



# Norton Sound Economic Development Corporation

2005 Annual Report







## NSEDC MISSION STATEMENT

“NSEDC will participate in and encourage the clean harvest of all Bering Sea fisheries to promote and provide economic development through education, employment, training and financial assistance to member communities and Western Alaska, while protecting subsistence resources.”





# The Year in Review

## Message From The Chairman



I hope the Chairman of the NSEDC Board of Directors never gets tired of delivering the message that NSEDC has experienced another amazing year of growth, both in program development and financial successes. I am pleased to report that in 2005, we expanded our programs and added nearly \$17 million to our bottom line.

Resting on our laurels is not an option with our company growing as it is, and the NSEDC Board of Directors and staff continually strive to match our program delivery with the needs of our member communities. In 2005, your NSEDC Board of Directors amended its financial management strategy to expend 75% of profits realized from investments (2nd Generation Funds), up from 25% in the past. We will continue to invest 50% of our CDQ royalties as well as 25% of 2nd Generation Funds. While this will slow the growth of our net worth, it greatly increases our ability to make investments within the region. With each passing year and additional projects being completed, we are essentially running down the list of more obvious and straightforward

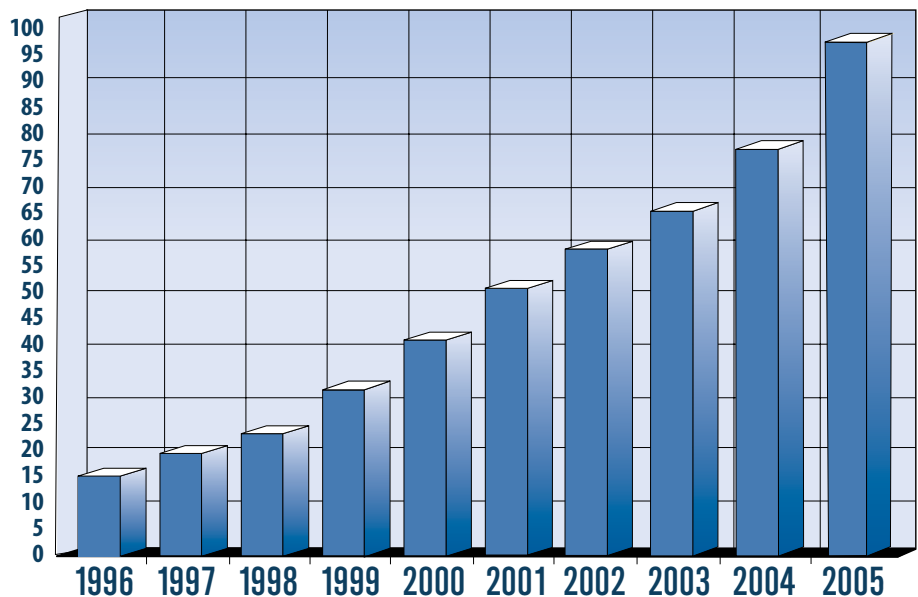
projects as they relate to our current mission and methods for delivering benefits to the region.

A fundamental part of this process is to keep looking to the future to anticipate where the company will be in terms of economic and regulatory capability, and to integrate that with the major needs of our communities. NSEDC has been at the forefront of the movement to amend the program to allow the CDQ program to benefit the needs of all residents of member communities, fishermen or otherwise. As the reality of non-fisheries projects comes closer, the need for corporate adaptation increases. Many of you will remember meetings of the Governor's Blue Ribbon Commission held in NSEDC communities in 2005. The

Commission took your comments and incorporated them into a formula for CDQ Program evolution. NSEDC and the other CDQ groups will be working with these ideas to further develop the program into a form that will bring the regulatory and statutory ability for us to advance how we do business in the region. After amending the laws that govern the CDQ program, the next step is to examine how NSEDC interacts with its communities.

One method NSEDC has employed for self-examination is through a contract with the University of Rhode Island (URI) to conduct an evaluation and create a community-based development plan. All 15 member communities were visited in 2005 by the URI research team and

### NSEDC 2005 Fiscal Year Total Assets (in millions)



NSEDC staff. The URI research team conducted many interviews in each community. The interviews were directed to provide initial information regarding community perception of NSEDC performance and programs, potential for future NSEDC programs, and general information regarding the major needs of the communities. The final report will not be available until some time in 2006, but it should prove to be a very valuable tool in identifying areas for development both in the company and in its member communities.

Another very important tool in developing new approaches to NSEDC program delivery is through community interaction. NSEDC staff recognizes that it may be a slow process once an idea or a concern is passed on; however, it should not be taken as rejection if something doesn't occur right away. There are a lot of factors to take into account when advocating for a program or corporate change. NSEDC is governed by state government, federal government, its

board of directors, and ultimately its member communities. The state and federal governments both have strict rules about the types of projects that NSEDC can participate in, and the board and staff must interpret these regulations as well as account for value and likelihood for success of each project. The company also has to work within a budget to ensure corporate growth. All of these factors must be considered when NSEDC attempts to change how it does business. Ideas for development and growth that come from within the communities are highly regarded by both the Board and staff to be more likely to succeed, as the sense of ownership is greater if it comes from within.

Direct economic impacts from NSEDC programs and operations in 2005 include: \$2.2 million invested in local fisheries wages through Norton Sound Seafood Products, over \$1 million in wages to residents employed by Glacier Fish Company and Norton Sound Ventures, \$197 thousand in scholarships to residents of member

communities, and over \$2.3 million in donations and contributions to organizations and entities in the region. This combined with the millions of other NSEDC dollars spent on in-region projects all add up to another outstanding year for our company.

As Chairman, I am very proud of the hard work the Board of Directors has put forward as well as the diligence and motivation the staff of NSEDC have shown in the delivery of our programs. The positive impacts to the region that NSEDC has had thus far and more significantly, what the future holds will speak more loudly than I can so I will end with a simple token of our appreciation. The Board and staff look forward to growing with the region in the future and would like to thank the residents of the Norton Sound for their hard work, ideas, and patience!

