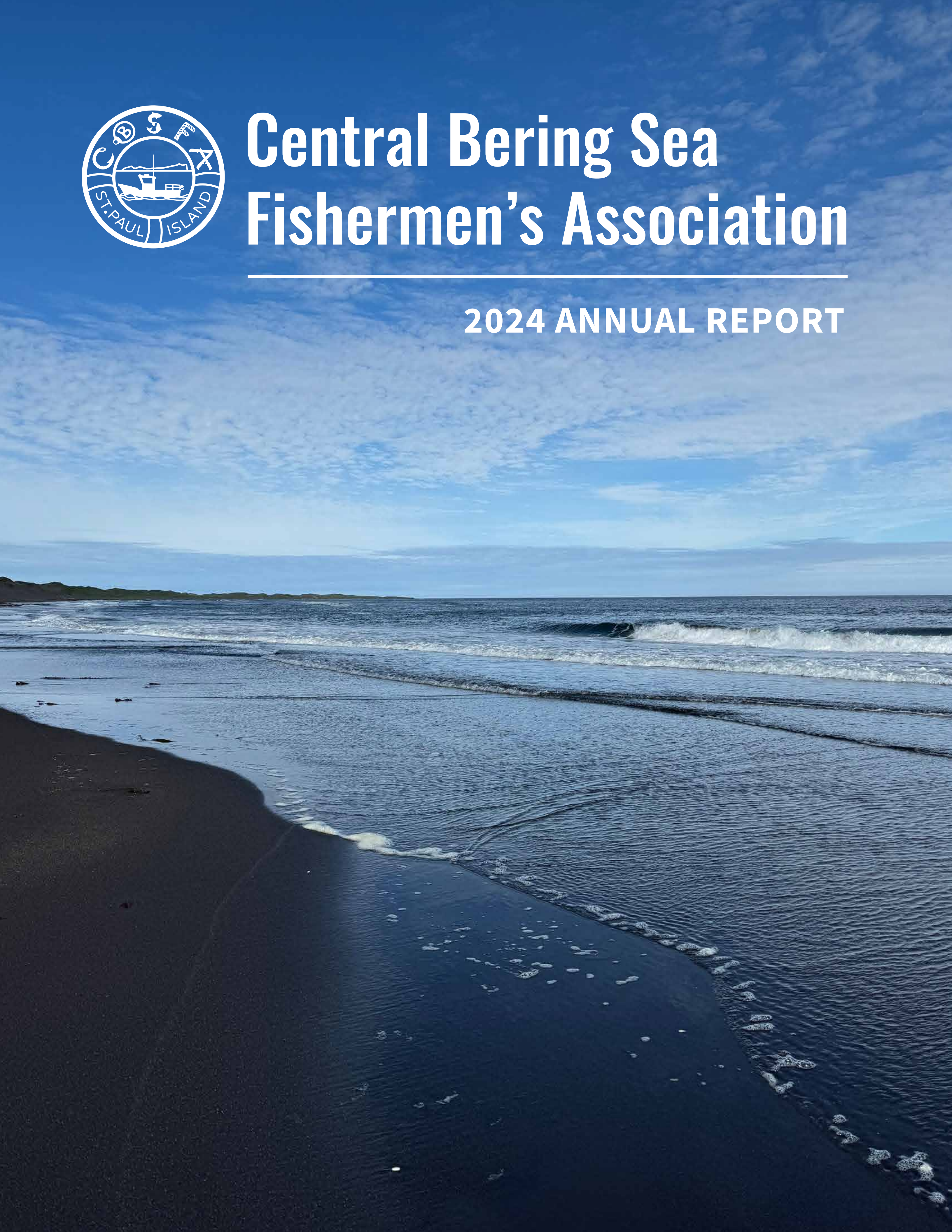
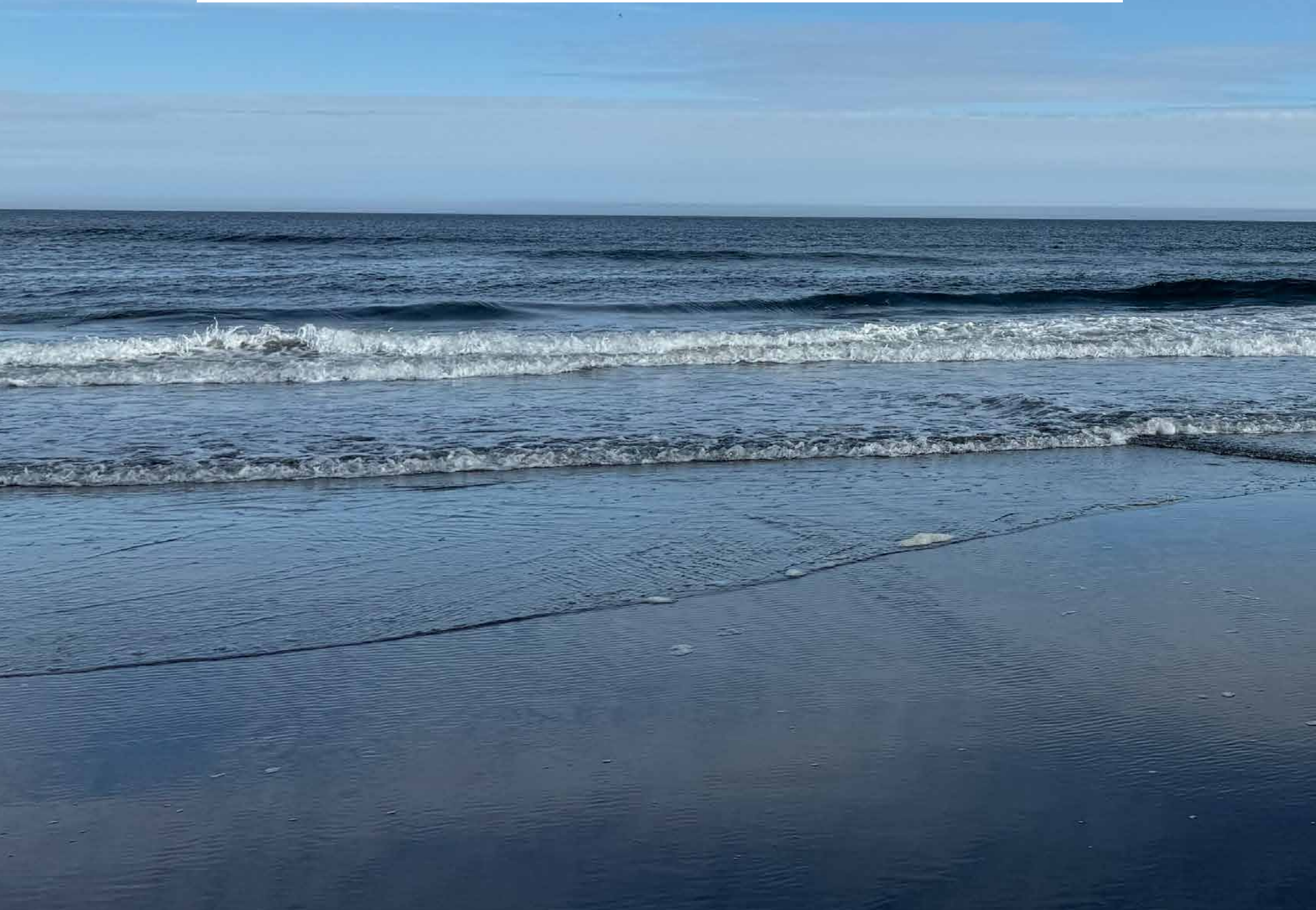
Central Bering Sea Fishermen's Association

2024 ANNUAL REPORT



Our Mission

To develop a viable, self-sustaining, independent fisheries development organization that, on behalf of the local fishermen, and the community of St. Paul as a whole, and in cooperation with other Bering Sea Coastal Communities and CDQ groups, will ensure key participation in fishery related development in the region while exercising proper resource stewardship.



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2024 ANNUAL REPORT

Chairman's Letter

Dear CBSFA Membership and Community of Saint Paul,

I am pleased to report that the Central Bering Sea Fishermen's Association (CBSFA) Board of Directors (Board) continue to make sound decisions, allowing us to provide impactful benefits throughout our community. Our management staff plays a crucial role, providing accurate and necessary information to help us make these decisions, ultimately resulting in a well informed and effective Board.

Throughout 2024, our Board approved programs supporting our youth and elders. CBSFA provided partial funding to the St. Paul School Preschool program in 2007 and has been fully funding the program since 2008. Preschool introduces early childhood education and social skills to kids age three to five years old and has benefitted many children in our community. Over the years, our Scholarship and Training Grant Program has helped 60 individuals obtain one or more college degrees and vocational/training certifications. By year end, we contributed funds to 73 households under the Elders Residential Assistance Program (ERAP) and 68 households under the Residential Assistance Program (RAP), providing rental or utility support on their behalf. CBSFA once again purchased seafood products and was able to distribute halibut and crab seven times to elder households and two community wide distributions. Our ERAP, RAP, and Seafood Donation Program positively impacts every resident in our community. Ongoing financial contributions to the City of Saint Paul (City) and Aleut Community of Saint Paul Tribal Government (ACSPI) supports local events and programs, also benefiting all ages in our community.

CBSFA encourages and maintains positive dialogue in collaborating with entities, while striving to uphold community safety, resource stewardship, and cultural values. In 2024, CBSFA purchased replacement fire hydrants that the City installed around the town and the Volunteer Fire Department tested for functionality. To increase support of our fisheries efforts at the State level, we provide funding for representatives of the City to attend the North Pacific Fisheries Management Council meetings. We also supported volunteerism within the community, by providing the City financial support to pay a stipend to community members committing their time to the Emergency Medical Service (EMS) team.

We understand and appreciate the commitment and responsibility these EMS volunteers give to our community. Funding contributions to our local Unangam Tunuu (UT) Revitalization team advances speaking, learning, and teaching techniques and bridges a relationship between our youth and adults in a socially engaged environment. It's apparent the efforts of the UT team is successful, as we are witnessing more children and community members actively participating in singing and dancing performances and making traditional arts and crafts. CBSFA will continue to support entity programs and services beneficial to our quality of life.

During 2024 we upheld local fleet support to participating vessels in our halibut fishery. We employed crane operators and mechanics who maintain equipment necessary to install and remove the small boat harbor docks and launch and retrieve vessels. We provided vessel, gear, and IFQ loan programs for qualified individuals, and we managed a successful halibut tendering operation. Local fleet support not only benefits our fishermen, but additionally creates seasonal employment during the summer months. CBSFA remains committed to supporting our local economy.

I am excited to share that CBSFA, in collaboration with other organizations, will be establishing a red king crab hatchery on Saint Paul. The hatchery project will provide short-term economic benefits for the community and long-term benefits for the island, species, harvesters, and consumers of king crab. CBSFA has also invested in the construction of a new 58' x 28.5' Fred Wahl vessel. The *F/V Chagix* will join our efficient and profitable fleet of harvesting and tendering vessels that are managed by our subsidiary, St. Paul Fishing Company. In addition, the board approved sponsoring (widening) our flagship crab boat, the *F/V Early Dawn*, which will make it a more efficient and safer platform.

2024 has brought many opportunities and successes to and within our community of Saint Paul Island and I am confident CBSFA will remain a positive contributor in the coming years. I am grateful to be a part of this community and proud to be a Board of Director in this organization.

Sincerely,

Myron Melovidov
Chairman

President's Letter

Aang everyone,

I hope you all are doing well!

