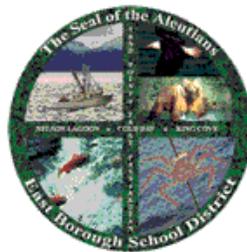
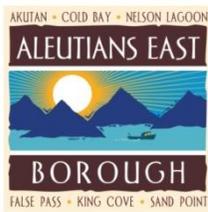


In the Loop



Bringing the Aleutians East Borough, the AEB School District and Eastern Aleutian Tribes together by sharing common goals.

Peter Pan Seafoods Reviews 2018 and Provides Outlook for 2019 during Borough Planning Session

Peter Pan Seafoods provided a recap of 2018 as well as projections for 2019 during the Borough's planning session last December. Vice President of Alaska Operations, Mike Simpson, said with the exception of 2017, the last four years have been extremely challenging for the Alaska fishing business.

Simpson said the winter fishery Gulf pollock A and B seasons were very sporadic with low quotas. However, the C and D seasons were much better.

“The pollock market in general has improved since 2017.” he said. “New product development in the domestic market has relieved some of the inventory issues we were faced with in the past.”

Simpson said the European market and the Chinese trade tariffs resulted in caution by major

buyers, especially in the fish meal section of Peter Pan’s business. The quotas for the sardine fishery in South America increased. As a result, the fish meal market prices declined.

“We have seen significant reduction in the prices and have been hit pretty hard by the tariffs and the improved fisheries in South America,” Simpson said.

As many people are aware, the cod quotas in the Western Gulf were hit very hard last year.

“We focused our efforts on cod in the Bering Sea fisheries,” he said. “Bering sea cod really helped us out in the fall of 2018, and fishing was very good. The cod market has improved moderately over the past year, but we’re starting to see a little bit of consumer resistance from high prices.”

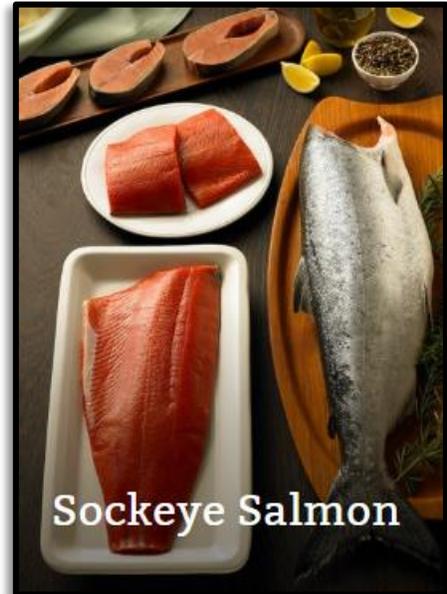
Simpson said the crab fisheries (King Crab and Bairdi quotas) remained at low levels. However, the Opilio quota was up (in 2018).

“We are hopeful for an increased harvest over the next few years,” Simpson said. “Crab market conditions remain favorable for all species.”

The 2018 summer fisheries ended up producing mixed results.



Simpson said Peter Pan Seafoods is excited to open the doors to its reconstructed facility at Port Moller this summer.



Simpson said the 2018 market for fresh and frozen sockeye, H&G and fillet products was very good.

“The dismal pink returns were devastating to the fleet, processors and communities in the area,” Simpson said. “Even year pink salmon returns (during the last four years) have been problematic, and we’ve strived to adjust our operations accordingly to handle those non-pink years,” he said. “However, the market for fresh and frozen sockeye, H&G and fillet products was pretty good and movement has been brisk.”

Simpson said Peter Pan believes the value outlook for fresh and frozen sockeye is relatively good and stable right now.

“The market for half pound sockeye continues to be viable. We saw canned red markets improving in 2018, which is good news for us,” he said. “We limited canned sockeye production in favor of

fresh, fillet and H&G when we have the opportunity, but sometimes volume dictates that we must can some. So, it's nice to have those half-pound can markets improve for us.”

Simpson said while the Port Moller seafood plant is being rebuilt, Peter Pan was able to buy fish on the North Peninsula by incorporating extra tenders and transporting the fish to False Pass or King Cove for processing.

He said he's optimistic about 2019.

