is invested in none. APICDA owns Atka Pride Seafoods (APS) which is within the Eastern Aleutian Islands brown crab area. APICDA intends to construct a new and larger APS facility during this CDP that will have the capability to process crab. It is in the best interests of APICDA and CBSFA to use each other's respective assets to harvest and process our AI brown crab CDQ allocations.

Therefore, APICDA's AI brown crab CDQ allocation will be harvested by one or more of the three vessels partially owned by CBSFA. When the new Atka Pride Seafoods plant is operational, APICDA intends that its AI brown crab CDQ allocation will be delivered to and processed at the new facility. In the interim, APICDA's AI brown crab CDQ allocation will be processed at the same facility that processes CBSFA's AI brown crab CDQ allocation.

APICDA owns 50% of Atka Pride Seafoods and owns or will own a portion of the vessel(s) harvesting our red king crab CDQ. Harvesting our CDQ with our vessels and processing our CDQ in our plants in our communities has always been a goal of APICDA. In the interim – until the new plant in Atka is constructed – it is in the best interests of both APICDA and CBSFA to form this partnership.

Area 4B Halibut: APICDA's CDQ harvesting and processing partners for the Area 4B halibut CDQ fishery are vessels owned by local residents and APICDA Vessels, Inc. for harvesting and Atka Pride Seafoods processing.

Executive Summary, APICDA Year 2006/08 CDP

APICDA owns 50% of Atka Pride Seafoods and 100% of APICDA Vessels, Inc. Harvesting our CDQ with our vessels and processing our CDQ in our plants in our communities has always been a goal of APICDA.

Area 4C Halibut: APICDA's CDQ harvesting and processing partners for the Area 4C halibut CDQ fishery are vessels owned by local residents and APICDA Vessels, Inc. for harvesting and the new shoreside processing facility in St. George for processing.

The new shoreside processing facility in St. George will be owned by APICDA and operated through a joint venture company consisting of APICDA Joint Ventures, Inc. and Snopac Products. The plant will provide custom processing services. Harvesting our CDQ with our vessels and processing our CDQ in our plants in our communities has always been a goal of APICDA

Pollock: APICDA's CDQ harvesting and processing partners for the pollock CDQ fishery are the Starbound Partnership and Trident Seafoods Corporation. APICDA originally selected the Starbound Partnership and Trident Seafoods pursuant to an RFP in 1992. We have an excellent relationship, based upon trust and fairness. APICDA owns twenty percent of the Starbound partnership.

Section 10.0 Benefits to the Region

Since its formation, APICDA has followed a two-pronged approach to development: (1) build appropriate infrastructure in each community to support the formation of local businesses, and (2) conserve capital for the opportunistic purchase of harvesting and/or processing vessels, facilities and fishing rights.

By the end of 2005, this approach will have resulted in the following:

Infrastructure Investments

- Dredging of Zapadni Bay Harbor on St. George Island;
- Construction of a new, sub-port facility (Tract I) on St. George Island, in partnership with the St. George Tanaq Corporation;
- Construction of a new outfall at St. George;
- Construction of a dock facility in Nelson Lagoon;
- Prepping four acres of APICDA-owned land adjacent to the new dock facility in Nelson Lagoon;
- Construction of a gear storage warehouse in False Pass;
- Construction of a small boat harbor in False Pass, including a road and cargo handling capability on the south arm;
- Improvements to the airport and runway in False Pass;

Executive Summary, APICDA Year 2006/08 CDP

- Extension of water and electric services to the city dock in False Pass;
- Construction of a small boat mooring basin in Akutan;
- Construction of a small dock and attendant floating barges in Atka;
- Construction of a water capture and delivery system to the dock facility in Atka;
- Construction of a major dock facility in Atka;
- Construction of a new hydro electric facility in Atka;
- Construction of a vessel haul-out in Nikolski; and
- Installation of aircraft navigational aids in Nikolski.

