



Coastal Villages Region Fund

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June 5, 2008

The Honorable Carlos M. Gutierrez - Secretary of Commerce
U.S. Department of Commerce
Herbert Clark Hoover Building
1401 Constitution Avenue, N.W.
Washington, D.C. 20230

The Honorable Emil Notti - Commissioner
State of Alaska
Department of Commerce, Community and
Economic Development
P.O. Box 110800
Juneau, Alaska 99811-0800

Re: Annual Statement of Compliance for 2007 Investments - 16 U.S.C. 1855(i)(1)(E)(v)

Dear Secretary Gutierrez and Commissioner Notti:

Please accept this letter as Coastal Villages Region Fund's (CVRF) annual statement of compliance as required by section 305(i)(1)(E)(v) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1855(i)(1)(E)(v)) with respect to the investments made by CVRF during 2007.

For the sake of organization and simplicity, CVRF has categorized each of its 2007 investments as either: (A) Fishery-Related or a Past Practice; or (B) Other/Matching/Not Fishery-Related.

Summary of 2007 Investments

(A) Fishery-Related or Past Practice (\$37,389,000):

1. Investments in Bering Sea Aleutian Islands commercial fisheries (\$11,966,300 – 32 %):
 - a. Purchase of harvesting and processing quota in the BSAI crab rationalized fishery.
 - b. Purchase of remaining 10% of three crab fishing vessels.
2. Fisheries-related infrastructure in our communities (\$22,678,911 – 60.7%):
 - a. Began construction of a new in-region salmon processing facility.
 - b. Completed construction of four fisheries support centers.

- c. Completed construction of a new halibut plant.
 - d. Made improvements to in-region salmon and halibut plants.
 - e. Upgraded two tender vessels, two tug boats and two barges.
 - f. Operated in-region salmon operations.
 - g. Operated in-region halibut operations.
 - h. Operated local tenders and bulk transportation vessels.
 - i. Operated local fisheries support centers.
3. Fisheries-related or investments consistent with past practices (\$2,743,400 – 7.3%):
- a. Provided funding for human resource development programs.
 - b. Funded Kuskokwim salmon research.
 - c. Provided free tax preparation assistance to all region residents.
 - d. Provided funds for local community projects.
 - e. Provided matching funds for community mapping projects.
 - f. Provided other fisheries support and development.

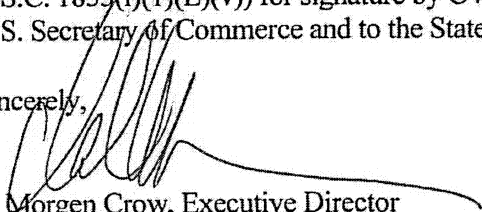
(B) Other/Matching/Not Fishery-Related (\$0)

None.

During 2007, CVRF invested a total of \$37,389,000 in projects that were “Fishery-Related or a Past Practice,” and did not invest in any projects that were “Other/Matching/Not-Fishery-Related.” CVRF made all of its 2007 investments (100%) in projects that were “Fishery-Related or a Past Practice,” thereby exceeding the threshold requirement – 80% -- under clause (iv) of section 305(i)(1)(E) of the Magnuson-Stevens Act (16 U.S.C. 1855(i)(1)(E)(iv)).

The CVRF Board of Directors has approved this Statement of Compliance with respect to its 2007 investments as required by clause (v) of section 305(i)(1)(E) of the Magnuson-Stevens Act (16 U.S.C. 1855(i)(1)(E)(v)) for signature by CVRF’s Executive Director and for submission to the U.S. Secretary of Commerce and to the State of Alaska.

Sincerely,



C. Morgen Crow, Executive Director
Coastal Villages Region Fund