I'm happy to report that all in all, 2024 was another good, solid year at CBSFA. Considering the various fishery challenges we continue to face, mainly from relatively low crab TACs and ever-changing seafood market conditions, we are maintaining successful and profitable fishing operations. This has allowed us to continue maintaining all our community contributions, as well as increase funding amounts for others. Our financial and operational stability gives us the ability to effectively respond to the issues and needs we are facing in the community, and we are thankful for that!

Given all the issues we have continued to face in the community and in the Bering Sea fisheries, the board and staff spent valuable time in late 2024 to update CBSFA's strategic plan. We invited key members of the fishing industry and experts in fisheries science and economics to provide us with a comprehensive look at the status and expected outlook of the Bering Sea fisheries that are important to our community. We had in-depth discussions about community issues and how we might help address them. Key takeaways from those meetings are that we should do our best to maximize the impact of CBSFA community support, leverage the resources that we have, continue maintaining strong relationships with community entities and fisheries partners, and continue advocating for regulatory changes in light of the current and expected state of fisheries.

We have been busy putting that direction into action – we have increased community contributions, expanded support for the local halibut fishery, made new investments, and leveraged our existing resources to expand and grow opportunities available to us. We have also maintained active participation and presence at fisheries management meetings, and at the focused community level have joined with all the other local entities to form the Saint Paul Island Response Team (SPIRT) to collectively respond to all issues that might impact our community.

Time and time again, our community has shown itself to be incredibly effective when we all work together! As we reported at the CBSFA annual meeting last year and in our spring 2025 newsletter, the halibut bycatch action that our community collectively worked on, Amendment 123, was upheld in court and was not further challenged by appeal. As a reminder, the action implemented reduced halibut bycatch limits on the Amendment 80 bottom trawl fleet. The bycatch limits are also responsive to changes in halibut abundance, more closely following how halibut is managed for the directed halibut fishery. The regulations went into effect in 2023 and are now solidly locked in place. The reduced bycatch limits should provide increased harvest and more stability to all fishermen in the Bering Sea and Coastwide. The action represents nearly a decades' worth of work by all the community entities – on behalf of CBSFA and the local fishermen I'd like to thank the City of Saint Paul, the Tribal Government of St. Paul Island, and TDX Corporation for providing invaluable help on this effort.

2024 marks some key investment milestones for CBSFA and our community, providing an opportunity to reflect on who we are and how we got here. Back in 1992, the Community Development Quota (CDQ) program was created and gave eligible villages in Western Alaska access to the valuable fishery resources in the Bering Sea. The program was created, in part, to provide communities the opportunity to earn revenue from fishing activities in the Bering Sea to create sustainable fishery-related economies. Over time, CBSFA has utilized and leveraged those resources to grow the company with the goal of providing benefits to the community.

In particular, 2024 marks 20 years since we purchased 75% of the *F/V Starlite* and *F/V Starward*, two state-of-the-art, shore-based pollock trawl catcher-vessels. It has been 10 years since we purchased all the crab processor quota and harvesting quota from Icicle Seafoods. These investments have provided diversity to CBSFA's portfolio of assets and steady financial returns over time. *(You can find more detailed information about these investments in other sections of the report.)* As intended by the CDQ program, these investments have expanded our community's ownership in Bering

Sea fisheries – this has given us a stronger voice when it comes to fisheries management decisions that can affect our community and complete control over how harvest of these assets is conducted. We can be assured that the harvest of our quota and fishing practices on the vessels we own are conducted in a responsible and sustainable manner. Since we depend on the Bering Sea resources to survive out here, we need them to be sustainable so we can sustain ourselves and future generations – as such, we hold ourselves as a fishing company to the highest standard.

Although there are many challenges ahead of us, I feel we have a lot to be thankful for and good reason to be optimistic about the future. Through SPIRT, coordination and collaboration among the community entities was revived in a formal way and the group successfully addressed the island's airline transportation issues. CBSFA will continue to work under a coordinated effort with SPIRT going forward. The recent survey results from crab overall look to be optimistic for snow crab and tanner crab, and relatively stable for Bristol Bay red king crab. This increases the likelihood that we can figure out how to get the processing plant in town going again. CBSFA received a significant portion of crab disaster funds, based on our investment in the crab fisheries – providing us with capital needed to comfortably make new investments. Investments that will provide increased returns and opportunities to CBSFA and stability to our community contributions.

In closing, I hope this report provides you with good information about who CBSFA is and what we aim to do for the community. Please feel free to reach out to me anytime if you would like to know more or if you want to share any thoughts. My job is to serve you all and help make sure we continue to have a good community to live in and be a part of.

Sincerely,

Ray Melovidov
President

Central Bering Sea Fishermen's Association Board of Directors

Myron Melovidov, Chairman
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Daniel Porath, Sr., Director
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CBSFA Board and Staff

CBSFA Board of Directors

Myron Melovidov
Chairman
Term expires 2025

Jeffery P. Kauffman
Vice President
Term expires 2027

Rena J. Kudrin
Secretary/Treasurer
Term expires 2026

Phillip Lestenkof
Director
Term expires 2026

John R. Merculief, Jr.
Director
Term expires 2025

Benedict Bourdukofsky
Director
Term expires 2027

Michael Baldwin
Director
Term expires 2026

Jason Bourdukofsky, Sr.
Director
Term expires 2025

Sean Melovidov
Director
Term expires 2027

CBSFA Employees

Ray Melovidov
President
Employee since 2001
President since 2023

Rena J. Kudrin
Office Manager
Employee since 1998

Robert Melovidov, Sr.
Maintenance/Special Projects Supervisor
Employee since 2010

Myron Melovidov
Operations Manager
Employee since 2011

Shiona Melovidov
Administrative Manager
Employee since 2012

Kendra Kochutin
Administrative Assistant
Employee since 2024

Marisa Melovidov
Senior Accountant
Employee since 2017

Joe Kashevarof
Chief Financial Officer
Employee since 2017

Peter Bourdukofsky, Sr.
Heavy Equipment Operations/ Maintenance Foreman
Employee since 2015

Ed Paulus
Heavy Equipment Operator/Mechanic
Employee since 2022

SPFC Employees

Jeffery P. Kauffman
Chief Executive Officer
Employee since 2007

Jennifer L. Hausmann
Administrative Assistant/Accountant
Employee since 2010

Sean Head
Accountant and Analyst
Employee since 2016

St. Paul Fishing Company

St. Paul Fishing Company (SPFC), a wholly owned subsidiary of CBSFA, is a fishing vessel and fishery asset management company. In 2024, all seven of CBSFA's vessel companies, as well as its investment in Bering Sea Partners, generated profit distributions – allowing SPFC to make the largest annual distribution to CBSFA since the company's inception in 2004, totaling $1.65 million. This performance highlights the strength of SPFC's operations and provides important funding for CBSFA's community programs, projects, and long-term sustainability.

At CBSFA/SPFC, we are committed to responsible fishing, guided by best practices and a deep respect for the ocean that sustains us. As ocean conditions shift and fish and crab populations fluctuate, we continue to work closely with our captains and fishery regulators to make thoughtful, responsible decisions on and off the water.

This stewardship helps ensure that fishery resources continue to support Saint Paul's economy, create jobs for CBSFA members, support research, provide services for our small boat fleet, and work to secure both fishery and community sustainability.

The vessels *F/V Saint Paul* and *F/V Saint Peter*, referred to as the Saint Boats, are captained by Michael "YLE" Spokas and Robert Christensen and were built in 2008 and 2011 and are key contributors to CBSFA's fishing operations. Their primary source of income is harvesting Pacific cod with pots in the State, Federal, and CDQ fisheries near Dutch Harbor and Akutan, operating from January 1 through mid-April. In addition to cod, the Saint Boats harvest halibut and sablefish and have participated in important halibut research charters. During the summer months, they support the local small boat fleet by tendering halibut from St. Paul to Akutan and harvesting CDQ and member IFQ in the broader Bering Sea. Measuring 58 feet in length, the Saint Boats are the smallest vessels in CBSFA's fleet but remain steady performers with a consistent history of profitability and production.

The *F/V Starward* and *F/V Starlite*, captained by veteran skippers Camilo Neto and David Jensen are the heart of CBSFA's trawl operations. Originally built in 1979 as Bering Sea crabbers, both vessels were later converted to pollock and cod trawlers by previous owners. Since acquiring the Star Boats and associated pollock in partnership with Unisea in 2004, CBSFA has invested significantly in upgrades, resulting in vessels that are highly productive and safe. Under the leadership of Captains Neto and Jensen, these vessels have consistently produced and have impressive safety records that go back many years. In recent years, however, pollock markets have faced challenges from the impacts of COVID, global oversupply, and low-priced Russian pollock products, among other things, which have driven down ex-vessel prices. CBSFA, through its membership in the Genuine Alaska Pollock Producers Association, continues to work with industry partners to promote pollock domestically and internationally. With these efforts and the resilience of our captains and crews, we are hopeful that pollock markets will recover over the next year or two.

The *F/V Early Dawn*, a 108-foot Marco crabber, is captained by longtime skipper and part owner Mark Medjo, who has served on the vessel since 1991, well before CBSFA purchased it in 2003. Since then, CBSFA has gradually increased its ownership share from 30% to 50% and now 83%. The *F/V Early Dawn* is currently CBSFA's most profitable vessel, generating more than $2 million in net revenue in 2024 from the Aleutian Islands golden king crab, Bristol Bay red king crab, and opilio fisheries. Crab prices reached record levels in 2024, with prices of $11.00, $22.00, and $5.00 per pound, respectively. The vessel's core activity remains the Eastern Aleutian golden king crab fishery, a lucrative and highly exclusive fishery with only two participating vessels. The *F/V Early Dawn* harvests crab for CBSFA, 57 Degrees North, Rick and Mary Mezich, as well as a handful of other quota holders. The *F/V Early Dawn* also conducted important Bristol Bay red king crab research for the Bering Sea Fisheries Research Foundation and Alaska Department of Fish and Game in 2024 and 2025. With the reopening of the Bristol Bay red king crab and opilio fisheries in recent years, the *F/V Early Dawn* is well positioned for continued success and will remain a cornerstone of CBSFA's financial performance and community contributions.

The *F/V Fierce Allegiance*, a 165-foot crabber and pollock trawler, rounds out CBSFA's fleet. CBSFA holds a 30% ownership stake in the vessel alongside longtime partners Rick and Mary Mezich and Unisea. The *F/V Fierce Allegiance* is one of the Bering Sea's top-producing crab vessels, with more than 350,000 pounds of opilio carrying capacity and a strong record of production under experienced captains and the excellent management of Rick and Mary Mezich. Although the *F/V Fierce Allegiance* has not participated in crab fisheries since the closures of Bristol Bay red king and opilio in 2021 and 2023, the vessel has remained active in the pollock fishery, continuing to generate value for CBSFA. Depending on the Total Allowable Catch for opilio in 2026, the *F/V Fierce Allegiance* may return to crab harvesting.

Overall, 2024 was a strong year for CBSFA's vessels and other investments managed through SPFC. All eight SPFC subsidiaries operated profitably, contributing to CBSFA's financial stability and community programs. The safety of our captains and crews remains our highest priority, and we are pleased to report that 2024 marked another year with no insurance claims.