Sincerely,

**Dan Harrelson**

*NSEDC Board Chairman  
White Mountain*



*The community of White Mountain*

# Norton Sound Fisheries

Since 1995, Norton Sound Seafood Products (NSSP), a division of NSEDC, has continued to support the Norton Sound region commercial fisheries. NSSP's activities include purchasing, processing, marketing, and selling herring, salmon, halibut, crab, and bait. NSSP operates facilities throughout the region including the Unalakleet plant, Savoonga halibut buying station, Norton Sound Seafood Center in Nome, and buying stations in Elim, Golovin, and Shaktoolik.

## COMMERCIAL NORTON SOUND HERRING & SALMON

The sac roe herring fishery started on June 3, 2005 and continued for seven days. Fifty-three Norton Sound



permit holders delivered to Norquest Seafoods at an ex-vessel value of \$154,234 (\$150/Ton at ten percent). In addition, NSEDC paid these fishermen a bonus incentive of \$100/Ton for ten percent and better, totaling \$71,025. From this amount \$29,150 was collected and applied toward NSEDC loan programs.

The Norton Sound salmon fishery was the second highest in the past twelve years. Coho and chum production was up considerably. Forty salmon permit holders fished the coho season, twelve 48 hour periods, for a total ex-vessel value of \$296,253. This included 2,511 pounds of king salmon, 660,987

pounds of coho salmon and 28,135 pounds of chum salmon. The 2005 salmon season was over 53% higher than the 2004 season.

A \$.10 per pound price adjustment for all salmon landed in 2005 was approved by the board of directors at the December 2, 2006 meeting.

## OPEN-ACCESS NORTON SOUND RED KING CRAB

The open-access crab season commenced July 1st and closed August 15th. Twenty-six fishermen delivered a total harvest of 294,938 pounds. The ex-vessel value totaled \$868,670. Fishermen were paid an average of \$33,410 each.

# Norton Sound Investment Company



Norton Sound Investment Company (NSIC) is a wholly-owned subsidiary of NSEDC and holds NSEDC's investments in Glacier Fish Company, Norton Sound Ventures, IFQ holdings and various investment accounts. Its purpose is to make investments in income-producing assets and then oversee those investments. A portion of the income is remitted to NSEDC for current programs, and a portion of the income is reinvested for growth, with a goal of creating an even greater income stream in the future. The Community Benefit Share is paid for entirely from NSIC's remittances to NSEDC.

NSEDC and NSIC refer to the earnings from these investments as "2nd

Generation Earnings," to distinguish them from income NSEDC receives as royalties from CDQ allocations. During 2005 the portion of 2nd Generation Earnings which NSIC remits to NSEDC was increased, and the portion which is reinvested for further growth was decreased. As a result, 2nd Generation Earnings from NSIC's investments are now funding a large number of new projects and programs beyond the Community Benefit Share.

Norton Sound Investment Company, LLC had a strong year in 2005. As a result, NSIC's receipts were higher than in any year since the formation of NSIC in 2002. NSIC's 50%-owned subsidiary, Glacier Fish Company, had a very good

year, resulting in record earnings and record cash received by NSIC. During 2005 NSIC acquired a higher percentage ownership interest in a crab harvesting subsidiary called Norton Sound Ventures, LLC. NSIC's ownership increased from 50% to approximately 59.5%. Norton Sound Ventures also posted record earnings, and NSIC believes that there is potential for higher earnings in future years, even though crab prices are somewhat depressed.

NSIC also saw gains in its stock market investments and received income from its quota share holdings, roughly comparable to the gains from the prior year.



# 2005 CDQ Fisheries

2005 was a very good year for NSEDC in harvesting CDQ fisheries and a record year for CDQ royalties. In addition to mainstay fisheries for pollock, Pacific cod, Atka mackerel, halibut, and various species of crab, we successfully expanded operations for and harvest volumes of sablefish, yellowfin sole and rock sole. NSEDC continues to work well with longstanding harvesting partners – including Glacier Fish



## Glacier Fish Company

Company, Norton Sounds Ventures and United States Seafood – while looking for new opportunities and business relationships.

### CDQ Pollock

The pollock fishery remains as NSEDC's primary and most valuable CDQ target fishery. Pollock accounted for roughly 83% of all CDQ royalty payments in 2005. Glacier Fish Company (GFC) has been our CDQ harvesting partner for CDQ pollock since the beginning of the CDQ program in 1992. NSEDC now owns a 50% interest in GFC and two mid-water pollock trawlers, the *F/V Northern Glacier* and *F/V Pacific Glacier*. These catcher-processing vessels harvested most of the pollock quota or roughly 31,840 metric tons. A very small amount of quota was not harvested.

### CDQ Pacific Cod

NSEDC's third most valuable CDQ target fishery after the various crab fisheries

is Pacific cod. NSEDC harvested about 2,796 metric tons of CDQ Pacific cod in directed fishing operations in the Bering Sea using GFC's two longline catcher-processing vessels, the *F/V Norton Sound* and *F/V Glacier Bay*. These vessels harvested the entire NSEDC quota. In addition, NSEDC helped facilitate the harvest of cod quota for another CDQ group using these GFC-owned vessels.

### CDQ Sablefish

NSEDC developed a new business relationship with first-year harvesting partner for CDQ sablefish in the Bering Sea and Aleutian Islands, Gunn-Sea Venture LLC. The *F/V Sea Venture* harvested about 88 metric tons (194,000 round pounds) of CDQ sablefish in the Aleutian Islands and about 20 metric tons (44,100 round pounds) in the Bering Sea during the targeted fishing operations. A small amount of quota was not harvested.

### CDQ Greenland Turbot

In 2005, the CDQ allocations in the



*China Rockfish, a bycatch on longliners*

Bering Sea and Aleutian Islands were too small to conduct directed fisheries and were therefore reserved for bycatch only in other target fisheries.

### CDQ Atka Mackerel

NSEDC harvested nearly the entire annual CDQ of Atka mackerel or about 630 metric tons in the Eastern (541), Central (542), and Western (543) Aleutian Islands regulatory areas. As in past years, NSEDC worked with the management company United States Seafood LLC (USS) and the catcher-processing vessel, *F/V Seafreeze Alaska*, in the harvest of CDQ Atka mackerel.

### CDQ Yellowfin Sole and Rock Sole

NSEDC also worked with USS in 2005 to increase the harvest of other CDQ



*Deck hands tying off a Codend on a trawler harvesting Atka Mackerel in the Aleutian Islands*

groundfish by successfully undertaking a combination target fishery for yellowfin sole and rock sole. The *F/V Seafreeze Alaska* harvested approximately 476 metric tons of CDQ yellowfin sole and about 154 metric tons of rock sole. In addition to the our quota which was fully harvested, NSEDC facilitated the harvest of 163 metric tons of yellowfin sole for another CDQ group using the *F/V Seafreeze Alaska*.