“Hopefully, it will be a very successful year for our industry,” Simpson added. “We're very excited to open the doors to our Port Moller facility and start producing (this summer).”

Trident Seafoods Provides Glimpse into Year Ahead at Borough Planning Session

Trident Seafoods reiterated Peter Pan's concerns surrounding some of the difficulties seafood processors and the fishing fleet faced during 2018. Dave Abbasian, Western Alaska Operations Manager with Trident Seafoods, said the seafood processor's Sand Point facility also faced many challenges.

“We have a platform that is designed to process a high amount of groundfish and salmon,” he said. “With the exception of 2017, we haven't really been able to run a lot of pounds through here, so we're working with our local fishermen to provide a viable market.”

Abbasian said this year, Trident is looking at other species and working with the fleet to develop a flatfish market. He said the nominal pollock and cod fisheries have presented difficulties. But the outlook for salmon is positive.



Abbasian said the outlook for salmon is positive. He said Trident is looking at other species and is working with the fleet to develop a flatfish market. Above: Trident's Sand Point facility.

“We're hopeful and expecting a good salmon run this year,” he said. “The plant lives on heavy salmon runs, so we're hoping that we can have that this year. As Mike said, the markets look pretty strong right now, so we're looking forward to that.”



Abbasian said the new platform at False Pass Seafoods, owned by Trident and APICDA, is able to support a large volume of fish.

Abbasian also discussed how Trident recently invested in its False Pass facility (False Pass Seafoods, which is jointly owned by APICDA). He said the facility's new platform is able to support a large volume of fish.

"So if the pinks show up this year, we see ourselves in a great position to support the fleet, both in Sand Point and False Pass," he said.

Abbasian said Trident is also studying the feasibility of running groundfish in False

Pass for the year 2020.

"I think a lot of that will depend on the stock assessment in the Bering Sea and the Gulf to finalize our decision on that," he said.

Next, Abbasian focused on Trident's facility in Akutan.

"For the first time in a long time, we are starting to benefit from a very strong pollock market," he said. The quota seems to be stable, and the market has strengthened."

Abbasian said aside from the tariffs in China and what's going on in South America, everything else with the whitefish market looks very healthy.

"We are investing a lot of marketing, research and development into several projects that we have started, as we try to strengthen the domestic market to support the pollock fishery much more than in the past," he said. It's finally starting to pay off a little bit."



Abbasian said Trident is in the study phase of examining what the future Akutan plant should look like.

Abbasian also answered questions about future plans to rebuild the Akutan seafood plant. He said the dynamics of fish processing has changed in recent years, and Trident is trying to get every bit of value out of the groundfish.

“Many customers want the perfect piece of fish, but the current platforms are not quite able to deliver that in high poundage,” he said, “so we’re having serious discussions, and we’re in a study phase about what a future pollock plant should look like and should be able to do in terms of various product forms that would allow us to compete with other species of fish. We’re examining what it takes, knowing at some point, the Akutan plant needs to be rebuilt.”

Silver Bay Seafoods Shares Plans for New False Pass Facility

Silver Bay Seafoods’ managing partner discussed upcoming plans for its new year-round facility in False Pass during the Borough’s planning session. Silver Bay, which was formed in 2007, has 450 fishermen-owners, and operates in Southeast Alaska, Prince William Sound and in Bristol Bay. Currently, the seafood processor is in the process of wrapping up construction on its \$70+ million plant in False Pass.



Rob Zuanich, Managing Partner with Silver Bay Seafoods, said the False Pass facility is ahead of its building schedule and will be fully operational in May.

“We are well on track and ahead of our building schedule,” said Rob Zuanich, Managing Partner with Silver Bay Seafoods. “We don’t see any complications with being fully operational for the 2019 salmon and whitefish fisheries.”

Silver Bay Seafoods – False Pass, LLC will have the capacity to handle 1.8 million pounds per day.

“We’re getting strong interest from fishermen, and we’re in the process of taking investments,” Zuanich added. “It’s going better than expected.”

Zuanich said Silver Bay is predicated on fishermen ownership.

“We’re going to bring a level of service out to False Pass that I don’t think has been there before,” he said. “Whenever you bring more competition into a fishery, it’s better for fishermen. What’s good for fishermen is good for Silver Bay. We’re going to have a very strong salmon and whitefish fleet for this upcoming season.”