Looking ahead to 2025, CBSFA and St. Paul Fishing Company have several major projects underway. As highlighted in other sections of this Annual Report, CBSFA is investing in a new, larger, and more capable 58-foot combination vessel being built by Fred Wahl Marine Construction. In addition, the *F/V Early Dawn* will undergo a significant sponson (widening) project that will make it one of the premier crab vessels in the Bering Sea and a much-improved platform for harvesting opilio and Bairdi.

In closing, 2024 was a year that underscored the strength and resilience of CBSFA and SPFC's operations. With all vessels and CBSFA's ownership interest in Bering Sea Partners/Royal Aleutian Seafoods contributing to profitability, a continued record of safety, and new projects on the horizon, we are building on a strong foundation for the future. Guided by stewardship and committed to our community, CBSFA and SPFC remain dedicated to sustaining the Bering Sea's resources while ensuring that these fisheries continue to provide stability, opportunity, and hope for the people of Saint Paul long into the future.

Celebration of Captain Longevity

Longevity among CBSFA's vessel captains and crewmembers is important for many reasons, and we felt this was the right time to highlight and celebrate the outstanding commitment of our captains – each of whom has been with CBSFA for more than a decade. Longevity is especially valuable in the fishing industry, where conditions are harsh and fisheries are highly regulated. Experienced captains know their vessels inside and out, understand the fishing grounds, interpret weather patterns, and anticipate hazards, all of which translates into safer operations and fewer accidents. CBSFA deeply appreciates these long-standing partnerships and sincerely thanks each of our captains for their many years of service, dedication, and commitment to CBSFA and the community.

30 Years

Captain David Jensen (pictured with his son and deckhand Jakob) has worked on the *F/V Starlite* for 30 years as a crewman, engineer, and eventually as captain. A highly skilled engineer and fisherman, Dave recently announced his retirement after decades at sea. CBSFA thanks Captain Dave for his years of dedication, excellent service, and for leading a professional, productive, and safe operation. We wish Captain Dave the very best in his future endeavors – he will be greatly missed. We will also miss his talented son Jakob, who is moving on as well. Together, they were an outstanding team. Congratulations, Captain Dave!

25 Years

Captain Camilo Neto worked on the *F/V Starlite* for 7 years before moving to the *F/V Starward* 18 years ago, for a total of 25 years with the Star Boats! Some say Captain Camilo was born with gills and the ability to think like a fish given how good he is at fishing. Camilo is deeply appreciated for his leadership, skill, and the professional, well-run operation he has maintained throughout his career. Congratulations to Captain Camilo on 25 successful years with the Star Boats!

34 Years

Captain Mark Medjo, pictured with his Unangan wife Lydia from Unalaska, has served as a crewman, engineer, and captain on the *F/V Early Dawn*, fishing crab in the Bering Sea for an astounding 34 years! Passionate about crab fishing and proud to be both captain and part owner of the vessel, Mark has gone from being one of the young guys in the fleet to one of the respected old-timers that others look to for guidance. His wealth of experience and expertise have helped the *F/V Early Dawn* operate safely and profitably for decades. Congratulations to Captain Medjo for his outstanding longevity and leadership on the *F/V Early Dawn*!

11 Years

Captain Robert Christensen, an Alaskan native from Emmonak, has worked for CBSFA as a crew member and captain on the *F/V Saint Peter* since 2014, though his fishing background stretches back many more years. A friend to many from home, Robert operates in and out of Saint Paul Harbor during the summer months while fishing CDQ and IFQ halibut for CBSFA and its members. He also captains the vessel for Pacific cod, sablefish, and occasional research work. Thank you and congratulations to Robert for his 11 years of dedicated service on the *F/V Saint Peter* and for working closely with CBSFA on its lifeblood halibut fishery.

13 Years

Captain Michael Spokas (AKA Yle), pictured here with his wonderful wife Steph, has captained the *F/V Saint Paul* since 2012. Known as a hard-charging, head-down, get-it-done fisherman, he is also a thoughtful, data-driven, and strategic leader. Yle is consistently a top performer in the under-60' pot cod fleet and has been an instrumental part of CBSFA's success in harvesting sablefish. His ingenuity, leadership, and determination are greatly appreciated. Congratulations to Captain Yle on 13 years of service on the *F/V Saint Paul.*

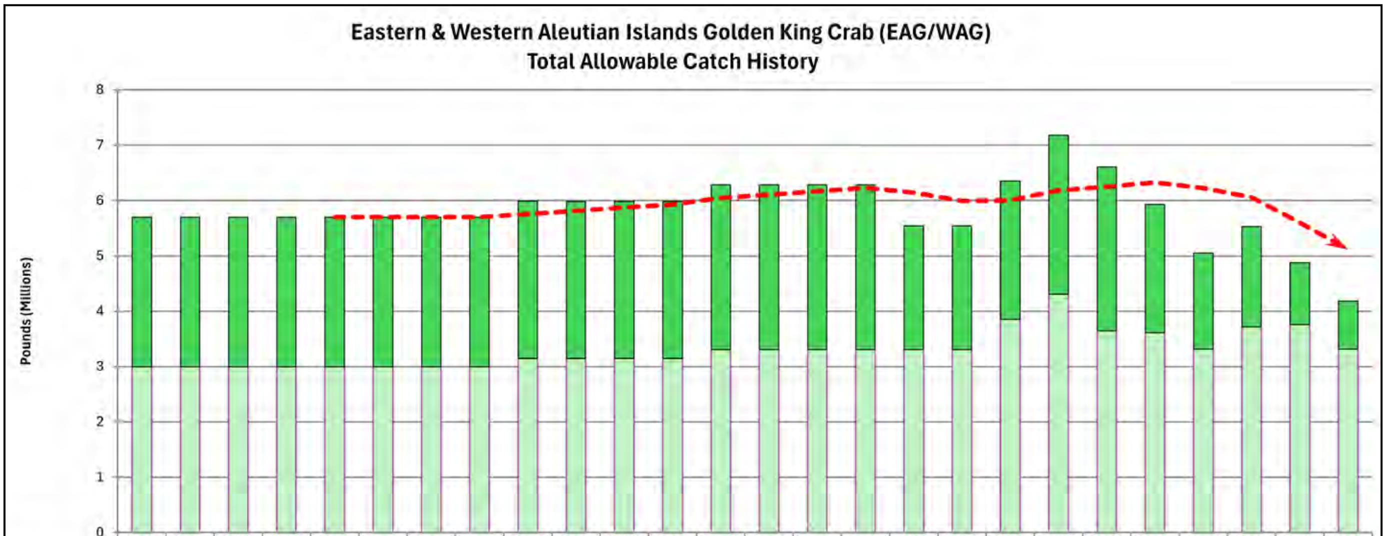
F/V Early Dawn

CBSFA is proud to announce another milestone project and major investment in St. Paul's future: the sponsoning (lengthening and widening) of the *F/V Early Dawn* at Fred Wahl Marine Construction, scheduled to begin in late November 2025. By August 2026, the vessel will be transformed from its current 108-foot length and 27-foot beam with a two-story wheelhouse into a 110-foot length and 41.5-foot beam and new three-story wheelhouse. Once complete, the *F/V Early Dawn* will emerge as a modern, highly capable harvesting platform that we can all take pride in – one that will represent the strength, resilience, and hope of our community.

CBSFA first purchased a 30% stake in the *F/V Early Dawn* and its crab fishing rights in 2003, gradually increasing ownership over time to today's 83%. UniSea currently owns 12%, and Captain Mark Medjo owns 5%. Since 2016, the *F/V Early Dawn* has been CBSFA's most profitable vessel – having made $6 million in profit distributions to its owners during this time! The CBSFA and SPFC Board of Directors are excited about this project and about ensuring Saint Paul's longevity in the Bering Sea crab fisheries that surround our community. This is a fresh start of sorts for the *F/V Early Dawn* and CBSFA's crab harvesting operations.

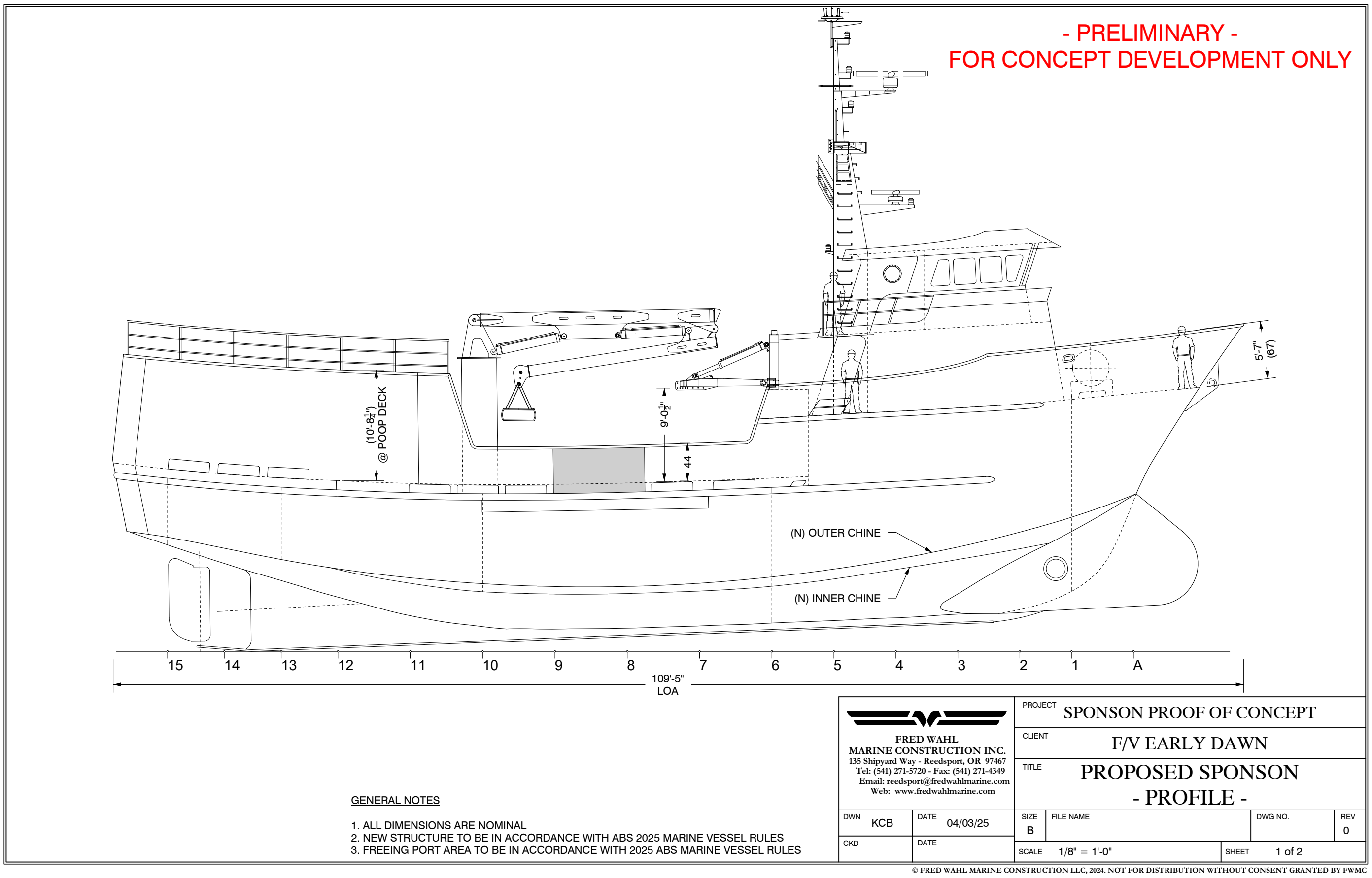
The *F/V Early Dawn* specializes in the Eastern Aleutian Islands Golden King Crab (EAG) fishery where pots are longlined rather than set individually as in the Opilio, Bairdi, and Bristol Bay Red King Crab (BBRKC) fisheries. Golden king crab inhabit deep, rocky, and complex habitats along steep terrain and strong currents in the Aleutian Chain. Thanks to conservative management by the Alaska Department of Fish and Game and the National Marine Fisheries Service, the EAG resource has remained impressively stable for decades. The annual Total Allowable Catch (TAC) in the eastern district has ranged from 3 million to just over 4 million pounds over the past 25 years – highlighting both the stability and resilience of the stock. Today, only four vessels participate in the Aleutian Islands Golden King Crab (AIGKC) fishery, with two operating in the western area, and two in the eastern area including the *F/V Early Dawn*. EAG remains the core activity for the *F/V Early Dawn*, and the stability of this fishery gives CBSFA added confidence in making this investment.