### **CDQ Halibut**

NSEDC harvested nearly the entire quota of CDQ halibut or about 162,522 pounds in 2005. This harvest was accomplished by working with local fishing boats and fishermen from the region, and contracted offshore harvesters, the *F/V Shemya* and the *F/V Glacier Bay*. Nine local boats harvested and delivered to the Norton Sound Seafood Center (NSSC) in Nome a total of 46,558 pounds, while the *Glacier Bay* harvested 63,946 pounds and the *Shemya* 52,018 pounds. The halibut product from NSSC was primarily sold as fresh fish to markets in Alaska and the Pacific Northwest. NSEDC received additional halibut quota from another CDQ group that was not harvested.

### **CDQ Norton Sound Red King Crab**

The entire CDQ allocation to NSEDC of Norton Sound red king crab or about 15,030 pounds was harvested in 2005. The same amount of red king crab quota was obtained by NSEDC from another CDQ group that was also harvested. Eight local boats and regional fishermen participated in the fishery and delivered a total of 29,979 pounds of CDQ Norton Sound red king crab to the Norton Sound Seafood Center (NSSC) in Nome.

### **CDQ Bristol Bay Red King Crab**

This season was the first for the Bristol Bay red king crab fishery managed under newly rationalized crab fisheries in the BSAI. The *F/V Alaska Beauty* – a vessel in which NSEDC has a majority owner interest - harvested and delivered almost the entire quota or about 328,664 pounds of red king crab. NSEDC worked with the newly reorganized seafood processing company, Royal Aleutian Seafoods, to process and sell crab product from the CDQ fishery.

### **CDQ Bering Sea Opilio Crab**

NSEDC successfully completed the CDQ opilio crab fishery working with the *F/V Alaskan Beauty* by harvesting a majority of the quota or about 331,695 pounds of crab. NSEDC also worked with Royal Aleutian Seafoods in the processing and sales of product from this CDQ crab fishery.

### **CDQ Eastern Aleutian Islands Golden King Crab**

The 2005-2006 season was the first for a CDQ fishery for golden king crab (also called brown crab) in the eastern Aleutian Islands. The CDQ program



*Bigmouth Sculpin, a longliner bycatch*

was expanded to include the EAI brown crab fishery as a part of management changes under crab rationalization. NSEDC initiated fishing operations for CDQ brown crab in December 2005, harvesting about one-half of the 63,000-pound quota using the *F/V Aleutian No. 1*. NSEDC has an ownership interest in the *Aleutian No. 1*. Harvesting operations in the 2005-2006 brown crab fishery will continue in the beginning of 2006.

### **CDQ St. Matthew and Pribilof Islands King Crab and Bering Sea Bairdi Crab**

There was no commercial fishery for king crab in the Pribilof Islands and at St. Matthew and for bairdi crab in the Bering Sea due to continued crab stock conditions under the harvest threshold.



*Norton Sound Crab*



*Norton Sound Halibut*



# The CDQ Groups Propose Legislative Changes to Ensure Effectiveness for Communities

Over the past 13 years the CDQ program has grown. But the manner in which the National Marine Fisheries Service (NMFS) and the State of Alaska administers the CDQ program has not changed. In 2000 NSEDC was the first CDQ group to urge Congress, NMFS, the North Pacific Fishery Management Council, and the State to modernize administration of the CDQ program. To bring about that modernization, NSEDC then began working with the other CDQ groups, Senators Stevens and Murkowski and Congressman Young, and, most recently, a Blue Ribbon Committee that Governor Murkowski appointed to study the administration of the program and recommend changes.

Last August when the Blue Ribbon Com-

mittee submitted its report, NSEDC began meeting with the Coastal Villages, Yukon Delta, and Bristol Bay CDQ groups to jointly develop an amendment to the CDQ program section of the Magnuson-Stevens Act. The enactment by Congress of this language will implement the Blue Ribbon Committee's major recommendations. Rather than waiting for Congress to reauthorize the Magnuson-Stevens Act, in April, Senator Stevens and Congressman Young added our amendment to H.R. 889, the Coast Guard Authorization Act of 2006, which Congress is expected to pass within the next several weeks.

The CDQ program amendment in H.R. 889 creates a new framework

for the administration of the CDQ program. The new framework will provide NSEDC the flexibility it needs in order to expand its participation in Bering Sea commercial fisheries and to use the revenue its participation generates to provide economic and other benefits to NSEDC member communities. One of the most important provisions frees the NSEDC board of directors from most NMFS and State oversight. Another important provision guarantees that NSEDC's annual fishing allocations will continue at their present percentages until 2012, after which the allocations will be reviewed once every 10 years. During any 10-year period, the allocations cannot be changed by more than ten percent.

## NSEDC Board of Directors Policy Motions for 2007-2009

### Management of Second Generation Funds and Funding for Outside Entities

#### Component 1 - Allocation of Funds

NSEDC funding of projects managed by Outside Entities will come only from 2nd Generation Funds.

The 75% of 2nd Generation Funds that are allocated for in-region expenditures will have the following provisions attached to ensure balanced growth for NSEDC and Outside Entity projects:

- 33% put into the Community

#### Benefit Share Program

- 20% cap (up to 20%) expended for projects managed by Outside Entities
  - 15% Cap of Individual Entity Funding within the 20% Outside Entity Funding Cap
- 47% Floor on funding for NSEDC Program Growth
- Unspent funds accumulate in a separate account designated for NSEDC infrastructure projects, or large community infrastructure requests such as port projects which require significant matching funds.

The 33% for the Community Benefit Share Program will cover the annual Community Benefit Share distribution, with the remaining amount held in an account for future Community Benefit Share Distributions and/or special equitable distribution projects.

The 20% cap for projects managed by Outside Entities sets the ceiling amount at which other organizations (in total) will receive funding. If at its annual funding meeting the board approves project funding in total less than 20% for Outside Entities, the balance will be made available for additional NSEDC



Program Growth funding. Additionally, there will be a 15% cap established within the 20% Outside Entity Cap to ensure that no single entity will receive excessive funding and restrict other entities from receiving benefits. Individual Entity Caps apply to organizations as a whole, not individual departments within an organization.