Zuanich said he expects to hire about 400 processors for the False Pass facility throughout the season. The 69,000-square-foot plant is scheduled to open in May. The company will buy and process salmon, cod and pollock as well as additional products in later years.

“We’re very excited,” he said. “We’re really looking forward to working with the fishermen in the future.”

Aleutia Focuses on 2018 and Looks to the Future during AEB Planning Session

Aleutia’s Kyle Foster said since he started in his position as executive director last May, he’s seen triple the interest in salmon. Foster shared a recap of how 2018 went for the non-profit organization, as well as what’s in store for 2019.

“The interest in salmon has really grown this year,” he said. “I see a strong desire for salmon, fresh and frozen fillets, especially coming out of the Aleutian area. People really like the brightness of the sockeye salmon and how well fishermen take care of the fish. I’m getting a lot of compliments on that.”

Foster encouraged the fishermen who harvest seafood for Aleutia to keep up the good work. Aleutia processes salmon out of Sand Point and King crab out of King Cove.

“Since I’ve started, the support for Aleutia has been amazing,” he said, “so I thank the fishermen in all the communities for that. I am very grateful for the support from the Aleutians East Borough and especially the communities of King Cove and Sand Point.

One of the challenges Aleutia faced in 2018 was a large quota cut with King crab.

“That hurt us,” he said. “I don’t know how quotas are going to be in the future, but hopefully, they’re going to increase a little bit, and we can continue doing that.”

Foster said he would like to see if Aleutia can get involved in the False Pass community in some way.

“I haven’t spoken with the processors yet, but I’m looking forward to possibly doing Aleutia sockeye salmon out of that community as well,” he added. “Aleutia is going to continue to seek



Aleutia Executive Director Kyle Foster said the interest in salmon has tripled in the past year.

new opportunities in all the communities.”

Ravn Alaska Provides Update Following Acquisition of PenAir Assets

Ravn Air Group’s Chief Commercial Officer Derek Shanks said the recent acquisition of PenAir will strengthen both Ravn and PenAir and will provide financial stability. Shanks delivered a presentation on what Borough residents can expect at the AEB planning session. On Dec. 21, 2018, the Ravn Air Group, Alaska’s largest regional airline, announced that it had purchased the assets of Peninsula Airways, and created a “new” PenAir, that has joined the Ravn Air Group.

“I say ‘join’ because it’s going to be run as a separate airline and will continue to keep its name,” Shanks said. “PenAir will remain as it is. It will have its own pilots, its own mechanics, its own base and its own responsible executives who are looking after the operations. We’re looking to provide a financially stronger Ravn Air Group to all the communities that PenAir serves and that we serve.”

Shanks said one change passengers will see will be at certain times of the year, PenAir will fly the Saab 2000, which has 49 seats. Other times, it will make sense to fly the



PenAir’s Saab 2000

Dash 8, a twin turboprop aircraft, which can have 27 or 39 seats, depending on which airports have fire rescue. In cases where the plane is configured to go with fewer seats, the plane will be able to accommodate more bags and freight.

“We’ll be able to take advantage of that to ensure that we remain financially strong while providing the right service levels to all the communities, and the fishing and oil industries that we serve,” he said.

Shanks said Ravn will be operating the route to Dutch Harbor on behalf of Alaska Airlines. Just as PenAir did before the acquisition, Ravn will be flying the Saab 2000 there.

“It will be business as usual in terms of the routes that we’re flying, particularly for Cold Bay and Sand Point,” he said. “That is not going to change.”

Passengers will be able to book flights for Cold Bay and Sand Point either through the Penair website or through Ravn Alaska. Those booking flights to Dutch Harbor will continue to do so through Alaska Airlines.

Shanks said the Alaska Airlines mileage plan will remain with PenAir.

“We have certain routes where you can choose whether you want mileage on Alaska Airlines or on our Fly Away rewards program.”

Shanks said pilot shortage is something that the industry as a whole is facing, both locally and around the world.

“The biggest cost increase has been on pilots and mechanics,” he added. “The large carriers, whether it’s Alaska Airlines, Polar Air Cargo or FedEx, are seeing a huge boom. It’s actually driven by Amazon.”