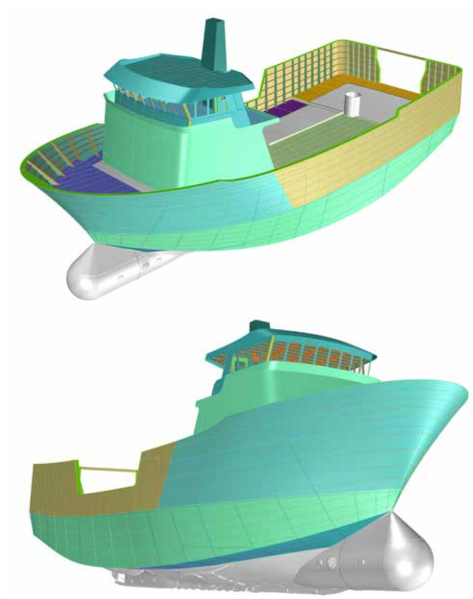
This graph below shows the annual TAC for both the eastern and western districts of the AIGKC fishery. The light green bars represent the EAG portion of the fishery, and the dark green bars represent the western district, where things haven't been quite as stable in recent years.



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
WAG	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.84	2.835	2.835	2.835	2.98	2.98	2.98	2.98	2.235	2.235	2.5	2.87	2.96	2.32	1.73	1.81	1.12	0.87
EAG	3	3	3	3	3	3	3	3	3.15	3.15	3.15	3.15	3.31	3.31	3.31	3.31	3.31	3.31	3.856	4.31	3.65	3.61	3.32	3.72	3.76	3.32
5yr Moving Avg	0	0	5.7	5.7	5.7	5.7	5.7	5.7	5.758	5.815	5.872	5.929	6.047	6.107	6.168	6.229	6.141	5.992	6.0052	6.1832	6.2472	6.3242	6.2252	6.06	5.6	5.116

EAG WAG 5yr Moving Avg





The EAG fishery has been the *F/V Early Dawn's* primary activity for many years, though the vessel also has a solid history of fishing opilio and BBRKC alongside the *F/V Fierce Allegiance* and, for a short time, the *F/V Adventure*. Its effectiveness in these fisheries, however, has been limited by size and capacity. At 108 feet long and 27 feet wide, the *F/V Early Dawn* can currently carry 101 opilio/BBRKC pots to the fishing grounds, but only 52 pots when loaded with crab, and even fewer under icing conditions.

The upcoming sponsoning will significantly expand this capacity. While design and engineering work are still underway, projections show the *F/V Early Dawn* will be able to carry up to 180 pots with all three tanks full of crab. This enhanced capacity will make the vessel far more efficient, capable, and safer for our crew, especially when working around the ice edge in the winter months while fishing opilio and Bairdi.

Upon completion, the *F/V Early Dawn* will stand among the most capable and efficient crab vessels in the Bering Sea. For CBSFA and the community of Saint Paul, this investment is particularly meaningful, as it reflects both our longstanding stake in crab fisheries and the critical role these resources have played in sustaining our local economy. With current science and observations pointing to an increasing abundance in opilio and western Bairdi stocks, and with cautious optimism that the Trident plant in Saint Paul will reopen soon, the timing of this project will position CBSFA and our community well for the future.

F/V Chagix

Introducing the *F/V Chagix!* CBSFA is proud to announce the addition of a brand-new, state-of-the-art 58-foot combination vessel, now under construction at Fred Wahl Marine Construction (FWMC) in Reedsport, Oregon. Bigger, better, and more capable, the *F/V Chagix* represents another investment into the future of our community. This vessel, proudly carrying the name Chagix and trimmed in the same green color as our Church, stands as a milestone of growth and opportunity for CBSFA and its members.

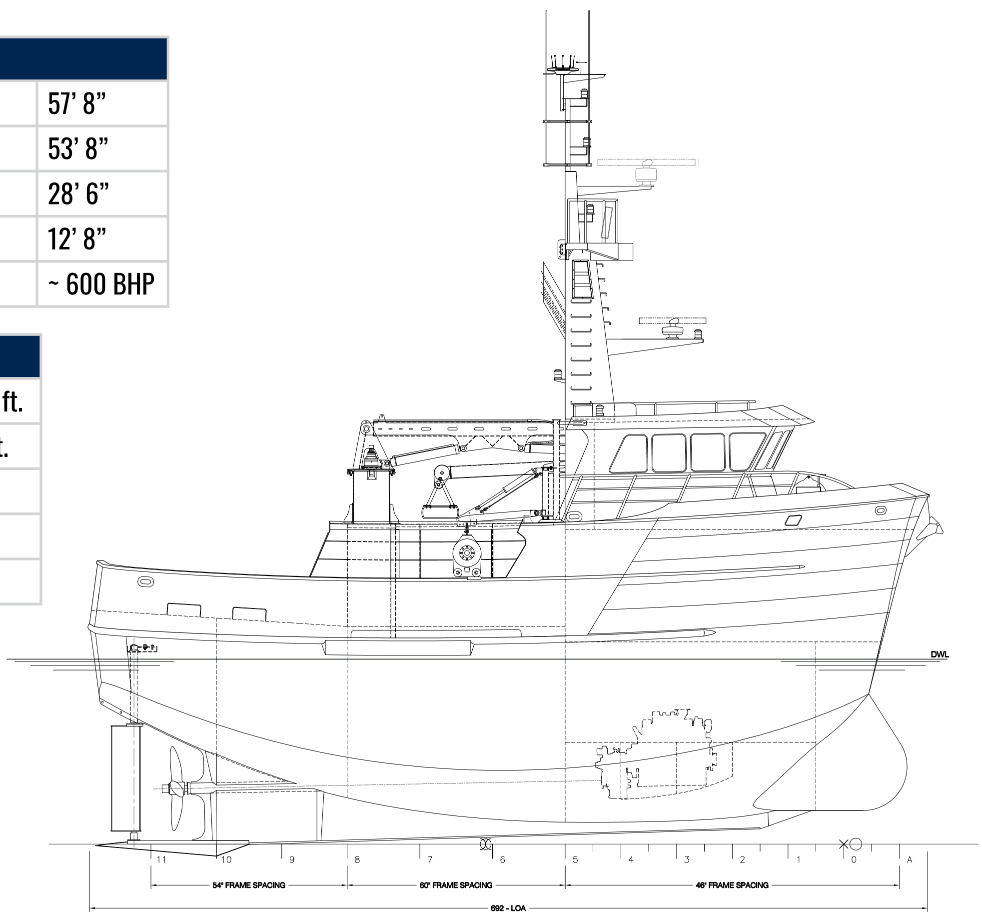
The *F/V Chagix*, with a delivery date of December 2025, will be a sistership to CBSFA's other vessels – the *F/V Saint Paul* and *F/V Saint Peter* and will serve our community in numerous capacities. To pay the bills, the *F/V Chagix* will participate in the State and Federal Pacific cod fishery in the winter months, and the sablefish fishery in the spring and fall. Most importantly, during the summer season, the *F/V Chagix* will support our community and small boat fleet as the designated tendering vessel for the local halibut fishery.

With the addition of the *F/V Chagix* to CBSFA's fleet, we will have the ability to move heavy freight to and from Dutch Harbor at no cost to our members. This can include things like furniture, appliances, vehicles, construction materials, and other goods that are important to our residents – but that are difficult and expensive to ship. In addition, CBSFA will offer transportation to and from Dutch for residents, contractors, or others as it tenders halibut for the local small boat fleet between June and September. We are excited to offer these services and employment opportunities for our members going forward.

Look for the *F/V Chagix* in the Saint Paul Harbor in June 2026! To celebrate its Christening and arrival, CBSFA will host an open house for its members to come aboard and tour our community's newest vessel.

Particulars	
Length Overall	57' 8"
Length, Registered	53' 8"
Breadth, Molded	28' 6"
Depth, Molded	12' 8"
Engine HP	~ 600 BHP

Capacities	
Fish Hold (Wet)	~ 4080 cu. ft.
Bait Hold	~ 520 cu. ft.
Fuel	~ 9170 gal.
HYD Oil	~ 370 gal.
Fresh Water	~ 3850 gal.



Local Halibut Fishery

CBSFA's support of the local halibut fishery has grown over the years and has evolved to provide complete support for this fishery, at all levels.

In late 2024 we celebrated the news that CBSFA and a coalition of halibut-dependent stakeholders had prevailed in a lawsuit challenging the implementation of Amendment 123 (A-123) which requires halibut bycatch limits in the groundfish fisheries to be based on abundance. From start to finish this effort took eight long years, but it was worthwhile as A-123 not only protects our halibut resource, but the fishermen that depend on it. The results have been immediate: A80's halibut bycatch in 2024 was down 15% compared to 2023, the year before A-123 was implemented, and the burden of conservation of this precious resource is now shared more equally among user groups.

Locally, the halibut fishery is a major source of employment, income, and subsistence for the community. In comparison to CBSFA's other groundfish allocations, halibut CDQ can be harvested with small boats and provides an opportunity for income to be earned directly by CBSFA members.

CBSFA's halibut CDQ allocation is made available for local fishermen to harvest and CBSFA purchases the halibut caught by the local boats. The Local Fleet Support Program provides launch and retrieval services for local vessels, as well as access to the new CBSFA Boat Shop for maintenance, repairs, and upgrades. Every year, CBSFA hires a crew to install the floating docks in the small boat harbor to provide moorage. When the docks are in the water, CBSFA provides security coverage to keep the docks and fishing boats adequately monitored. The CBSFC Loan Program provides access to capital for fishermen to buy boats, gear, vessel upgrades, and halibut IFQ. In the offseason, CBSFA staff are active at fishery management bodies that regulate the halibut fishery, advocating for annual halibut catch limits, reductions to halibut bycatch, and improvements to the halibut IFQ program.

Since the closure of the opilio crab fishery in 2023, the local processing plant has been in standby mode and is not set up to process fish, blast freeze halibut, or make ice. In response to the change in the plant capability, CBSFA made arrangements and invested in equipment to allow for locally caught fish to be tendered to Akutan and Dutch Harbor. For the second summer in a row, CBSFA has operated the local halibut fishery with this arrangement. A small shore support crew was hired to handle the deliveries and run fish tickets, and the *F/V Saint Paul* shuttled fish south for processing. The tendering operation has proven to be efficient and successful in providing our local fleet with a market.