The 47% Floor on funding for NSEDC Program Growth assigns a minimum amount available to the board and staff for expansion of NSEDC operations. This number may increase by any amount the board sees fit, up to 20% of the NSIC distribution, with a corresponding decrease in funding to projects managed by Outside Entities. An important component of this provision is that these funds need not be expended in a given year; should the board determine that the relative value of a proposed use of funds is low, then funds are not obligated for expenditure. Any funds not used for NSEDC Program Growth will reside in a separate account.

The unspent funds account will contain funds not spent for NSEDC Program Growth, and are intended for NSEDC infrastructure or special projects, or for large community infrastructure requests to be used as a local match for large-scale funding projects in coordination with other funding agencies such as the Economic Development Administration, Rasmusson Foundation, Denali Commission, State of Alaska Block Grants, US Army Corps of Engineers, etc. These large community projects should be significant long-term economic development projects that have significant positive implications for the

region. A community that applies and receives such an award will be required to expend all these funds and complete their project before being considered for future awards of this nature.

### **Component 2 – Administrative Funds Policy**

As to not replace existing funding within the region, create a dependency on NSEDC funding, or fund administration other than its own, NSEDC grants through its Outside Entity funding program will adhere to the following restrictions:

- Outside Entity funding only applies to actual project costs
- Administrative overhead costs (i.e. indirect rates, flow through costs, etc.) are not considered actual project costs
- All direct project costs that are able to be documented will be considered
- Infrastructure requests such as general-duty buildings and vehicles are considered to be administrative in nature

### **Component 3 – Matching/ In-Kind Funds**

For purposes of defining a match as required for project funding or for increasing merit in the NSEDC proposal scoring process, the following definitions should be applied:

1. Matches must be project specific (i.e. any match must specifically be for the project proposed to NSEDC)
2. Administrative Costs are not considered a project match
3. In-kind matches are subject to valuation limits
  - Salary compensation limits
  - Equipment depreciation, with consumables factored in
4. “Double-dipping” of matching is not permitted (however, the other matching funds secured can be used as a match to NSEDC funds as long as the proposal to NSEDC is a component of the larger overall project)
5. For instances not covered in this policy, NSEDC staff should use their best judgment in determining if a proposed match is valid



*Aerial view of Golovin*

# Education, Employment & Training

## Education

NSEDC awards scholarships to Norton Sound residents enrolled full-time or part-time at an accredited college, university, or vocational education school. The scholarship was increased on October 12, 2005 to \$1,500 per semester or training session by the NSEDC Board of Directors, upon a recommendation by the NSEDC Scholarship Committee.

The NSEDC Scholarship Committee, Walter Seetot, Chairman, Victor Joe, Truman Kava, Gilbert Ungott, Wilfred Katcheak, Frank Oxereok, Paul Ivanoff III, and Janice Dickens, on behalf of the NSEDC Board of Directors, awarded \$38,750 to twenty-nine Norton Sound Vocational Education Students and \$158,224.55 to Norton Sound Post-Secondary Students in 2005 for a total expenditure of \$196,974.55.

## Employment

Upon completion of the fisheries safety orientation class at AVTEC in Seward, the Norton Sound Seafood Processors are eligible to work with Glacier Fish Company, who harvests our pollock, halibut, and sable fish in the Bering Sea, Norton Sound Ventures, who harvests our crab, and any other seafood processing company on land.

In 2005, Norton Sound Seafood Processors, working with Glacier Fish Company on the *F/T Pacific Glacier Fish Company*, *F/T Northern Glacier*, *F/V Norton Bay*, and the *F/V Glacier Bay*,

## 2005 EMPLOYMENT STATISTICS

<b>Management/Administrative</b>		
NSEDC	12	\$847,622.07
NSSP	7	\$316,642.41
<b>Total Management/Administrative</b>	<b>19</b>	<b>\$1,164,264.48</b>
<b>CDQ Pollock Related</b>	<b>96</b>	<b>\$845,218.79</b>
<b>NSSP Employment</b>	<b>92</b>	<b>\$199,463.68</b>
<b>Other NSEDC Employment Skippers, Deckhands, etc.</b>	<b>13</b>	<b>\$58,239.54</b>
<b>Other Fishing</b>		
GFC - Longline	24	\$153,749.70
Icicle Seafoods	2	\$15,534.39
Norton Sound Ventures - Crab	1	\$3,528.59
Norton Sound Salmon	53	\$296,253.55
Norton Sound Herring	41	\$291,785.76
NSEDC CDQ Red King Crab	6	\$52,944.00
YDFDA CDQ Red King Crab	8	\$36,993.00
O/A Norton Sound Red King Crab	26	\$1,012,877.00
O/A Norton Sound Winter Red King Crab	7	\$23,953.50
CDQ 4D/4E Halibut	9	\$144,885.84
<b>Total Other Fishing</b>	<b>177</b>	<b>\$2,032,505.33</b>
<b>NSEDC Community Outreach Liaisons</b>	<b>13</b>	<b>\$75,000.00</b>
<b>Interns</b>		
NSEDC Administration	3	\$27,552.70
NSEDC Salmon Rehab.	7	\$77,552.22
Glacier Fish Company	1	\$16,128.40
Alaska Dept of Fish & Game	5	\$58,806.67
Kawerak, Inc	5	\$49,349.85
Native Village of Unalakleet	1	\$5,911.03
<b>Total Interns</b>	<b>22</b>	<b>\$235,300.87</b>
<b>GRAND TOTAL</b>	<b>432</b>	<b>\$4,609,992.69</b>



brought home \$235,746.01 in crew share wages during the first quarter. \$282,192.19 in the second quarter, \$343,719.09 in the third quarter, and \$137,309.19 in the fourth quarter for a cumulative total for the year of \$998,966.48. This brought the cumulative total from 1992 to 2005 from Glacier Fish Company Crew Share Wages to \$9,837,081.31.

Thanks to Renee Julienne and the Glacier Fish Company Human Resources Department for their hard work employing our processors.

From all companies, our processors have brought home \$9,946,880.24 in wages working in the Bering Sea.

Gary Koutchak has been working with Icicle Seafoods out of Seattle for a few years now, bringing home \$30,477.70 this year.