Business Development and Investments

- Construction and formation of Puffin Seafoods, L.L.C. on St. George Island, in partnership with the St. George Fishermen's Association;
- Construction of a shoreside processing facility on St. George Island;
- Formation of the Nelson Lagoon Storage Company, L.L.C. (a vessel, gear, and pot storage operation in Nelson Lagoon) in partnership with the local tribal council;
- Formation of Bering Pacific Seafoods, L.L.C. in False Pass, including construction of a shoreside processing facility;
- Formation of Atka Pride Seafoods, in partnership with the Atka Fishermen's Association;
- Construction of Nazan Bay Inn in Atka;
- Construction and formation of the Ugludax Lodge, L.L.C.;
- Formation of OceanLogic, L.L.C.; and
- Purchase of twenty-five percent of Cannon Fish Company.

Vessel Acquisitions

- Purchase of five thirty-five foot longline vessels;
- Purchase of three medium size vessels (including LLP licenses and catch histories);
- Equity investments in five large Bering Sea commercial fishing vessels (the F/LL *Prowler*, the F/LL *Ocean Prowler*, the F/LL *Bering Prowler*, the F/V *Golden Dawn*, F/V *Barbara J* and the F/V *Farwest Leader*) and one factory trawl vessel (the F/T *Starbound*), including LLP licenses and catch histories; and
- Purchase of one commercial charter sport vessel (the *Augusta D*).

IFQs and Harvest Right Acquisitions

- Purchase of 363,271 pounds of Category A sablefish IFQs;
- Purchase of 61,273 pounds of Category A halibut IFQs;
- Purchase of C/P Rebecca B LLP license and catch history; and
- Loaned or guaranteed loans to local residents for the purchase of 164,682 pounds of halibut and sablefish IFQs at a cost of \$829,554.

Executive Summary, APICDA Year 2006/08 CDP

Financial Management

- Funding of the Longterm Reserve Account

APICDA is proud of its accomplishments since its formation in the fall of 1992. Currently, APICDA has \$30.7 million in assets, including nearly \$6 million in the Longterm Reserve Account. APICDA has provided an average of 129 jobs per year to local residents, generating over \$14 million in wages paid directly to residents of APICDA communities; 330 supplemental education scholarships of nearly \$700,000 have been provided to CDQ residents; and, 364 higher education scholarships worth \$1.1 million have been granted to CDQ residents.

As mentioned repeatedly, APICDA purpose is to develop stable local economies in each of our member communities. Stable economies require three conditions:

- Sufficient infrastructure to anchor and support local businesses;
- Sufficient access to, and ownership of, raw material resources to supply and sustain local business ventures; and
- Sufficient financial resources to acquire raw material resources and weather the vagaries of natural resource and economic fluctuations.

Without sufficient infrastructure, business ventures either are not viable or are severely limited by the lack of support facilities such as docks and harbors. As infrastructure is added, access to the community is enhanced. Once there is a means of access, then raw materials have a way to enter the community and production can commence. With production come support services to supply and meet other needs. Infrastructure serves as the foundation for an economy, but it does not guarantee one. That requires resources and raw material.

Without raw material there can be no production. Without a known and sufficient supply of raw material there is no consistency in production – costs escalate and the viability of the enterprise is weakened. With a common property resource, raw material is most available to the biggest and most voracious. Rationalized fisheries generate stability with known quantities (subject to biological changes) of raw material available to quota holders. For a stable local economy based upon the fishing industry to develop and sustain itself in the APICDA region, the core business – the processing operation – must own or hold sufficient raw material. That requires financial resources.

It costs a lot of money to construct in the APICDA region. It costs a lot of money to operate in the APICDA region. It will cost even more money to purchase sufficient raw material rights to supply village based processing operations.

Before APICDA and the CDQ program, none of the three ingredients referenced above were present in our communities. APICDA's program has been community based since the inception

Executive Summary, APICDA Year 2006/08 CDP

of the program – “community based” in that we will build and construct and operate in our communities. We have never changed our focus.

The greatest benefit we can provide our communities is economic development and stability. That is what will be accomplished through this CDP.