The *F/V Saint Paul* also provided the local fleet with diesel fuel sales direct from the vessel, giving the local fishermen an option to purchase cheaper fuel at pricing equal to diesel available in Dutch Harbor. In 2025, CBSFA provided a subsidy to active local boats that purchased gasoline from the City of Saint Paul to provide parity across the fleet for fuel pricing as it is more dangerous to transport gasoline on the *F/V Saint Paul*.

In 2024, the local fleet had 8 active vessels participate, which was lower than in 2019, the last season we had a local fishery. The local fishermen worked through windy weather most of the season and had generally low catch rates. They landed around 182,000 pounds of CBSFA CDQ and local IFQ. The coastwide halibut resource is currently experiencing a period of low recruitment and at the last International Pacific Halibut Commission (IPHC) meeting, the scientists noted that catch rates across all regulatory areas are likely to be below average – this is exactly what our local fleet saw in 2024. To provide additional harvest capacity, CBSFA leased out CDQ to the *F/V Saint Peter* and made the vessel available to harvest local IFQ to interested quota holders. In total the *F/V Saint Peter* landed around 173,000 pounds.

The 2025 season was a more normal one for the local halibut fishery. The weather was generally less windy and catch rates were higher and more consistent, overall. The local fleet had 7 active vessels participate and they landed around 184,000 pounds of CBSFA CDQ and local IFQ. The *F/V Saint Peter* helped harvest CDQ and local IFQ again, landing around 104,000 pounds. Market pricing for this last season was also very strong with prices in the Bering Sea at $6.00 and higher.

With local vessel participation just a fraction of what it was pre-COVID, it appears that the local halibut fishery is in a period of transition, like many other fisheries around the State of Alaska. When CBSFA ran the Coronavirus Mitigation Payment Program (MPP) for more than a couple of years, it was acknowledged that there was risk that it might result in some negative changes to the local fishery. While the MPP was the best solution to address the financial risk of forgone harvest by the local fleet, there was risk that boats might have mechanical issues from sitting idle and fishermen might move on from the fishery – some of that was certainly seen the last two seasons. In addition, vessel owners and skippers in our fleet are aging with 70% of current active vessel owners and captains over the age of 60. CBSFA will be looking into ways to help increase local fleet participation and ways to improve the transition to the next generation of local fishermen.

One of the actions pursued by CBSFA to respond to the developments resulting from the COVID pandemic has been to work with the North Pacific Fishery Management Council (NPFMC) to secure a permanent solution to the Halibut IFQ Vessel Use Caps for Areas 4B and 4C/D. This action benefits Saint Paul fishermen in 4C/D, and other Bering Sea fishermen facing low halibut quotas, capacity issues, and other developments resulting from the COVID-19 pandemic and the collapse of the crab resource by increasing the utilization of IFQ and increasing fishery revenues. It also provides additional harvest opportunities for vessels that may be constrained by the previous vessel use cap. A key goal has been to maintain the objectives of the IFQ program to provide entry level opportunities and support sustained participation by fishery dependent communities.

CBSFA believes that the local halibut fishery remains an opportunity for people in the community to earn a good living. As long as we can afford doing so, we are committed to continue providing strong support for the local halibut fishery and look forward to next season!

Halibut Abundance-Based Management

On November 8, 2024, CBSFA and other members of the Halibut Defense Alliance (HDA) prevailed in court over efforts by the members of the Amendment 80/Groundfish Forum to undo, through litigation, eight years of efforts to implement halibut abundance-based management of bycatch (ABM) in the North Pacific fisheries.

Development of ABM began immediately after the North Pacific Fisheries Management Council (NPFMC or Council) action in 2015 to reduce static halibut bycatch caps (PSC) in the groundfish trawl fisheries by an average of 23%. This action to reduce the halibut bycatch caps is known as Amendment 111 (A-111). At the time of its passage, the Council committed to further reductions of halibut bycatch based on the annual abundance of halibut determined through Bering Sea surveys.

After the NPFMC took final action in December 2021 to adopt ABM, implementation of this action through rule making and regulations, known as Amendment 123 (A-123) was finalized by the National Marine Fisheries Service (NMFS) and published in the Federal Register on November 23, 2023. The regulations were in place starting in January 2024, and had the immediate effect of reducing the halibut bycatch limit in the bottom trawl fishery by an additional 20%. One of A-123's main objectives is to establish a method of halibut bycatch management that results in a more equitable sharing of the burdens of conservation at low halibut abundance levels, between the directed halibut fishery and the groundfish fisheries that use halibut as bycatch.

However, the Groundfish Forum, representing the Amendment 80 (A-80) groundfish trawl sector, filed a lawsuit on December 19, 2023, in the United States District Court for Alaska requesting that the court vacate NMFS' decision. In response, a coalition of directed halibut user groups, including CBSFA, the Aleut Community of St. Paul Tribal Government (the Tribe) and the City of Saint Paul (the City) formed the Halibut Defense Alliance (HDA) and joined as Intervenors in the lawsuit in support of NMFS, the defendant in this case. CBSFA coordinated the HDA, and took the lead in developing a Memorandum of Understanding (MOU) that governed the groups' activities. In addition, CBSFA helped raise funds to support the defense of ABM, and secured amicus briefs from communities and a number of political representatives, including Senator Dan Sullivan and former Representative, Mary Peltola.

The case against A-123 was heard in the District Court in Anchorage in October 2024, and on November 8, 2024, the court issued a decision upholding A-123. The ruling rejected the legal challenges by the Groundfish Forum, and affirmed the adoption of "Abundance-Based Management" of halibut. As a result, the lower bycatch limits in A-123 remain in effect, benefiting halibut users and halibut-dependent communities throughout the BSAI and beyond.

In a thorough and well-reasoned opinion, the court rejected each of A-80's challenges to the new limits — holding that A-123 did not violate the Magnuson-Stevens Fishery Conservation and Management Act (MSA); the Administrative Procedure Act (APA); or the National Environmental Policy Act (NEPA).

More specifically, the court rejected A-80's claim that A-123 violated National Standard 4, which requires any "allocation of fishing privileges" to be "fair and equitable" and "reasonably calculated to promote conservation." On this point, the court found that A-123 is reasonably calculated to promote conservation, and agreed with NMFS that reducing bycatch and conserving halibut "may benefit the stock," including through "greater survival of small halibut, i.e., under 26 inches in size, which are expected to have longer-term positive impacts on the stock and directed fishing." While the court agreed with the HDA that A-123 is not an allocation, the court nevertheless assumed it is based on NMFS's decision to treat A-111 as such. The court then held that A-123 met both requirements of National Standard 4.

The court likewise rejected A-80's claims that the reduced limits violate National Standard 9 (reducing bycatch to extent practicable) because they contended the reductions are not practicable. Observing that A-80's bycatch has been well below the A-111 limits to the halibut bycatch caps for many years, the court upheld NMFS's conclusion that "further halibut bycatch reductions are practicable through the improved use of existing bycatch reduction tools," including "increased use of deck sorting."

The court also rejected A-80's assertions that purported economic losses from lower bycatch limits make A-123 impracticable. Explaining that "practicable" is not the same as "zero cost," the court affirmed the balance A-123 strikes. As the court explained, the Council and NMFS weighed the potential for the A-80 sector to mitigate negative economic impacts through operational choices; weighed the retrospective estimate of revenue impacts … and weighed the non-quantifiable conservation, social, and management benefits of the abundance-based management of halibut PSC. This analysis, the court found, showed that NMFS adequately explained its conclusion that A-123 was practicable, and in compliance with National Standard 9.

Finally, the court rejected A-80's claim that NMFS violated NEPA by improperly focusing only on the A-80 sector and found NMFS acted reasonably when it "streamlined" the action to cover the A-80 sector alone. The court found the record supported NMFS's decision, noting that A-80 is responsible for the majority of halibut bycatch; when BSAI halibut abundance declines, A-80 bycatch can become a larger proportion of total halibut removals, particularly in Area 4CDE, and can reduce the proportion of halibut available for harvest in directed halibut fisheries; and bycatch in the next highest sector (TLAS) is much lower and already being addressed through other actions. Thus, "in light of the considerable discretion afforded an agency in defining the purpose and need of a project and the thorough deliberative process utilized by the Council," the court found "the revision of the purpose and need statement did not violate NEPA."

The court also rejected A-80's claim that NMFS was required to consider alternatives "that would 'spread the burden' of a reduced halibut bycatch limit across all four groundfish sectors." As the court explained, NMFS considered and rejected these alternatives, because "developing an abundance-based halibut management strategy for all sectors in a single action proved to be too complex and protracted" and the "A-80 sector comprises the majority of halibut PSC mortality."

A-80 had 60 days (until Tuesday, January 7, 2025) to file a Notice of Appeal. Since no appeal was filed, the litigation over halibut ABM concluded and A-123 was affirmed. This was a major victory with long-term consequences for the benefit of the halibut resource and future generations of halibut fishermen from Saint Paul and all over Alaska.

Area 4 Halibut IFQ Vessel Use Caps

Since 2020, with the support of the Council, NMFS has promulgated regulations to remove vessel use caps for IFQ halibut for Areas 4B, 4C/D, and since 2021 for Area 4A. As a result, vessel caps did not apply to Area 4, and IFQ halibut harvested in Area 4 did not accrue to vessel caps in other areas. This action has been beneficial to Saint Paul harvesters in 4C/D, and other Bering Sea fishermen facing low halibut quotas, capacity issues, and other developments resulting from the COVID-19 pandemic and the collapse of the crab resource. Since this action was initially adopted as an emergency response, it is limited in duration and set to expire in 2027.

Throughout 2024, CBSFA and other stakeholders worked with the NPFMC and NMFS to analyze and implement a permanent and more specific solution to the vessel use cap issue for Area 4. This longer-term action would increase utilization of Individual Fishing Quota (IFQ) and increase fishery revenues in Area 4, by providing additional harvest opportunities for vessels that may be constrained by the previous vessel use cap. A key goal was to maintain the NPFMC's objectives for the IFQ program to provide entry level opportunities and support sustained participation by fishery dependent communities.

In 2025, the NPFMC made final recommendations to change the vessel limitations by selecting a preferred alternative to create a new vessel limitation specific to IFQ regulatory Area 4, of five percent (5%) of the Area 4 IFQ halibut TAC. It further specified that halibut IFQ held by an Area 4B CQE does not accrue towards the Area 4 vessel cap, providing an incentive for vessels to fish that CQE quota. Existing vessel caps would remain in place for other IFQ areas. The NPFMC reasoned that this new vessel cap in Area 4 provides additional flexibility for IFQ participants in IPHC Area 4 where fishery conditions continue to be very challenging. Final action is scheduled for December 2025.

57 Degrees North

57 Degrees North, LLC is a wholly owned subsidiary of CBSFA and is the company that holds all its crab processing and harvesting assets.

2024 marks 10 years since CBSFA purchased all of Icicle Seafoods' crab processing and harvesting rights – a major investment, worth nearly $50M at the time! As a community with close proximity to the crab resource, Saint Paul has always been a major participant in the Bering Sea crab fisheries, and the additional investment in these particular crab assets further solidified and uniquely expanded who we are as a crab dependent community.

Prior to the major investment, CBSFA had accumulated ownership on the harvesting side of the crab fisheries through investments in the *F/V Early Dawn, F/V Fierce Allegiance, F/V Ballyhoo,* and *F/V Shishaldin*. Those investments were strategic and driven by CBSFA's relatively large crab CDQ allocations. They allowed CBSFA to earn returns as both a quota holder and vessel owner, as well as increased the amount of harvesting quota owned by CBSFA.