Hayley Asicksik of Anchorage /

## EDUCATION & TRAINING STATISTICS

	People	Expenditures
<b>Scholarships</b>		
Post-Secondary	104	\$176,477.00
Vocational	32	\$46,250.00
<b>Fisheries Related Training</b>	34	\$108,095.75
<b>TOTAL</b>	<b>170</b>	<b>\$330,822.75</b>

Shaktoolik worked with Glacier Fish Company as an intern.

### Training

NSEDC Education, Employment, and Training was required to train 45 residents in a fisheries related training opportunity for the year. Three fisheries safety orientation classes were held at AVTEC in Seward with a total expense of \$101,606.59 with thirty-four trainees completing the class and forty nine given the training opportunity.

A hazard analysis and critical control point class was held in Nome for ten processing facility personnel and crab fishermen in April for \$5,876.43.

A master mate/OUPV class was held in Nome in May with twelve residents with a cost of \$18,283.47. Mitch Demientieff of Nome went to refrigeration training at the Refrigeration School, Inc. in Phoenix, Arizona for \$14,518.30. In all, the training opportunities provided by NSEDC totalled \$140,284.70 for the year.



Norton Sound Red King Crab caught during the winter fishery.

# NSEDC 2005 Fishermen Spotlight



## Steve Ivanoff

*Unalakleet*

Lifetime Unalakleet resident and fisherman, Steve Ivanoff, was the top NSSP commercial salmon fisherman in 2005. Congratulations, Steve! We look forward to many more great fishing seasons. Following is an interview between NSEDC and Steve:

### Where were you born and raised?

I was born in St. Michael and raised in Unalakleet.

### What is your family history?

I am the son of Ralph Ivanoff, who was born up the Shaktoolik River, and the late Veronica Ivanoff, who was born in St. Michael. I have 10 brothers and 1 sister, with a younger sister deceased. I am married to Zoe Ivanoff, 19 years this summer, and together we have raised three wonderful fishermen. We have an 18 year old daughter, Kelsi Marie, who attends UAA; and two sons, Ralph Keoni-14 years old, and Gage Stephan-9 years old. They are very active fishing partners and one of the reasons I still go out fishing even when there is little money to make.

### When did you start commercial fishing?

I started fishing salmon on my father's boat when I was about 10 years old and bought my first salmon fishing boat in 1976. I have fished herring since 1981, and crab off and on since 1993.



*Steve Ivanoff and his son Gage*

### What experience stands out?

King salmon fishing on July 4th and 5th of 1985, catching boatloads in glass calm and clear water.

### In what fishery(ies) do you participate?

I commercial fish salmon, herring and crab; and subsistence fish all that swims and crawls in fresh and salt water.

### How have things changed?

The gear, boats and nets, are so much better, faster, and efficient. Fishing runs on a cycle and we seem to be coming out of the down cycle in salmon, herring is still down, crab is stable.

### How has NSEDC contributed to the fishery?

NSEDC had assisted a number of us with the purchasing of gear, and a num-

ber of others with the purchases of boats and/or motors. They have provided a market for us in the lean times when no one else would and helped to develop the Norton Sound crab into a small boat fishery. This has allowed the entry of a lot of local fishermen helping us during the lean salmon and herring years.

### What is the name of your boat?

The *Dog Salmon* and the *Aatai*.

### Describe your best season?

The best salmon season was with Brian Johnson in 1980, the best herring was in the early 1990s when herring was \$800 a ton, and the best crab season was when we had a boat processor stationed at Golovin; this made it so convenient for fueling up, and fishing on our own schedule.





## Frank McFarland

### Nome

Frank McFarland, a NSEDC commercial fisherman, was born in Washington and raised in Northwest Alaska. His parents are Perry and Nancy Mendenhall of Nome and the late Jack McFarland. Frank has three brothers and one sister. He and his girlfriend, Cherilyn Kavairlook, have a son named Colin who is two years old. Colin already enjoys boating with his grandparents in Koyuk. Frank hopes he will eventually join him in commercial fishing.

When Frank was younger, he would often accompany his parents on their salmon trawler. He started commercial fishing when he was fourteen. Currently, he participates in the Norton Sound crab and halibut fisheries.

The worst season for Frank was when his boat blew a head gasket which turned into a \$20,000 repair job. He consoles himself by thinking it may have been a blessing in disguise.

Some of the better and more adventurous seasons he remembers are long-lining outside Kodiak and herring

fishing by Besboro Island. He says there were also some glorious days winter-crabbing through the ice. However, his best fishing season was the year he and his crew caught the most Norton Sound red king crab and his boat, *F/V Mitbril*, didn't have any breakdowns.

Fishing has helped his family and his friends financially. He is grateful for the opportunity to participate in the local fisheries and for the access to proper and safe equipment made available through NSEDC's loan program.



Top fisherman Frank McFarland with Eugene Asicksik

# Revolving Loan Program

Since 1993, NSEDC has assisted many local fishermen in participating more competitively in the Norton Sound commercial fisheries including the herring, salmon, red king crab, halibut, and baitfish.

NSEDC offers low interest, minimal down payment loans to local residents for vessel and equipment upgrades and for purchasing fishing gear, outboard motors, Norton Sound salmon permits, Lower Yukon salmon permits, Norton Sound herring permits, and Norton Sound red king crab License Limitation Program (LLP) Permits.

#### Terms:

- \$16,000 maximum for permit holders
- 7-year payback/3 year payback for outboards
- 10% down payment & 8% interest rate per annum
- Credit check and 90 day delinquency limit

In 2005, NSEDC made eighteen loans in the sum of \$182,430.84 to local residents in the communities of Golovin, Koyuk, Nome, Shaktoolik, St. Michael, Unalakleet and White Mountain.

#### Large Vessel Loan Option

The Large Vessel Loan Option provides further assistance to local fishermen in acquiring suitable vessels for participation in the Norton Sound red king crab and 4D/4E halibut commercial fisheries. NSEDC designed the Large Vessel Loan Option to maximize benefits to the fishermen at a minimal cost to them.

This Option was introduced in 2001 and is still available as funds are repaid back into the program.

#### Terms:

- \$80,000 maximum for LLP permit holders
- \$55,000 maximum for non-LLP permit holders
- 5% minimum down payment
- 0% interest for first 3 years
- 6% interest commencing in 4th year of loan
- Credit check and 90 day delinquency limit

In 2005, NSEDC made seven Large Vessel Loans in the sum of \$236,964.19 to local commercial fishermen of Elim, Golovin, Nome and White Mountain.