Section 11.0 Level of Local Participation

APICDA’s outreach plan is multifaceted. We publish, and will continue to publish, regular newsletters which are sent to each resident and household in each community. The newsletter reports on the status of APICDA activities and provides employment, training and other relevant information.

APICDA maintains a community liaison program. In each community one individual serves as the Community Liaison Officer, or CLO. The CLO is responsible for posting employment and training information, interacting with the community on behalf of APICDA (in conjunction with the local board member), and other duties designed to maintain a visual APICDA presence in the community.

In the spring of every year APICDA holds its Community Outreach Conference. This conference brings together the leadership of each community (as well as representatives of the community’s youth). APICDA pays for a representative from the local village corporation, the local government, and the local traditional council or IRA to attend the conference. During the conference APICDA board and management review APICDA’s activities from the preceding year and our plans for the upcoming year. Conference participants are encouraged to critique APICDA and provide direction for improvement. In addition, speakers representing various areas of expertise important to APICDA and its communities attend and make presentations.

APICDA mails a copy of its quarterly report to the fishermen’s association, city government, village corporation, and traditional council or IRA in each village.

APICDA maintains a website (apicda.com) that contains a great deal of information about APICDA, its program, and employment and training opportunities. APICDA is in the process of upgrading its website so that it becomes a critical information network for our member communities, their residents, and the region.

APICDA management and staff travel continuously to APICDA communities.

Executive Summary, APICDA Year 2006/08 CDP

Table 1 - Milestones

Administrative Efforts

Project APICDA and Subsidiary Administration - General					
Year	Annually	Milestone	Establish annual board and administrative budgets, and monitor budgets on a continuing basis.	Status	
Year	Annually	Milestone	File quarterly and annual reports on a timely basis.	Status	
Year	Annually	Milestone	Comply with all CDQ federal and state rules and regulations.	Status	
Year	Annually	Milestone	Complete an annual audit.	Status	
Year	Annually	Milestone	Ensure that fishermen associations conduct their APICDA board representative elections in accordance with appropriate by-laws.	Status	
Year	Annually	Milestone	Ensure that staff implements board policies as enunciated.	Status	
Year	Annually	Milestone	Maintain a cash flow projection six months into the future.	Status	

Project Board of Directors					
Year	Annually	Milestone	Monitor and update board administrative policies as appropriate.	Status	
Year	Annually	Milestone	Monitor and update standards/guidelines for due diligence analysis of potential investments as appropriate.	Status	
Year	Annually	Milestone	Monitor and update corporate governance structure as appropriate.	Status	
Year	Annually	Milestone	Monitor and update board by-laws as appropriate.	Status	
Year	Annually	Milestone	Meet regularly.	Status	

Project Project Management					
Year	Annually	Milestone	Manage projects in accordance with internal project management system.	Status	
Year	Annually	Milestone	Management Team to conduct regular meetings via conference call and in person.	Status	
Year	Annually	Milestone	Priority matrix to be used to evaluate all for-profit investments as part of due diligence process.	Status	

Executive Summary, APICDA Year 2006/08 CDP

For-Profit Proposed

Project Akutan Support Services					
Year	2006	Milestone	Determine which supply business ventures are appropriate.	Status	
Year	2006	Milestone	Initiate development of business plan for selected ventures.	Status	
Year	2007	Milestone	Complete business plan.	Status	
Year	2007	Milestone	Construct.	Status	
Year	2007	Milestone	Operate new businesses.	Status	

Project Atka Support Services					
Year	2006	Milestone	Determine which supply business ventures are appropriate.	Status	
Year	2006	Milestone	Initiate development of business plans for selected ventures.	Status	
Year	2007	Milestone	Complete business plans.	Status	
Year	2008	Milestone	Construct.	Status	
Year	2008	Milestone	Operate new businesses.	Status	