As a result, Shanks said regional carriers, such as Ravn, are offering bonuses for joining.

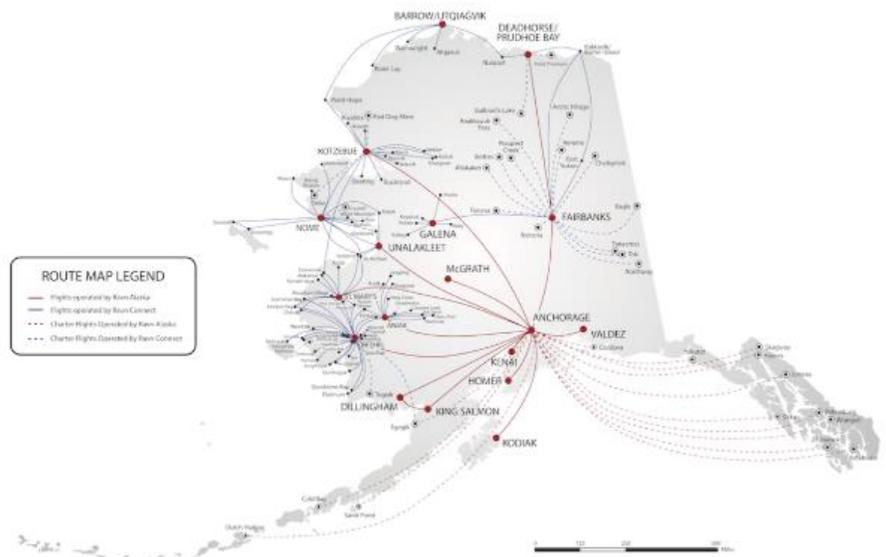
“It’s still a huge challenge, in terms of pilots, but we’re managing at the moment.”

Ravn Alaska has 1,000 employees throughout the state. With the acquisition of PenAir, that brings the total to 1,400 employees.

“We’re protecting nearly 400 jobs (with PenAir),” Shanks said, “which is absolutely crucial for the economy out there.”

Shanks said the airline contributes 8,000 additional jobs, including village agents. Ravn serves 118 communities throughout Alaska.

“We carry 700,000 passengers per year and over 400 flights per day,” said Shanks. “We truly believe we are the Alaskan carrier. Our focus will continue to be on providing a safe and stable operation for our customers and our employees. We’re going through a great period of growth for PenAir and ourselves, and we’re very excited about that.”



Grant Aviation Provides Update on Changes within the Airline during AEB Planning Session

During the AEB planning session in December, Grant Aviation’s President and CEO Rob Kelley provided an overview of changes the airline has made to improve service and reliability in the region. Kelley said the harsh weather and flying conditions continue to present challenges.

“However, we’ve changed the way we’re set up in the Aleutians,” he said. “We have more planes and pilots there now. I think we’re flying much more often and reliably.”

Kelley said Grant Aviation has also replaced the King Air 200 that took a belly landing at the Unalaska Airport in February 2017.

“We replaced it and put it back on our certificate,” he said, “so we’ve got two King Airs as opposed to trying to work that area with just one. We’re seeing tremendous results with the changes we’ve made.”



Grant Aviation CEO Rob Kelley said the airline has two King Air planes to work the Dutch Harbor area now.

Additionally, Kelley said Grant’s plan is to have one Navajo in Cold Bay. A Cessna 207 will be added in Cold Bay during haul in and haul out of the fishing season. Grant will have a spare Navajo available for Dutch Harbor. The spare Navajo will be in Anchorage or Bethel due to the lack of available hangar space but can be moved to Cold Bay or Dutch Harbor in short order.



Grant plans to have one Navajo in Cold Bay.

Grant is also preparing for a much busier season this summer in False Pass, as a new seafood processor (Silver Bay) enters the scene.

“We added some planes and we’ve got the ability to move more planes in for the busy season,” said Kelley. “We’ve talked about this at length, and we’ve got a plan in place to make sure we gear up very quickly to meet those needs when the time is right.”

Other changes include keeping spare parts in Dutch Harbor and Cold Bay when planes break down, so they can be repaired more quickly. Kelley also addressed complaints out of Nelson Lagoon concerning the airline not meeting its three flights per week schedule.