## 2005 REVOLVING LOANS

Community	Loan Amount
Golovin	\$12,843.00
Koyuk	\$3,074.65
Nome	\$48,513.13
Shaktoolik	\$64,912.74
St. Michael	\$8,216.00
Unalakleet	\$29,212.40
White Mountain	\$15,658.92
<b>Total</b>	<b>\$182,430.84</b>

### Large Vessel

Community	Loan Amount
Elim	\$6,500.00
Golovin	\$80,000.00
Nome	\$146,532.00
White Mountain	\$3,932.19
<b>Total</b>	<b>\$236,964.19</b>
<b>Total Loans</b>	<b>\$419,395.03</b>



Boats lined up at the Nome Small Boat Harbor



## 2005 NSEDC BOARD OF DIRECTORS



Walter Seetot  
BREVIG MISSION



Mary Menadelook  
DIOMEDE



Charles Saccheus, Sr.  
ELIM



Gilbert Ungott  
GAMBELL



Dean Peterson  
GOLOVIN



Danny Adams  
KOYUK



Don Stiles  
NOME



Victor Joe  
ST. MICHAEL



Truman Kava  
SAVOONGA



Harvey Sookiayak  
SHAKTOOLIK



Hermes Dan  
STEBBINS



Isaac Okleasik  
TELLER



William Johnson  
UNALAKLEET



Frank Oxereok, Jr.  
WALES



Dan Harrelson  
WHITE MOUNTAIN



### 2005 Executive Committee

Dan Harrelson, *Chairman*  
Don Stiles, *Vice-Chairman*  
Dean Peterson, *Secretary*  
Harvey Sookiayak, *Treasurer*  
Frank Oxereok, *Sergeant-at-Arms*

### 2005 Corporate Officers

Eugene Asicksik, *President*  
Janis Ivanoff, *Vice-President*  
Kathy WHEELAHAN, *Secretary*  
Chris Cook, *Treasurer*

### Contractors

Jon Zuck  
*CDQ Manager & Technical Advisor*  
Steve Rieger & Company LLC  
*Norton Sound Investment Company*

### NSEDC Staff • Anchorage

Eugene Asicksik  
*President & CEO*

Janis Ivanoff  
*Vice President & Community  
Benefits Director*

Kathy WHEELAHAN  
*Secretary & Office Manager*

Chris Cook  
*Treasurer & Chief Financial  
Officer/Controller*

Leslie Richards  
*Community Development  
Specialist*

Virginia Nashalook  
*Accountant*

Hazel Sagoonick  
*Accountant*

Nina Razina  
*Accountant*

### NSEDC Staff • Unalakleet

Jerry Ivanoff  
*EET Coordinator*

Carol Charles  
*Administrative Assistant*

### NSFR&D • Nome

Simon Kinneen  
*NSFR&D Director*

Charlie Lean  
*Fisheries Biologist*

### NSSP Staff

Tom Magwire  
*Operations Manager*

Marziano "Rocky" Piccini  
*Production Manager*

Richard Ferry  
*Facilities Engineer*

Josh Osborne  
*NSSC Plant Manager*

Ross Outwater  
*NSSC Retail Sales Manager*

Crystal Taxac  
*NSSC Accountant*

Colleen Saccheus  
*NSSP Unalakleet  
Accountant (seasonal)*

### Community Outreach Liaisons

Lucy Okie & Carly Seetot  
*Brevig Mission*

Etta Menadelook  
*Diomede*

Emily Murray • *Elim*  
Shirley Antoghame  
*Gambell*

Susan Dexter  
*Golovin*

Ruby Nassuk • *Koyuk*

Shirley Martin  
*St. Michael*

Charlotte Kava  
*Savoonga*

Reuben Paniptchuk  
*Shaktoolik*

Atha Foxie  
*Stebbins*

Sarah Okbaok  
*Teller*

Victor Ongtawasruk &  
Joanne Keyes

*Wales*

Davis Lincoln  
*White Mountain*

# NSEDC COMMUNITY HIGHLIGHTS

## Brevig Mission

- Walter Seetot served as a Board Member
- Lucy Okie and Carly Seetot served as Community Outreach Liaisons
- GFC employed 1 resident on board the *F/V Glacier Bay*
- Received \$75,000 Community Benefit Share
- NSEDC contributed \$99,999 to the City of Brevig Mission for construction of a multi-purpose community resource facility
- NSEDC contributed \$3,000 to the Brevig Mission Little Huskies for their Little Dribblers Program
- NSEDC contributed \$23,000 to the Brevig Mission School to assist with start-up costs for a concessions stand and workshop

## Diomede

- Mary Menadelook served as a Board Member
- Etta Menadelook served as a Community Outreach Liaison
- Received \$75,000 Community Benefit Share
- NSEDC contributed \$3,000 to the Diomede Dribblers for their Little Dribblers Program

## Elim

- Charles Saccheus, Sr. served as a Board Member
- Emily Murray served as a Community Outreach Liaison
- NSEDC awarded academic scholarships to 2 residents
- 1 resident completed an internship with ADF&G sponsored by NSEDC
- 4 residents were certified in Fisheries Safety Orientation Training under the EET Program
- GFC employed 3 residents on board the *F/V Northern Glacier* and *F/V Pacific Glacier*
- GFC employed 1 resident on board the *F/V Glacier Bay*
- GFC employed 1 resident on board the *F/V Norton Sound*
- 1 local fisherman participated in the CDQ Norton Sound red king crab fishery
- 1 local fisherman participated in the Open Access Norton Sound red king crab fishery
- Received \$75,000 Community Benefit Share
- NSEDC contributed \$3,000 to the Aniguin School for their Little Dribblers Program
- NSEDC contributed \$30,000 to the Elim-Shaktoolik-Koyuk (ESK) Commission for meeting and membership fees

## Gambell

- Gilbert Ungott served as a Board Member
- Shirley Antogham served as a Community Outreach Liaison
- 1 resident completed an administrative internship sponsored by NSEDC
- 1 resident was certified in Fisheries Safety Orientation Training under the EET Program
- GFC employed 1 resident on board the *F/V Pacific Glacier*
- Received \$75,000 Community Benefit Share
- NSEDC contributed \$3,000 to the Savoonga Polar Cubs for their Little Dribblers Program