Project Develop False Pass Store, Fuel Farm, and Ship Supply					
Year	2006	Milestone	Construct and commence operations.	Status	
Year	Annually	Milestone	Respective Board of Directors to meet on a regular basis.	Status	
Year	Annually	Milestone	Optimize financial return.	Status	
Year	Annually	Milestone	Optimize local employment.	Status	

Project Support Services Business Acquisitions					
Year	Annually	Milestone	Seek investment opportunities and acquire ownership where appropriate.	Status	

Project Nelson Lagoon Shoreside Seafood Processing Plant					
Year	2006	Milestone	Permitting.	Status	
Year	2007	Milestone	Complete permitting.	Status	
Year	2007	Milestone	Complete new plant design and business plan.	Status	
Year	2008	Milestone	Construct new plant.	Status	

Project Nelson Lagoon Store and Ship Supply					
Year	2006	Milestone	Monitor proposed processing plant business plan development.	Status	
Year	2006	Milestone	Determine which supply business ventures are appropriate.	Status	
Year	2007	Milestone	Complete business plan.	Status	

Executive Summary, APICDA Year 2006/08 CDP

Year	2008	Milestone	Construct.	Status	
-------------	------	------------------	------------	---------------	--

Project	Develop a Private Label and Marketing Program				
Year	2006	Milestone	Finalize label logo.	Status	
Year	2006	Milestone	Implement marketing program.	Status	
Year	2007/2008	Milestone	Monitor, modify and expand program as appropriate.	Status	

Project	Explore Power Generation Joint Venture				
Year	2006	Milestone	Research alternatives.	Status	
Year	2007	Milestone	Invest if worthwhile partner or venture is identified.	Status	
Year	2008	Milestone	Monitor investment if made in 2007; otherwise, invest if worthwhile partner or venture is identified.	Status	

Project	Freight/Logistics/Passenger Ships				
Year	2006	Milestone	Purchase vessel(s) and implement service.	Status	
Year	Annually	Milestone	Monitor investment to ensure operation optimizes financial return.	Status	
Year	Annually	Milestone	Optimize employment opportunities for local and regional residents, as well other Alaska residents.	Status	

Executive Summary, APICDA Year 2006/08 CDP

For-Profit Active

Project APICDA Joint Ventures, Inc.					
Year	Annually	Milestone	AJV Board of Directors to meet on a regular basis.	Status	
Year	Annually	Milestone	Review status of all for-profit investments.	Status	
Year	Annually	Milestone	Manage liquid and hard assets.	Status	
Year	Annually	Milestone	Make new investments as appropriate.	Status	

Project Atka Pride Seafoods					
Year	2006	Milestone	Complete new plant design and business plan.	Status	
Year	2006	Milestone	Obtain necessary permits.	Status	
Year	2007	Milestone	Construct new plant.	Status	
Year	2008	Milestone	Operate new plant.	Status	
Year	2008	Milestone	Expand purchase and production to Adak red king crab (if a fishery occurs), Aleutian Islands brown crab CDQ, and Pacific cod.		
Year	Annually	Milestone	APS Board of Directors to meet on a regular basis.		
Year	Annually	Milestone	Optimize financial return.		
Year	Annually	Milestone	Optimize local employment.		
Year	Annually	Milestone	Continue and expand value-added production program.		

Project APICDA Vessels, Inc.					
Year	Annually	Milestone	AVI Board of Directors to meet on a regular basis.	Status	
Year	Annually	Milestone	Optimize financial return.	Status	
Year	Annually	Milestone	Optimize local employment.	Status	
Year	Annually	Milestone	Maintain vessels in safe operating condition.	Status	
Year	Annually	Milestone	Expand fleet as needed.	Status	

Project Cannon Fish Company					
Year	Annually	Milestone	Monitor investment to ensure operation optimizes financial return.	Status	
Year	Annually	Milestone	Monitor employment opportunities for local and regional residents, as well as other Alaska residents.	Status	

Project Farwest Leader, L.L.C.					
Year	Annually	Milestone	Monitor investment to ensure operation optimizes financial return.	Status	