With the acquisition of Icicle's processor quota shares (PQS), CBSFA gained a new role in the crab fisheries world and became a major buyer in the Bering Sea snow (BSS), Bristol Bay red king (BBR), Eastern golden king (EAG), and Bering Sea tanner (Bairdi) crab fisheries. Since CBSFA doesn't have a processing platform of its own, we have engaged in custom processing agreements with our partners, Trident Seafoods and UniSea, to utilize the PQS. This development has allowed CBSFA, and the community, to derive revenue on all sides of the crab fisheries – as a processor, quota holder, vessel owner, and a community through landing taxes.

In total, CBSFA/57 Degrees North is the third largest holder of PQS in the Bering Sea crab fisheries! The bulk of the PQS owned are in the BBR, BSS, and Bairdi crab fisheries where CBSFA holds 12.3%, 17.2%, and 15%, respectively. When we include CBSFA's crab CDQ, the amount of total Bering Sea snow crab that CBSFA buys and processes is close to 20% – this means that 1 out of every 5 Alaska snow crab legs cracked open is courtesy of CBSFA!

On the harvesting side, CBSFA holds considerable amounts in all crab fisheries and owns 4% of BBR, 3.5% of BSS, 4.8% of EAG, and 2.5% of Bairdi. And we currently have ownership in two crab boats – the *F/V Early Dawn* and *F/V Fierce Allegiance*.

Altogether, these investments in crab represent full utilization and leveraging of CBSFA's crab CDQ allocations and have yielded millions of dollars in net revenues that we have been able to put back into the community. And since 2023 they have been fully paid off. Although crab fisheries have struggled the last few years with BBR and BSS fishery closures, 57 Degrees North has continued to remain profitable and a strong contributor to the funds available for CBSFA to use in the community.

The investments have also built up who Saint Paul is in Bering Sea crab fisheries at the fisheries management level. With the crashes and closures in the BBR and BSS crab fisheries, adjustments in the crab world have been made at the operational and regulatory level. CBSFA's large aggregate ownership in crab and participation in all aspects of the crab fisheries have given our community a stronger voice and more influence in discussions and decisions made in these crucial times. The Saint Paul team has and continues to be effective in positioning our community to have the best possible outcomes, given all the challenges. These are covered in more detail in the Regulatory Issues section of the report.

All in all, CBSFA has done well with its crab investments at 57 Degrees North and looks forward to more positive conditions. We have weathered the severe downturn in crab fisheries, having remained profitable and paid off all crab-related debts. The most recent results of the crab survey show cause for optimism in the BSS and Bairdi crab stocks and stability at a lower level for the BBR fishery. We hope this will yield fishery quotas large enough to support reopening the local processing plant, and we will work closely with others in the industry to make that happen.

Crab Rationalization Program Review

At its June 2024 meeting, the NPFMC evaluated and approved the 17-Year BSAI Crab Rationalization Program Review. All rationalized fishery management programs are required to be periodically reviewed. The review concluded that the Crab Program had been largely successful in meeting the objectives initially established by the NPFMC when it adopted the program in 2004.

However, in response to stakeholder comments and the need to update and modernize certain elements of the Crab Program, the Council requested a discussion paper to consider amending components of the Binding Arbitration regulations. The discussion paper brought back to the NPMFC in December 2024 covered four issues of primary concern: the timing of joining an arbitration organization, requirements of the binding arbitration system, whether IPQ/IFQ holders are able to withdraw applications prior to quota issuance, and a consideration of alternative structures under low total allowable catch (TAC) levels that would remove binding arbitration requirements.

The NPFMC moved to initiate an analysis of improvements to the Binding Arbitration process and directed NPFMC staff to continue working on limited revisions intended to increase transparency, provide flexibility, and reduce program costs and burdens for participants without changing the overall program structure and objectives. These revisions, if implemented, could allow processing to become more cost effective, thereby benefitting owners of processor quota – such as CBSFA – by reducing custom processing fees, and could potentially increase the chances that the Saint Paul plant would be able to operate viably.

In addition, CBSFA and other stakeholders have continued to explore alternate structures which could make the Crab Program more responsive to the new realities of low TAC and unstable crab fisheries. However, consensus among the key sectors is still being developed, and no Council action has taken place.

Relief from Crab Regional Landing Requirements

The Alaska Department of Fish & Game (ADF&G) announced on October 4, 2024, the reopening of the Bering Sea snow crab (BSS) fishery after it was closed for two consecutive years. However, the total allowable catch (TAC) of 4.72 million pounds, of which 1.57 million pounds had a North Region designation, was unfortunately too small to justify opening the Trident Seafoods plant on Saint Paul to the processing and custom processing of north designated BSS quota. The plant requires a much larger volume of crab being processed to sustain its operations and cover fuel, labor, and other expenses. In addition, there were no other viable processing platforms to process the limited quota in the northern region. The risk was that the 1.57 million pounds of BSS crab would be stranded and none of the crab industry participants, including CBSFA or Saint Paul, would benefit from the resource.

In response to this unprecedented situation, and at the request of the NPFMC, CBSFA as the Eligible Crab Community Organization (ECCO) for Saint Paul worked intensely over a three month period with harvesters, processors, and other crab community representatives to secure an exemption to the regional delivery requirements of the Crab Rationalization Program. The objective was to allow all of the BSS quota to be processed in the two available southern region processing platforms.

This was the first time the exemption process for providing relief from regional delivery requirements had been invoked since the implementation of the Crab Program in 2004. These provisions were developed during the early years of the Crab Program and were intended for use in response to ice pack or other natural events preventing delivery and/or processing in a harbor. Although the regional exemption process was not designed to address capacity or economic issues, it was the only tool that crab fishery participants could use to provide relief to the fishery.

Since the BSAI crab fisheries are divided into two regions – North and South – the exemption process in essence relaxes regional delivery requirements in the event of an emergency in one region and allows deliveries to be made in the other region. Harvester, processor, and community representatives interested in availing themselves of this relief must submit a Pre-Season Notice of Exemption with NMFS which prequalifies the interested parties, and then if an event occurs, submit an In-Season Notice of Exemption. In addition, the parties must attest that they have developed a Framework Agreement and Exemption Contract spelling out the conditions under which the regional exemption is to take place, including compensatory deliveries between regions or monetary compensation. All crab stakeholders must agree.

After three months of negotiations in which CBSFA played a leading role, this was successfully achieved and on December 31, 2024, NMFS announced an In-season Notice of Exemption from regional delivery requirements. For CBSFA a key condition for allowing the exemption to happen was for the City of Saint Paul to be able to collect seafood taxes corresponding to the northern region BSS crab that would be processed in Unalaska. To achieve this, the cities of Saint Paul and Unalaska signed a Memorandum of Agreement (MOA) whereby Unalaska agreed to collect and disburse to the City of Saint Paul its corresponding share of North Region seafood taxes. Although the amounts collected for Saint Paul were small compared to years in which BSS TACs were much larger, at least the municipal government's stake in the BSS fishery was protected. Similarly, the exemption allowed CBSFA and its partners to minimize the losses that would have resulted had the exemption not been secured.

Crab Fishery Closures, Disaster Determinations, and Development of Spend Plans

CBSFA took a lead role in obtaining fisheries disaster determinations from the Secretary of Commerce (SOC) as well as efforts to secure disaster funds from the U.S. Congress in response to ADF&G announcements regarding closures of the Bristol Bay Red King Crab (BBRKC) 2021-22 season, the 2022-23 season for BBRKC and Bering Sea Snow Crab (BSS) and the 2023-24 BSS season. These multiyear closures have had a catastrophic impact on the Bering Sea crab industry and crab-dependent communities including Saint Paul.

Throughout 2023 and 2024, CBSFA and other stakeholders worked with the ADF&G to develop spend plans for approximately $190 million in disaster funds designated in 2023 for the 2021-22 and 2022-23 Bering Sea crab fisheries. In addition, efforts are ongoing in the development of a spend plan for the 2023-24 BSS fishery with $39.5 million in funds set aside by NMFS in September 2024 as well as an additional $300 million appropriated by the U.S. Congress in late 2024.

CBSFA has been an active participant in discussions with ADF&G, NMFS, the U.S. Congress, and other stakeholders in the development of spend plans that are responsive to the need of CDQ groups, CBSFA, Saint Paul, and other communities. As a result of these efforts, CBSFA and other Saint Paul Island entities have collectively received several million dollars in disaster funds to respond to the impacts of the crab fishery disasters. These funds will provide a needed boost to the community at a time when the economic activities and benefits associated with crab harvesting and processing on Saint Paul have been so greatly reduced.

Bristol Bay Red King Crab Enhancement Project

One of the initiatives CBSFA has supported since 2006 is improved crab research and management through the Alaska King Crab Research, Rehabilitation, and Biology (AKCRRAB) program. This program seeks to study and restore king crab stocks by raising king crab larvae in a hatchery from wild broodstock, and releasing juvenile crab to increase the likelihood of the species survival in the wild. AKCRRAB has proven crab culture is feasible and, in 2022, the State of Alaska adopted legislation that would allow for shellfish enhancement.

The U.S. Congress recently approved a Congressionally Directed Spending (CDS) request from CBSFA and other crab industry stakeholders for a total of $4 million in the Consolidated Appropriations Act. This CDS Request which is titled "Bristol Bay Red King Crab Enhancement Project" is administered through the Alaska Fisheries Development Foundation (AFDF) and aims to scale up AKCRRAB's proven enhancement work through collection of wild Bristol Bay red king crab (BBRKC) broodstock, raising the larvae to a juvenile life stage in a hatchery in Saint Paul, and releasing them back into Bristol Bay.

Construction of the hatchery in Saint Paul, inside the Trident plant, will begin in late fall of 2025, and the first brood stock is to be collected in February 2026. The project will include studies on optimum crab juvenile rearing conditions, the most appropriate habitat into which to release crab juveniles, and survival rates post-release. This work in intended to bridge a critical lack of recruitment, which is driving closures for this important commercial fishery valued at approximately $60,000,000 ex-vessel and $120,000,000 first wholesale annually. This project is also expected to support community workforce development, engage the crab industry in research, and equip and repurpose existing community resources to build capacity for future enhancement.

The project partners are Trident Seafoods, Alaska Department of Fish and Game, the University of Alaska and the Tribal Community of Saint Paul Island. Supporters include the Bering Sea Fisheries Research Foundation, community representatives, Alaska Bering Sea Crabbers, and NOAA.

Tax Exempt Status of Certain CDQ Investments and other CDQ Program Issues

In early 2024, CBSFA representatives met with the Alaskan members of Congress in Washington DC to discuss issues of concern to CBSFA, including the closure of the crab fisheries and the need for disaster funds, as well as the need to support the NPFMC's action to adopt halibut ABM.

CBSFA continued to work in 2024 with other CDQ groups and Alaska's congressional offices to secure changes to the CDQ Statute that would clarify the scope of CDQ groups' tax-exempt activities. These efforts succeeded in 2025 with the passage of the One Big Beautiful Bill Act.

The provisions clarify that "any activity substantially related to participation or investment in the fisheries in the Bering Sea and Aleutian Islands statistical and reporting areas…shall be considered substantially related to the exercise or performance of the purpose constituting the basis of such entity's exemption…". It further states that: "[a]ctivities substantially related to participation or investment in fisheries include the harvesting, processing, transportation, sales, and marketing of fish and fish products" of the Bering Sea.