## Golovin

- Dean Peterson served as a Board Member and Secretary



*Bobby Amarak, Dean Peterson and Rich Ferry in Golovin*

- Susan Dexter served as a Community Outreach Liaison
- NSEDC awarded an academic scholarship to 2 residents
- 1 local fisherman participated in the Open Access Norton Sound red king crab fishery
- Received \$75,000 Community Benefit Share
- NSEDC contributed \$3,000 to the Golovin Lynx for their Little Dribblers Program
- NSEDC contributed \$32,240 to Chinik Eskimo Community for a burn barrel project
- NSEDC installed an access ramp for the Golovin floating dock
- NSEDC contributed \$5,000 to Martin L. Olson School for a basketball camp
- NSEDC funded the purchase and installation of a radio repeater system for improved communications for the Norton Sound fisheries

## Koyuk

- Danny Adams served as a Board Member
- Ruby Nassuk served as a Community Outreach Liaison
- 1 resident was certified in Fisheries Safety Orientation Training under the EET Program
- GFC employed 2 residents on board the *F/V Pacific Glacier* & *F/V Northern Glacier*
- Received \$75,000 Community Benefit Share
- NSEDC contributed \$3,000 to the Koyuk Malemute School for their Little Dribblers Program
- NSEDC Board of Directors approved funding for a winter trail staking project
- NSEDC contributed \$30,000 to the Elim-Shaktoolik-Koyuk (ESK) Commission for meeting and membership fees

## Nome

- Don Stiles served as a Board Member and Sergeant-at-Arms
- NSEDC awarded academic scholarships to 59 residents
- 14 residents completed internships with NSEDC, ADF&G & Kawerak sponsored by NSEDC
- 8 residents were certified in Fisheries Safety Orientation

- Training under the EET Program
- GFC employed 6 residents on board the *F/V Pacific Glacier* & *F/V Northern Glacier*
- GFC employed 2 residents on board the *F/V Norton Sound*
- Icicle Seafoods employed 1 resident
- 2 local fishermen participated in the Norton Sound winter red king crab fishery
- 2 local fishermen participated in the NSEDC CDQ Norton Sound red king crab fishery
- 4 local fishermen participated in the YDFDA CDQ Norton Sound red king crab fishery
- 12 local fishermen participated in the Open Access Norton Sound red king crab fishery
- 5 local fishermen participated in the 4D/4E CDQ Norton Sound halibut fishery
- Received \$75,000 Community Benefit Share
- NSEDC contributed \$1,200 to the Junior High Boys Basketball Program; \$1,200 to the Junior High Girls Basketball Program and \$1,266 to the Nome Pee Wee Basketball Program
- NSEDC contributed \$555,000 to the City of Nome for the Nome Port & Harbor Improvements Project
- NSEDC contributed \$238,418 to Kawerak, Inc. for the Regional Conference, Eskimo Walrus Commission video project, Regional Wellness Forum, purchase of an ATV for Fisheries Development, Salmon Enumeration Project, and snowmachine and winter gear
- NSEDC contributed \$30,000 to the Village of Solomon for the construction of the multi-purpose facility
- NSEDC contributed \$63,504 to Alaska Department of Fish & Game for a herring aerial survey and salmon enumeration program
- NSEDC contributed \$108,903 to the Nome Fishermen's Association for the Hobson Creek Incubation Facility Program

## St. Michael

- Victor Joe served as a Board Member
- Shirley Martin served as a Community Outreach Liaison



- 2 residents were certified in Fisheries Safety Orientation Training under the EET Program
- GFC employed 4 residents on board the *F/V Northern Glacier* and *F/V Pacific Glacier*
- Received \$75,000 Community Benefit Share
- NSEDC contributed \$3,000 to the SMK Little Dribblers/Jr. Storm for their Little Dribblers Program
- NSEDC contributed \$20,000 to the Native Village of St. Michael for installation of plumbing and electrical in the Cultural Center and Library

## Savoonga

- Truman Kava served as a Board Member
- Charlotte Kava served as a Community Outreach Liaison
- NSEDC awarded academic scholarships to 4 residents
- 1 resident was certified in Fisheries Safety Orientation Training under the EET Program
- Received \$75,000 Community Benefit Share
- NSEDC contributed \$99,999 to the Native Village of Savoonga for construction of a multi-purpose facility
- NSEDC contributed \$3,000 to the Savoonga Husky Pups for their Little Dribblers Program
- NSEDC contributed \$20,000 to the City of Savoonga for a boat landing project
- NSEDC approved \$45,516 for the City of Savoonga to purchase and install a search and rescue communications system

## Shaktoolik

- Harvey Sookiyak served as a Board Member and Treasurer
- Reuben Paniptchuk served as a Community Outreach Liaison
- NSEDC awarded academic scholarships to 4 residents.
- 1 resident completed an internship with GFC sponsored by NSEDC
- 4 residents were certified in Fisheries Safety Orientation Training under the EET Program
- GFC employed 3 residents on board the *F/V Northern Glacier* & *F/V Pacific Glacier*
- GFC employed 1 resident on board the *F/V Glacier Bay*
- GFC employed 1 resident on board the *F/V Norton Sound*
- 12 local fishermen participated in the Norton Sound salmon fishery
- 1 local fisherman participated in the NSEDC CDQ Norton Sound red king crab fishery
- 1 local fisherman participated in the YDFDA CDQ Norton Sound red king crab fishery
- 6 local fishermen participated in the Open Access Norton Sound red king crab fishery
- 2 local fisherman participated in the 4D/4E CDQ Norton Sound halibut fishery
- Received \$75,000 Community Benefit Share
- NSEDC contributed \$142,801 to the Native Village of Shaktoolik IRA to build a permanent campsite for the Youth and Elders Fish Camp Program
- NSEDC contributed \$21,390 to the Native Village of Shaktoolik for the annual Youth and Elders Camp
- NSEDC contributed \$103,265.35 to the City of Shaktoolik for the purchase and shipping of a front-end loader in lieu of the boat ramp project
- NSEDC approved \$99,999 to the Native Village of Shaktoolik for construction of a multi-purpose facility
- NSEDC contributed \$3,000 to the Shaktoolik Elementary