Executive Summary, APICDA Year 2006/08 CDP

Year	Annually	Milestone	Optimize employment opportunities for local and regional residents, as well as other Alaska residents.	Status	
Year	Annually	Milestone	Monitor harvest to ensure bycatch is minimized.	Status	
Year	Annually	Milestone	Monitor vessel activities to ensure compliance with all federal and state regulations.	Status	

Project	Barbara J, L.L.C.				
Year	Annually	Milestone	Monitor investment to ensure operation optimizes financial return.	Status	
Year	Annually	Milestone	Optimize employment opportunities for local and regional residents, as well as other Alaska residents.	Status	
Year	Annually	Milestone	Monitor harvest to ensure bycatch is minimized.	Status	
Year	Annually	Milestone	Monitor vessel activities to ensure compliance with all federal and state regulations.	Status	

Project	Golden Dawn, L.L.C.				
Year	Annually	Milestone	Monitor investment to ensure operation optimizes financial return.	Status	
Year	Annually	Milestone	Optimize employment opportunities for local and regional residents, as well as other Alaska residents.	Status	
Year	Annually	Milestone	Monitor harvest to ensure bycatch is minimized.	Status	
Year	Annually	Milestone	Monitor vessel activities to ensure compliance with all federal and state regulations.	Status	

Project	Starbound Partnership				
Year	Annually	Milestone	Monitor investment to ensure operation optimizes financial return.	Status	
Year	Annually	Milestone	Optimize employment opportunities for local and regional residents, as well as other Alaska residents.	Status	
Year	Annually	Milestone	Monitor harvest to ensure bycatch is minimized.	Status	
Year	Annually	Milestone	Monitor vessel activities to ensure compliance with all federal and state regulations.	Status	

Executive Summary, APICDA Year 2006/08 CDP

Project Prowler, L.L.C.					
Year	Annually	Milestone	Monitor investment to ensure operation optimizes financial return.	Status	
Year	Annually	Milestone	Optimize employment opportunities for local and regional residents, as well as other Alaska residents.	Status	
Year	Annually	Milestone	Monitor harvest to ensure bycatch is minimized.	Status	
Year	Annually	Milestone	Monitor vessel activities to ensure compliance with all federal and state regulations.	Status	

Project Ocean Prowler, L.L.C.					
Year	Annually	Milestone	Monitor investment to ensure operation optimizes financial return.	Status	
Year	Annually	Milestone	Optimize employment opportunities for local and regional residents, as well as other Alaska residents.	Status	
Year	Annually	Milestone	Monitor harvest to ensure bycatch is minimized.	Status	
Year	Annually	Milestone	Monitor vessel activities to ensure compliance with all federal and state regulations.	Status	

Project Kayux L.L.C.					
Year	Annually	Milestone	Continue to seek long term tenants.	Status	
Year	Annually	Milestone	Optimize financial return.	Status	

Project Ugludax Lodge, L.L.C.					
Year	Annually	Milestone	Board to meet annually.	Status	
Year	Annually	Milestone	Optimize financial return.	Status	
Year	Annually	Milestone	Optimize local employment.	Status	

Project Nelson Lagoon Storage Company, L.L.C.					
Year	Annually	Milestone	Board to meet annually.	Status	
Year	Annually	Milestone	Optimize financial return.	Status	
Year	Annually	Milestone	Optimize local employment.	Status	

Project Large Vessel Acquisition Program					
Year	Annually	Milestone	Monitor large vessel portfolio to determine if and where deficiencies lie in terms of overall investments in all sectors of the industry.	Status	
Year	Annually	Milestone	If deficiencies exist, seek investment opportunities.	Status	

Executive Summary, APICDA Year 2006/08 CDP

Project	Small Vessel Acquisition Program				
Year	Annually	Milestone	Purchase small vessels (less than 60 feet) as needed.	Status	

Project	Quota Share Acquisition Program				
Year	Annually	Milestone	Purchase halibut quota shares based upon price and availability.	Status	
Year	Annually	Milestone	Purchase crab harvester and process shares based upon price and availability.	Status	