“Historically, we’ve had trouble, especially out of Cold Bay, without having a mechanic there,” he said. “I’m hoping these changes that we’ve implemented are going to correct that.”

Kelley said he’s hopeful that Grant can occupy and lease space in the Borough’s terminal building in Cold Bay, along with Ravn Alaska. He said Grant needs a hangar in Cold Bay to store its planes.

While Grant Aviation and Ravn Alaska are competitors in other areas of the state, they do not compete in the Aleutians.



Kelley is looking forward to hopefully leasing space in the Borough’s terminal building in Cold Bay.

“We embrace Ravn Alaska and look at them as a partner in serving these communities,” Kelley said. “We look forward to interacting with them following their acquisition of PenAir, and feeding our customers to them and visa versa. We think it’ll be a good relationship going forward.”

AEBSD Superintendent Provides Synopsis of District Employee Retention and Student Enrollment

AEBSD Superintendent Mike Seifert provided an overview of teacher retention, student enrollment and maintenance of school buildings within the Aleutians East Borough School District during the recent AEB planning session.

Seifert said over the years, the district has received a significant amount of financial support from the Borough.

“Because of that, we are very fiscally conservative in the district office,” he said. “We’ve reduced costs every single year. I’ve spent about half on superintendent travel compared to my predecessors. Several times, I’ve traveled with AEB Mayor Alvin Osterback and Maintenance Director Emil Mobeck to Akutan and False Pass, which saves money.”

He added that running a school district in rural Alaska is challenging.

“We’re incredibly fortunate to offer the programs that we have,” he said. “We couldn’t do that without the Borough. I think in the six years that I’ve been here, the Borough has never turned the district down for anything. I know that’s not how it is in some places, so I’m very grateful for that.”

Seifert said the relations between the school district and the Borough have improved substantially. In addition, quite a bit of maintenance work on school facilities has been wrapped up as a result.

“We’ve had a lot of projects completed, and our rural schools have never been better,” Seifert said.

One of the district’s big goals has been to quell the high teacher turnover that has occurred in the past.

“Every year, we were hiring 15 or 16 people,” Seifert said.

In recent years, that picture has brightened.

“We’ve had no turnover during the last three years for Akutan and none for False Pass for the last six years,” Seifert said. “So, we’re very happy about that.”

However, Seifert said he is concerned about the student enrollment in one of the Borough schools.

“I’m very concerned about the enrollment for False Pass,” he said. “Projected for next year, we probably have about seven kids. As you know, we don’t receive any state funding if enrollment falls below ten students.”



AEBSD Superintendent Mike Seifert said he’s concerned about the student enrollment in False Pass and has participated in two community meetings focused on ideas to increase the numbers.

Seifert said the district has held two community meetings in False Pass about this issue.

“Mayor Osterback attended one of those meetings, in which we talked about how we can possibly increase enrollment,” he said. “With the new processor coming in, there’s the thought of more families possibly moving in. We’ve sent letters to the new cannery. I’ve met with officials there. We need a family of three or four kids – even more would be better.”

Akutan’s student enrollment, on the other hand, is very favorable this year.



Akutan’s student enrollment has increased over the years. Currently, the school has 18 students.

“When I started with the district, we had 12 kids. We’ve got 18 students in that school right now, so enrollment has been growing,” he said. “and that’s very, very exciting.”

Eastern Aleutian Tribes Lays Out Vision for Quality Health Care in the Region

Eastern Aleutian Tribes’ overall objective is to improve quality services and create a quality system of health care in the region. During the Borough’s planning session, Edgar Smith, Director of Operations with EAT, highlighted what has occurred during 2018, the current challenges and plans for 2019. Goals EAT is pursuing include strengthening communication, focusing on building internal capacity, streamlining processes, creating efficiencies and utilizing staff to the best of their abilities.



EAT Director of Operations Edgar Smith said clinics have had more than 8,000 patient encounters, 6,700 medical appointments and almost 1,000 dental visits during 2018. Pictured above: The Sand Point Clinic.

Smith said EAT’s clinics have had more than 8,000 patient encounters, 6,700 medical appointments and almost 1,000 dental visits during 2018. EAT serves 2,600 patients altogether.