This caps an effort that has lasted more than two decades to clarify that such investments in the Bering Sea are tax exempt. In addition to the tax clarity and certainty it will provide to qualifying CDQ Program investments, it will strengthen the CDQ groups' initiatives to fulfill their statutory mission by investing in fisheries infrastructure, activities and businesses in Western Alaska.

CBSFA has also maintained an active dialogue with other CDQ groups in efforts at the NPFMC to reduce halibut, salmon and crab bycatch in the groundfish fisheries. In particular, throughout 2024, the Council and other forums recognized the unique role that CDQ groups play in efforts to reduce salmon bycatch and respond to the subsistence needs of coastal and upstream villages.

In addition, CDQ discussions in 2024 focused on strengthening the coordination and messaging efforts of CDQ groups in areas of consensus. The Western Alaska Community Development Association (WACDA) developed a protocol to provide general guidance for deciding when and how the CDQ sector agrees on WACDA positions on substantive issues or efforts in areas including: proactive CDQ Engagement, Education, and Advocacy; Regulatory and Legislative Issues; Federal and State Administration Requests for Comments/Positions; and Public Outreach and Media.

Community Outreach

Elders Residential Assistance Program

CBSFA continues to provide annual payments of $4,000 (per household) to energy suppliers or housing entities on behalf of community elders age 55 and over. In 2024, the annual payment was increased from $4,000 to $4,500 to help alleviate the increasing cost of living in rural Alaska.

Residential Assistance Program

This program was created in January 2021 and the intent is to help alleviate the burden of high energy costs affecting our residents. All occupied households on St. Paul Island that are not receiving funding under our Elders Residential Assistance Program are eligible. In 2024 the Board approved increasing the monthly payment from $160 per month to $200 per month and submits payments on behalf of eligible households directly to energy suppliers or housing entities for home heating fuel, electricity, and monthly rent costs. In sum, the monthly payments is $2,400 per year.

Elders and Community Subsistence Donations

Our residents continue to be affected by the rising cost of living in many ways. Subsistence resources continue to be increasingly important to offset these rising costs. In 2024, 10 lbs of Bairdi crab, 30 lbs of golden king crab, and 30 lbs of halibut portions were given to elder households, and each residential household received 20 lbs of halibut portions. During 2025, elder households received Bairdi and golden king crab, salmon portions, and canned salmon, and residential households received halibut portions and red king crab. CBSFA also donated halibut portions to the ACSPI's Elder Lunch Program. **Note: The 2025 dollar amount reflects donations through October 2, 2025.*

Volunteer Tax Program

An annual contribution is made to the Alaska Business Development Center to provide on island tax preparation assistance for community members.

Community Events and Programs

Funds and purchases are contributed to events such as the KUHB Fund Drive and Saints Peter and Paul Holiday.

DL Band

CBSFA purchased equipment so the local band can continue playing live music at community events and fundraisers.

City of Saint Paul Community Events

Funding provided for supplies for the 4th of July and Christmas Program, and stipends to volunteers.

Bereavement

CBSFA provides contributions to funeral arrangements for families of CBSFA members.

City of Saint Paul

Fuel Trailers: Funding provides for two 1,500 gallon fuel trailers, one for diesel and one for gasoline. They're used primarily for the local fleet, but can also be used as a backup if one of the City's fuel tankers is not operational.

Sewer Drain Line Jetter: Funding supports the purchase of a hot water sewer and drainline jetter for cleaning sewer lines and septic tank maintenance.

Tribal Government of St. Paul Island

Youth Internships: In 2023, funding allowed for on-island, part-time employment for six youth tribal members within the Tribe's Bering Sea Campus, Ecosystem Conservation Office (ECO), and Construction Departments. In 2024, funding helped employ twelve youth internships at the Aleut Community Store, Health and Wellness, ECO, Bering Sea Campus, IT, and Human Resources Departments.

Marine Debris Cleanup: Funds allowed for the employment of twelve community residents to participate in the collaborative project between the CBSFA, Aleut Community of St. Paul Island (ACSPI) ECO, and Ocean Conservancy. The cleanup focused on marine mammal habitat rookeries and haulouts at the following locations: Zolotoi Sands haulout to East Landing, Tolstoi rookery, to Big Zapadni rookery, south end of Lukanin Beach to Lukanin, south of Polovina, Kitovi, Marjovi beach, Vistocochni, and Lincoln Bight area. In total, there was 25,588 lbs of marine debris collected.

Housing Development: CBSFA provided a matched contribution that will be used for a 300-foot extension of a residential sewer mainline across the three lots the ACSPI duplexes.

Unangam Tunuu Revitalization: Contribution allows the program to further build on their 2014 Unangam Tunuu Speaking, Listening, Teaching project. Funding contributions support the advancement of the local team's fluency, continued development of advance lessons, and supplies for activities relevant to being Unangax.

Community Outreach	2024	As of 08.13.2025
Elders Residential Assistance Program	280,332	330,625
Residential Assistance Program	148,810	92,600
Elders and Community Subsistence Donations	172,103	101,925*
Volunteer Tax Program	7,000	7,000
Community Events and Programs	5,276	6,577
Bereavement	23,124	13,716
City of Saint Paul: • Community Events • 1500 Gallon Fuel Trailer • Sewer Drain Line Jetter • EMS Stipend • EMS Equipment • NPFMC Travel/Consultation • Fire Hydrant Replacement	 8,617 84,825 75,800 300 4,850 20,140 45,873	 0 0 0 0 0 3,162 0
Tribal Government of St. Paul: • Youth Internship • Tribal Court • Marine Debris • Housing Development • Unangam Tunuu Revitalization	 31,092 51,000 0 0 156,635	 18,441 20,270 20,000 32,691 101,041
Church Donations	45,000	50,000
KUHB Fund Drive	2,500	500
DL Band Donation	0	2,568
Total	**1,163,277**	**699,193**

Education

Scholarships and Training Grants

Since 1993, CBSFA has been providing scholarship and training grants for postsecondary education and vocational training to eligible individuals. Over the years, 60 individuals who were awarded financial aid have successfully received a certification and/or earned one or multiple degrees. The purpose of this program is to be able to train and educate our people and to provide incentives for them to return to our community to build their careers.

AMSEA and First Aid/CPR Training

CBSFA sponsored AMSEA and First Aid/CPR training for St. Paul fishers and the Lunax Search and Rescue crew. Eight individuals completed the 10-hour marine safety training course which provided information on survival equipment and conducted emergency drills. Ten individuals completed the First Aid-CPR course.

Pribilof School District

Preschool: CBSFA began its support for the Montessori Program in the spring 2007 semester, and has continued it since. The program provides early education and activities for kids age two to five and is fully funded by CBSFA. Over the years the style of teaching has shifted more towards a preschool curriculum, a structure that provides an advantage to kids as they enter kindergarten by developing social, reading, and communication skills.

Extracurricular: Our funding helps cover costs associated with the 5th grade class and basketball team travel. These school sponsored trips allow our students to explore places within and outside of Alaska and create memorable experiences.

Education	2024	As of 08.13.2025
Scholarships	49,300	41,000
Training Grants • AMSEA and First Aid/CPR Trainings	8,997 9,180	12,350 16,181
Pribilof School District: • Preschool • Extracurricular	 108,592 15,000	 114,950 20,000
Preschool Graduation	500	0
8th Grade Graduation	769	0
Graduation Gifts	2,000	6,055
Total	**194,338**	**210,536**

Financial Report

Central Bering Sea Fishermen's Association (CBSFA) demonstrated solid financial performance in fiscal year 2024, showing notable growth in revenue, efficient cash flow management, and resilience despite challenges in the fishing industry.

Revenue grew by 11% to $33.8 million (from 30.3 million), with fishing operations, and leased quota income as key contributors. Strong final market prices in high value fishing quotas such as Bristol Bay king and golden king crab made a significant impact to revenue gains. Total expenses rose modestly to $29.9 million (from 29.1 million), with fishing operations accounting for the majority. As fishing activities represent the primary sources of both revenue and expenditure, CBSFA closely tracks operational margins to maintain sustainable profitability. Education, outreach, and community programs together exceeded $1.6 million, reflecting CBSFA's continued investment in the community.

Total assets increased to $118.9 million (from $117.1 million), driven by a rise in cash, while liabilities grew to $8.1 million (from $4.9 million) due to higher accounts payable and accrued expenses. It should be noted that CBSFA does not carry any long-term debt obligations. Net assets decreased slightly to $110.8 million (from $112.1 million), reflecting a net reduction of $1.3 million. The decline in net assets is primarily due to an impairment of fishing and processing rights assets amounting to $4.9 million. Each year this asset is compared to market, if the market value is lower, the asset incurs an impairment. The impairment is a non-cash expense to the financial statements that increases expenses and reduces net assets.

CBSFA achieved significant improvements in cash flow efficiency, with net cash provided by operating activities more than doubling to $9.4 million (from $4.2 million). This demonstrates that core programs and fisheries revenues are financially sustainable

Overall, CBSFA's financial results highlight its commitment to financial sustainability and operational efficiency. CBSFA's financial health remains solid, well-positioned for long-term growth.

Central Bering Sea Fishermen's Association & Subsidiaries

Consolidated Statements of Financial Position | December 31, 2024 and 2023

Assets		2024	2023
Current assets:			
Cash and cash equivalents	$	30,274,932	21,564,095
Restricted cash equivalents		1,003,588	1,003,588
Accounts receivable, net		2,831,084	2,313,950
Prepaid expenses		979,965	875,391
Total current assets		35,089,569	25,757,024
Investments		—	350,222
Prepaid expense and other		5,140,008	5,140,008
Loans receivable, net		473,402	470,792
Investment in nonmarketable equity securities		4,141,107	4,086,862
Property and equipment, net		11,344,570	13,564,751
Operating lease right-of-use assets		387,858	470,850
Fishing and processing rights		62,300,531	67,232,692
Total assets	$	118,877,045	117,073,201
Liabilities and Net Assets			
Current liabilities:			
Accounts payable and accrued expenses	$	7,976,897	4,732,337
Current portion of operating lease liabilities		65,743	64,307
Total current liabilities		8,042,640	4,796,644
Operating lease liabilities, less current portion		80,167	147,267
Total liabilities		8,122,807	4,943,911
Net assets:			
Without donor restrictions:			
CBSFA		103,269,860	104,785,748
Noncontrolling interests		7,484,378	7,343,542
Total net assets		110,754,238	112,129,290
Commitments and contingencies			
Total liabilities and net assets	$	118,877,045	117,073,201

Central Bering Sea Fishermen's Association & Subsidiaries

Consolidated Statements of Activities | Years ended December 31, 2024 and 2023

		2024	2023
Revenue, gains, and other support:			
Revenue from fishing operations	$	27,233,931	25,429,615
Leased quota income		4,558,329	4,327,159
Investment and other income		1,950,950	531,577
Equity in income of equity method investees		54,245	45,431
Total revenue, gains, and other support		33,797,455	30,333,782
Expenses:			
Program:			
Fishing operations		21,409,711	21,663,555
Education and outreach		1,306,894	1,039,184
Vehicle and equipment operations		1,332,744	1,144,015
Small boat operations		329,531	291,626
EFH advocacy and research		383,913	302,797
Community infrastructure support		—	34,500
Total program		24,762,793	24,475,677
General and administrative		5,090,553	4,671,949
Total expenses		29,853,346	29,147,626
Impairment of fishing and processing rights		(4,932,161)	(3,632,678)
Gain (loss) on sale of asset		—	7,052
Change in net assets	$	(988,052)	(2,439,470)