Project	St. George Seafood Processing				
Year	Annually	Milestone	Board of Directors to meet on a regular basis.	Status	
Year	Annually	Milestone	Optimize financial return.	Status	
Year	Annually	Milestone	Optimize local employment.	Status	

Project	Bering Pacific Seafoods				
Year	Annually	Milestone	Board of Directors to meet on a regular basis.	Status	
Year	Annually	Milestone	Optimize financial return.	Status	
Year	Annually	Milestone	Optimize local employment.	Status	

Executive Summary, APICDA Year 2006/08 CDP

Infrastructure - Active

Project	Akutan Boat Harbor				
Year	2006	Milestone	Monitor progress toward construction.	Status	
Year	2006	Milestone	Provide \$850,000 in matching funds.	Status	

Project	False Pass Airport				
Year	2006	Milestone	Monitor progress and assist as needed.	Status	
Year	2007	Milestone	Monitor progress and assist as needed.	Status	
Year	2008	Milestone	Project complete.	Status	

Project	Nikolski Airport				
Year	2006	Milestone	Secure FAA certification of new flight path into Nikolski by FAA	Status	
Year	2006	Milestone	Facilitate transfer of airport from the Chaluka Corporation to the State of Alaska.	Status	
Year	2006	Milestone	Widen runway, install fencing around runway, add lighting.	Status	

Executive Summary, APICDA Year 2006/08 CDP

Infrastructure - Proposed

Project					
Mark the Nelson Lagoon Ship Channel with Private Aids to Navigation					
Year	2006	Milestone	Purchase buoys and mark the channel.	Status	
Year	2007-2008	Milestone	Install in spring and remove in fall, and maintain as necessary.	Status	

Project					
Nikolski Mooring System					
Year	2006	Milestone	Analyze options to develop system (floating dock, mooring facility, barge landing, etc.).	Status	
Year	2007	Milestone	Complete design and allocate funding.	Status	
Year	2006	Milestone	Construct.	Status	

Project					
Support Construction of Central Bering Sea Research Facility in St. George					
Year	2006	Milestone	Work with local entities, federal agencies, and Alaska's Congressional delegation to refine/define concept, and secure funding if possible.	Status	
Year	2007	Milestone	Have facility constructed if funding was made available in 2006; if funding was not made available in 2006, secure funding if possible.	Status	
Year	2008	Milestone	Have facility constructed if funding was made available in 2007; if funding was not made available in 2007, secure funding if possible.	Status	

Project					
Atka Boat Harbor					
Year	2006	Milestone	Work with City of Atka, federal agencies, and Alaska's Congressional delegation to secure funding for design.	Status	
Year	2007	Milestone	Secure "new start" funding.	Status	
Year	2008	Milestone	Construct.	Status	

Project					
Widen Face of Atka City Dock					
Year	2006	Milestone	Monitor progress of new boat harbor. Initiate design to widen the dock.	Status	
Year	2007	Milestone	Monitor progress of new boat harbor. Complete design.	Status	
Year	2008	Milestone	Construct.	Status	

Executive Summary, APICDA Year 2006/08 CDP

Non-Profit - Active

Project	MSCDQ Harvesting				
Year	Annually	Milestone	Optimize harvest of all APICDA MSCDQ allocations.	Status	
Year	Annually	Milestone	Optimize the harvest of target species and minimize the harvest of incidental species, particularly prohibited species.	Status	
Year	Annually	Milestone	Optimize the use of gear types that have minimize impacts upon habitat.	Status	
Year	Annually	Milestone	Monitor MSCDQ vessel harvesting activities on an individual vessel basis to manage target and non-target harvests.	Status	
Year	Annually	Milestone	Monitor MSCDQ vessel activities to ensure compliance with all federal and state regulations.	Status	
Year	Annually	Milestone	Comply with all state and federal reporting requirements.	Status	
Year	Annually	Milestone	Achieve a royalty return from MSCDQ harvesting and processing operations that are fair to all parties involved.	Status	
Year	Annually	Milestone	Optimize the return from MSCDQ harvesting and processing operations by participating as a whole or part-owner at as many levels of the industry (harvesting, processing, marketing, etc.) as possible and practical.	Status	
Year	Annually	Milestone	Optimize the employment of local residents in all phases of MSCDQ harvesting, processing, and marketing.	Status	