In 2018, EAT was accredited by the Joint Commission for the next three years. The Commission conducted a comprehensive audit, from human resources to medical records keeping, and sets the standards for community health centers.

This year (2019), the U.S. Department of Health and Human Services (HRSA) will conduct a program audit of Eastern Aleutian Tribes. The programmatic audit consists of a team of health field experts sent to review records, speak to staff, the board and the community. The HRSA audit ensures compliance with national standards. Eastern Aleutian Tribes’ compliance with the HRSA regulations allows EAT to access federal grant funds, which total about one third of the organization’s annual budget.

Throughout Alaska, tribal health organizations face challenges to fill clinical positions, especially behavioral health. While filling open positions are a top priority for EAT, Eastern Aleutian Tribes recognizes and values the work of current staff – including behavioral health aids, who are out in the community providing services to those in crisis.

“We’re competing with the rest of the country for behavioral health clinicians,” said Smith. “I think we’re going to look at different things, such as salary and lodging.”

Another challenge EAT is examining is the growth in False Pass that’s expected to occur this summer when Silver Bay Seafoods – False Pass, LLC opens for business.



Eastern Aleutian Tribes is taking a look at staffing needs at the False Pass Clinic with a year-round processor entering the scene this summer.

“The clinic staffing is something we’ll need to look at with a year-round processor coming in,” he said. “However, EAT is very confident that we can meet the expanded health care needs, and we’re excited for the economic opportunity this provides for our local partners.”

Programs that EAT is involved with, in conjunction with the Aleutian Pribilof Islands Association, include the Opioid & Substance Misuse Task Force, which met in October. The task force is collaborating to

identify which prevention, treatment and recovery recourses are needed in the region. In addition, the task force is working on identifying organizations willing to assist in a drug abuse prevention effort in each individual community. Planning is underway for a follow up meeting this spring.

One of the accomplishments EAT is proud to announce is the King Cove Elder Center, which will open soon. The City of King Cove donated the former community center building. The program will serve as a center where elders can get together to fulfill many of their social, physical, emotional and intellectual needs. It will include programming activities and dining on a regular basis to assist elders in remaining mentally and physically active while continuing to live independently. The project entailed several community partnerships. EAT will be announcing a community-wide grand opening soon.



EAT is looking forward to the community-wide grand opening of the King Cove Elder Center.

Overall, Smith said Eastern Aleutian Tribes is planning to enhance the programs currently in place, so quality services will be improved for the region. The transition at EAT is focused on quality services and being a mission-driven organization.

Aleut Marine Mammal Commission
P.O. Box 267
Sand Point, Alaska 99661

EMPLOYMENT OPORTUNITY

The Aleut Marine Mammal Commission is seeking a qualified individual to fill the following position. Resumes may be submitted to the address above. For more information call the AMMC Office at (907) 383-2662(

Position: Executive Director

Salary: DOE, Negotiable

Job Description:

The Executive Director is responsible for the planning and administration of programs designed to meet the goals of the Aleut Marine Mammal Commission as deigned in Commission by-laws and grant guidelines. Work is performed based on independent judgement, and is reviewed for effectiveness through written reports, conferences, and the evaluation of projects by the Commissioners comprising the AMMC Board of Directors.

Examples of Work:

Works with Commissioners, Tribal Leaders, and other Native organizations to develop and organize ways of achieving the mission of the AMMC. Develops proposals for federal and state grants and private funding. Develops communication network between Native marine mammal harvesters, the AMMC, federal and public agencies. Attends meetings, seminars, and other public gatherings for information of interest to the AMMC and its member villages.

Knowledge, Abilities and Skills:

Knowledge of the AMMC Region (Aleutian Islands/Alaska Peninsula); Knowledge of Alaska Native Subsistence lifestyle; Knowledge of various funding sources and grant writing skills used to secure funding. Knowledge of professional and technical aspects of program administration; Knowledge of fundamentals of natural resource planning procedures; Ability to present ideas and recommendations to AMMC members; Ability to effectively present the needs of Native marine mammal harvesters and Tribal Governments to federal and state officials; Ability to demonstrate use of common sense; Ability to work independently with little direct oversight; Ability to plan for, and carry out program goals and objectives.

Deadline: Position is open until filled.

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