Central Bering Sea Fishermen's Association & Subsidiaries

Consolidated Statements of Changes in Net Assets | Years ended December 31, 2024 and 2023

	CBSFA	Noncontrolling interests	Total
Net assets, December 31, 2022	$ 107,608,528	7,379,232	114,987,760
Change in net assets	(2,822,780)	383,310	(2,439,470)
Distributions	—	(419,000)	(419,000)
Net assets, December 31, 2023	104,785,748	7,343,542	112,129,290
Change in net assets	(1,515,888)	527,836	(988,052)
Distributions	—	(387,000)	(387,000)
Net assets, December 31, 2024	$ 103,269,860	7,484,378	110,754,238

Central Bering Sea Fishermen's Association & Subsidiaries

Consolidated Statements of Cash Flows | Years ended December 31, 2024 and 2023

		2024	2023
Cash flows from operating activities:			
Change in net assets	$	(988,052)	(2,439,470)
Adjustments to reconcile change in net assets to net cash provided by operating activities:			
Depreciation		2,829,144	2,904,554
Reduction of right of use assets		82,992	85,854
Distributions in excess of earnings (undistributed earnings) of equity method investee		(54,245)	464,569
(Gain) loss on sale of assets		—	(7,052)
Impairment of fishing and processing rights		4,932,161	3,632,678
Change in operating assets and liabilities that provided (used) cash:			
Accounts receivable, net		(517,134)	(1,869,559)
Prepaid expenses		(104,574)	230,854
Lease liability		(65,664)	(67,487)
Accounts payable and accrued expenses		3,244,556	1,316,583
Net cash provided by operating activities		9,359,184	4,251,524
Cash flows from investing activities:			
Purchase of property and equipment		(643,600)	(1,814,940)
Proceeds from the sale of fixed assets		34,641	7,052
Issuance of notes receivable		(14,333)	(107,804)
Principal payments received on loans receivable		11,723	24,557
Sale of investments		350,222	316
Net cash used in investing activities		(261,347)	(1,890,819)
Cash flows from financing activities:			
Distributions to noncontrolling interest		(387,000)	(419,000)
Principal payments on long-term debt		—	(13,390,669)
Proceeds from advances on line of credit		870,000	500,000
Payments on advances on line of credit		(870,000)	(500,000)
Net cash used in financing activities		(387,000)	(13,809,669)
Net increase (decrease) in cash, cash equivalents, and restricted cash equivalents		8,710,837	(11,448,964)
Cash, cash equivalents, and restricted cash equivalents:			
Beginning of year		22,567,683	34,016,647
End of year	$	31,278,520	22,567,683
Supplemental disclosures of cash flow information:			
Cash paid during the year for interest	$	4,233	163,722
Supplemental schedule of non-cash investing and financing activities:			
Right-of-use assets obtained in exchange for lease obligations	$	—	102,728

Central Bering Sea Fishermen's Association & Subsidiaries

General and Administrative Expenses | Years ended December 31, 2024 and 2023

		2024	2023
General and administrative expenses:			
Board expenses:			
Travel and per diem	$	18,639	7,604
Directors fees		129,571	41,400
Board training		97,217	—
Other		22,550	47,142
Total board expenses	$	267,977	96,146
Staff:			
Payroll and taxes	$	1,782,112	1,772,414
Benefits - incl. medical, dental, vision		571,629	607,682
Benefits - retirement		142,753	155,265
Total staff	$	2,496,494	2,535,361
Travel and per diem:			
Staff	$	100,862	39,729
Total travel and per diem	$	100,862	39,729
Other:			
Accounting and audit fees	$	360,511	205,772
Bad debt		—	—
Bank fees		4,918	16,836
Contributions		1,500	1,250
Copying and printing		2,843	2,881
Depreciation & Amortization		23,635	15,458
Dues, subscriptions and memberships		246,905	119,339
Fines & Penalties		140	1,233
Insurance		718,163	818,144
Interest		4,233	163,722
Legal fees		213,218	9,767
Licenses and fees		63,233	71,482
Meals and entertainment		11,386	6,352
Miscellaneous		262,747	135,555
Office supplies		22,334	17,354
Postage and freight		3,158	3,598
Professional fees		13,376	37,343
Rent and storage		72,861	100,263
Repairs and maintenance		33,858	22,257
Small office equipment		21,754	6,861
Taxes		—	—
Telephone and internet fees		106,350	137,604
Training		—	5,771
Utilities		38,098	101,871
Total other	$	2,225,220	2,000,713
Total general and administrative expenses	**$**	**5,090,553**	**4,671,949**

Transparency Disclosures

Section 305(i)(1)(F)(II) of the Magnuson-Stevens Fishery Conservation and Management Act, as amended by section 416 of Public Law 109-241 (the Coast Guard and Maritime Transportation Act of 2006), requires that each CDQ entity "comply with State of Alaska law requiring annual reports to the entity's member villages summarizing financial operations for the previous calendar year, including general and administrative costs and compensation levels of the top five highest paid personnel."

CBSFA remains in compliance with Section 305(i)(1)(F)(II) of the Magnuson-Stevens Act and as the CDQ group for the village of St. Paul, hereby submits the following disclosures for calendar year 2024.

Directors:

CBSFA directors receive $500 for each board meeting less than two hours duration, $650 for meetings two to eight hours, and $1,000 for meetings more than eight hours. In 2024 CBSFA paid $48,465 to CBSFA Directors, $4,550 to CBSFC Directors, and $5,000 to SPFC Directors. In addition to director's fees, $113,576 was paid for life insurance policies.

Related Party Transactions:

CBSFA's wholly owned subsidiary Central Bering Sea Fishermen's Corporation operates a vessel and gear loan program for member fishermen. Loan terms range from seven to ten years with interest at 3% annually. Loan payments are withheld from ex-vessel payments. The CBSFC board of directors has appointed an independent loan committee to review and approve or disapprove loan applications. For 2024, one (1) loan was made to Daniel Porath Sr. (CBSFA Board Member) exceeding $20,000. The terms and conditions of the loan are identical to loans made to non-related parties.

Legal Proceedings Involving Directors:

There were no legal proceedings involving CBSFA and its directors during the year.

Auditor Relationship:

CBSFA has not had any disagreements with its auditors, KPMG, LLP, for either 2024 or 2023. KPMG performed tax preparation, the fees paid for non-audit services as a percentage of total fees paid to the auditor equal 17% for 2024 and 23% for 2023.

Committees:

CBSFA maintains a compensation committee. In 2024, its membership was made up of Amos Philemonoff, Sr. and Jason Bourdukofsky, Sr. The committee's function is to review employee evaluations and to make determinations regarding employee compensation. The committee did not meet in 2024.

Professional Fees:

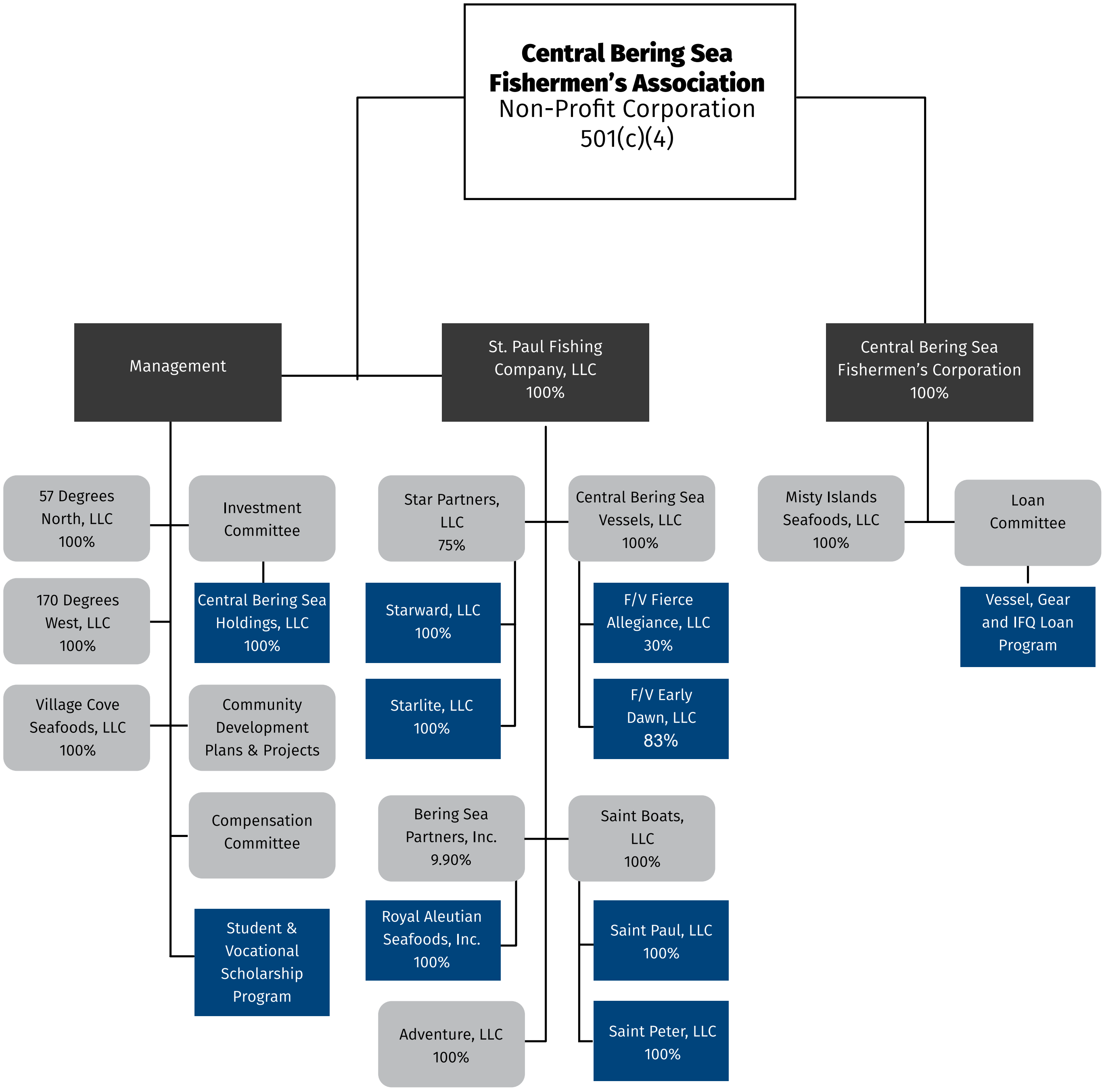
Legal:	$213,218
Consulting:	$281,425
Accounting & Audit Fees:	$360,511
Other Fee:	$13,376
Lobbying Fees:	$9,506

Employee Compensation:

Company, position, and salary information for the top five highest paid personnel within entity and majority owned subsidiaries:

Employee	Position	Company	Salary	Bonus	Total
Ray Melovidov	President	CBSFA	$251,168	0	$251,168
Jeff Kauffman	Chief Executive Officer	SPFC	$244,002	0	$244,002
Joe Kashevarof	Chief Financial Officer	CBSFA	$206,858	0	$206,858
Jennifer Hausmann	Office/Accounting Manager	SPFC	$146,241	0	$146,241
Shiona Melovidov	Administrative Manager	CBSFA	$130,477	0	$130,477

Organizational Chart



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