Project	Training, Education & Employment				
Year	Annually	Milestone	Provide annual grant to local schools for fishery related projects.	Status	
Year	Annually	Milestone	Provide higher education scholarships to qualified local residents.	Status	
Year	Annually	Milestone	Provide supplemental education scholarships to qualified local residents.	Status	
Year	Annually	Milestone	Continue higher education internship program.	Status	
Year	Annually	Milestone	Meet with partners to discuss training and employment needs and opportunities.	Status	
Year	Annually	Milestone	Provide employment for local residents at all APICDA subsidiaries, including joint venture companies.	Status	
Year	Annually	Milestone	Provide employment for APICDA residents at all construction jobs related to APICDA funded or partially funded	Status	

Executive Summary, APICDA Year 2006/08 CDP

			activities.		
Year	Annually	Milestone	Provide upward mobility and career path opportunities for local residents at all APICDA subsidiaries, including joint venture companies	Status	

Project	College Internship Program				
Year	Annually	Milestone	Place five to fifteen college students each year from the APICDA region in the program.	Status	
Year	Annually	Milestone	Monitor for success and make adjustments as appropriate.	Status	

Project	Fishermen's Association Grants				
Year	Annually	Milestone	Review previous year's expenditure by association.	Status	
Year	Annually	Milestone	Distribute grants to fishermen's association that have met established rules and regulations.	Status	

Project	Miscellaneous Grants Program				
Year	Annually	Milestone	Review community requests and make allocation if approved by the APICDA Executive Committee.	Status	

Project	Outreach				
Year	Annually	Milestone	Publish periodic newsletter.	Status	
Year	Annually	Milestone	Publish annual calendar.	Status	
Year	Annually	Milestone	Convene community outreach conference.	Status	
Year	Annually	Milestone	Act upon recommendations of the community outreach conference.	Status	
Year	Annually	Milestone	Publish and distribute community outreach conference report.	Status	
Year	Annually	Milestone	Maintain CLO program.	Status	
Year	Annually	Milestone	Maintain and enhance APICDA website.	Status	
Year	Annually	Milestone	Visit communities on regular basis.	Status	
Year	Annually	Milestone	Maintain and expand APICDA website.	Status	

Project	Product Diversification Program				
Year	Annually	Milestone	Analyze and assess mariculture opportunities, and reach a determination regarding feasibility. If feasible opportunities identified, develop implementation plan and fund through AJV.	Status	

Executive Summary, APICDA Year 2006/08 CDP

Project	Quota Share Loan Guarantee Program				
Year	Annually	Milestone	Continue quota share loan guarantee program.	Status	

Project	Akutan Halibut Quota Share Purchase Program				
Year	Annually	Milestone	Ascertain interest in the community and identify potential participants.	Status	
Year	Annually	Milestone	Provide funding for loans.	Status	
Year	Annually	Milestone	Locate quota shares, negotiate price and purchase.	Status	
Year	Annually	Milestone	Monitor use of the IFQ and repayment schedule.	Status	

Executive Summary, APICDA Year 2006/08 CDP

Cash management - Active

Project	Longterm Reserve Account				
Year	Annually	Milestone	Contribute a minimum of ten percent of annual APICDA royalty revenues into the Longterm Reserve Account (LRA) until equity in the LRA reaches \$10 million.	Status	
Year	Annually	Milestone	Invest LRA funds in accordance with APICDA's Investment Guidelines.	Status	

Project	Non-LRA Funds				
Year	Annually	Milestone	Manage funds to optimize liquidity while emphasizing security.	Status	
Year	Annually	Milestone	Invest funds short term to secure higher rates of return when cash flow exceeds other operations or investment needs.	Status	