- Basketball Dribblers for their Little Dribblers Program
- NSEDC contributed \$15,670 to the City of Shaktoolik for winter trail staking
- NSEDC contributed \$30,000 to the Elim-Shaktoolik-Koyuk (ESK) Commission for meeting and membership fees
- NSEDC contributed \$7,500 to the Native Village of Shaktoolik for the construction of an emergency shelter cabin

## Stebbins

- Hermes Dan served as a Board Member
- Atha Foxie served as a Community Outreach Liaison
- NSEDC awarded academic scholarships to 2 residents
- 5 residents were certified in Fisheries Safety Orientation Training under the EET Program
- GFC employed 13 residents on board the *F/V Northern Glacier* and *F/V Pacific Glacier*
- GFC employed 1 resident on board the *F/V Norton Sound*
- Norton Sound Ventures employed 1 resident on board the *F/V Pacific Star*
- Received \$75,000 Community Benefit Share
- NSEDC contributed \$3,000 to the Stebbins Snowy Owls and the Stebbins White Owls for their Little Dribblers Program
- NSEDC contributed \$97,000 to the City of Stebbins for the purchase and shipping of a full-service truck in lieu of the boat ramp project
- NSEDC contributed \$27,500 to the Stebbins Community Association IRA Council for a water and sewer haul system in the multi-purpose facility

## Teller

- Isaac Okleasik Jr. served as a Board Member
- Sarah Okbaok served as a Community Outreach Liaison
- NSEDC awarded academic scholarships to 2 residents
- GFC employed 1 resident on board the *F/V Northern Glacier* and *F/V Pacific Glacier*
- Received \$75,000 Community Benefit Share
- NSEDC contributed \$3,000 to the Shaktoolik Elementary Basketball Dribblers for their Little Dribblers Program

## Unalakleet

- Henry Ivanoff, Sr. served as a Board Member and Chairman
- NSEDC awarded academic scholarships to 35 residents
- 2 residents completed internships with NSEDC and NVU sponsored by NSEDC
- 7 residents were certified in Fisheries Safety Orientation Training under the EET Program
- GFC employed 3 residents on board the *F/V Northern Glacier* and *F/V Pacific Glacier*
- Iclicle Seafoods employed 1 resident
- 28 local fishermen participated in the Norton Sound salmon fishery
- 3 local fishermen participated in the NSEDC CDQ Norton Sound red king crab fishery
- 1 local fisherman participated in the YDFDA CDQ Norton Sound red king crab fishery
- 3 local fishermen participated in the Open Access Norton Sound red king crab fishery
- 1 local fisherman participated in the 4D/4E CDQ Norton Sound halibut fishery
- Received \$75,000 Community Benefit Share
- NSEDC contributed \$3,000 to the Unalakleet Wolf Pups for their Little Dribblers Program

- NSEDC contributed \$8,014 to Unalakleet Schools for exercise equipment
- NSEDC approved \$99,999 to the Native Village of Unalakleet for a multi-purpose facility addition
- NSEDC contributed \$30,000 to the Norton Sound Sled Dog Club for a building renovation project
- NSEDC contributed \$72,902 to the Native Village of Unalakleet for the Watershed/JB Counting Tower Program

## Wales

- Frank Oxereok, Jr. served as a Board Member
- Victor Ongtowsruk & Joanne Keyes served as Community Outreach Liaisons
- Received \$75,000 Community Benefit Share
- NSEDC contributed \$3,000 to the Wales Seawolf Jammers for their Little Dribblers Program

## White Mountain

- Dan Harrelson served as a Board Member and Vice-Chairman
- Davis Lincoln served as a Community Outreach Liaison
- NSEDC awarded academic scholarships to 7 residents
- 3 residents completed internships with NSEDC and ADF&G sponsored by NSEDC
- 2 residents were certified in Fisheries Safety Orientation Training under the EET Program
- GFC employed 2 residents on board the *F/V Pacific Glacier*
- 1 local fisherman participated in the NSEDC CDQ Norton Sound red king crab fishery
- 1 local fisherman participated in the YDFDA CDQ Norton Sound red king crab fishery
- 1 local fisherman participated in the 4D/4E CDQ Norton Sound halibut fishery
- 1 local fisherman participated in the Open Access Norton Sound red king crab fishery
- Received \$75,000 Community Benefit Share
- NSEDC contributed \$3,000 to the White Mountain Wolf Pups for their Little Dribblers Program
- NSEDC contributed \$5,775 to the Native Village of White Mountain for a Rural Camp Fire USA program
- NSEDC funded the purchase and installation of a radio repeater system for improved communications for the Norton Sound fisheries



Snow steps in Diomedea





Norton Sound Economic Development Corporation is a private non-profit corporation representing 15 member communities and over 8,493 people in the Bering Straits region in Northwestern Alaska. NSEDC is one of six Community Development Quota (CDQ) Program organizations in Alaska.

NSEDC was originally incorporated in 1989 for the purpose of promoting economic development primarily for the Norton Sound area. In 1992, NSEDC restructured to become eligible as an applicant representing the Norton Sound region in the CDQ Program. NSEDC was successful in this endeavor, receiving 20% of the initial allocation of Pollock to the CDQ Program (7.5% of the Total Allowable Catch or TAC). Subsequent allocations received by NSEDC were 22% in 1995-1999 (at which point the American Fisheries Act was enacted increasing the CDQ reserves of pollock to 10% of the TAC), and 23% in 2000-2002. In the latest allocation cycle, 2003-2005, NSEDC received a 22% CDQ allocation of pollock.



Participants of the Martin L. Olson Healthy Activities Basketball Camp funded through the NSEDC Alcohol and Substance Abuse Prevention Program.

*Front Row (left to right)* Molly Moses, Tani Esparza, John Peterson, Peter Olsen, Edward Bekoalak, Jr.

*Back Row (left to right)* Chad Bekoalok, Mike Daniels, Amanda Moses, Alice Amaktoolik, Renatta Olson, Thomas Amaktoolik, Emily Henry, Chelsea Fagerstrom, Brook Nagaruk, Oswald Moses and Hank Henry. *Camp Coach:* Mike Hajdukovich



**Norton Sound Economic  
Development Corporation**

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Development Corporation**

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Unalakleet, AK 99684  
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**Norton Sound Seafood Products**

P.O. Box 323  
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**Norton Sound Seafood Center**

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