



# ABOUT THE COMMUNITY DEVELOPMENT QUOTA PROGRAM



In coastal Western Alaska, 65 communities look out upon the Bering Sea—an expanse of the North Pacific Ocean whose waters hold some of the healthiest and most valuable fish stocks in the world. Despite this proximity, for many years lack of infrastructure and opportunity meant that the residents of this region could only watch as the wealth generated by these fisheries accrued elsewhere.

This began to change in 1992 when the North Pacific Fishery Management Council established the Community Development Quota (CDQ) program as a means to address high unemployment and limited economic opportunity in coastal Western Alaska. Designed to give these communities access to the fisheries off their coasts, the CDQ program has grown and flourished to become one of the most successful rural development initiatives undertaken in Alaska and, indeed, the nation.

The CDQ program does not depend on direct government funding for its programs and activities; rather, the six nonprofit groups that make up the program are sustained by their ability to harvest a small percentage of the fishery resources of the Bering Sea. The program-wide allocation of roughly 10 percent of many of the Bering Sea's harvestable fish stocks has made a tremendous impact on the 27,000 residents who inhabit the 65 western Alaska coastal communities included in the program. In working to fulfill their mission, CDQ groups have created jobs, infrastructure and opportunity in some of the nation's most geographically isolated and economically depressed communities.

The Western Alaska Community Development Association (WACDA), the author of this report, is the umbrella organization and governing panel for the CDQ program. A nonprofit organization authorized by amendments to the Magnuson-Stevens Fishery Conservation and Management Act in 2006, WACDA serves as the trade association for the six individual entities that are responsible for implementing the CDQ program. These six entities represent geographic regions along the Bering Sea coast and are (from south to north) Aleutian Pribilof Island Community Development Association, Central Bering Sea Fishermen's Association, Bristol Bay Economic Development Corporation, Coastal Villages Region Fund, Yukon Delta Fisheries Development Association, and Norton Sound Economic Development Corporation.

The revenue largely earned through the harvest of species such as pollock, crab and halibut have funded critical infrastructure, the development of local fisheries, training and scholarship programs, grant programs and social services in CDQ member communities. The program has enabled residents of Western Alaska to gain employment on the vessels that fish CDQ quotas, in local fish plants built with the support of harvest revenues and in myriad other jobs associated with and supported by the CDQ program. In the 18 years between the program's inception and 2010, more than \$345 million has been generated in direct wages, payments to resident fishermen, scholarships and training benefits. In 2010 alone, the six CDQ groups invested more than \$251 million in their communities and in fisheries activities.

The accomplishments realized by the six CDQ nonprofit entities that make up the Western Alaska Community Development Association over those 18 years speak to the overwhelming success of the program. Yet for all the achievements, there is still much work to be done.

Ever-increasing fuel prices in CDQ communities, that can be as much as triple the national average, threaten to put a chokehold on economic development. Heavily dependent on diesel fuel-fed power systems, escalating fuel costs directly drive increases in energy expenses. Additionally, many of these communities are the first to see the impacts of a changing climate as they watch the ground under their feet literally disappear due to the effects of coastal erosion. This requires costly responses, whether it be work to shore up a stretch of coastline or a river bank, or, more drastically, relocation efforts to higher ground. And while the CDQ groups continue to create jobs and employment opportunities, bringing down the unemployment rate in the region remains a challenge.

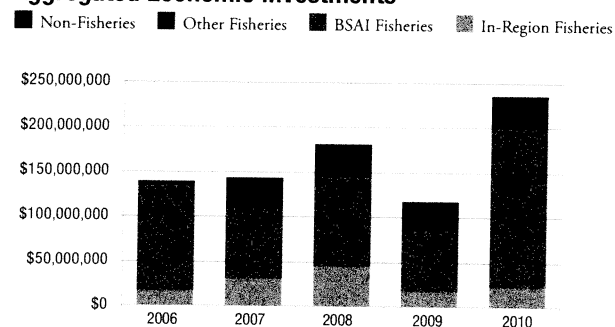
This report highlights the work of WACDA and the individual CDQ groups as they continue to address the challenges faced by their communities. The following pages illustrate how CDQ efforts and investments are helping to fulfill the statutory mandate of the program to provide eligible villages with an opportunity to participate and invest in Bering Sea fisheries, support economic development in the region, alleviate poverty, provide economic and social benefits to Western Alaska residents, and achieve sustainable and diversified local economies.

# THE CDQ PROGRAM: A MODEL FOR SUSTAINABLE COMMUNITIES

## Investments in Economic Capital

In pursuit of the purposes of the Western Alaska Community Development Quota program to develop sustainable, fisheries-based economies in 65 western Alaska villages, the six CDQ entities made economic investments totaling nearly \$235 million in 2010. All of these investments are categorized as fisheries-related investments as defined in the Magnuson-Stevens Fishery Conservation and Management Act. Since 2006, the program also allows for nonfisheries-related investments, which are limited to 20 percent of total investments.

### Aggregated Economic Investments

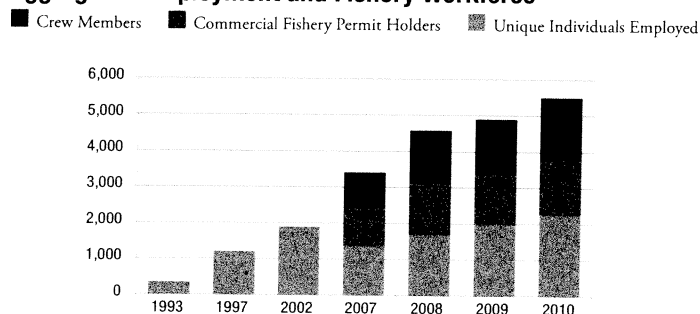


## Investments in Human Capital

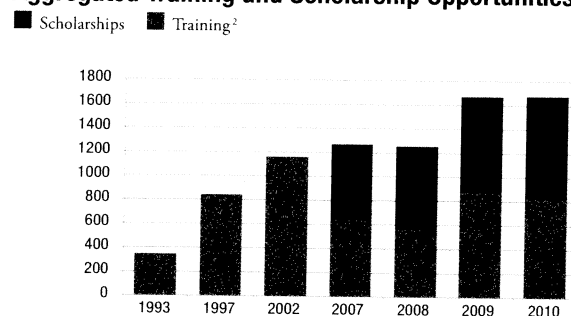
Each CDQ entity provides training and scholarship opportunities to prepare residents in eligible communities for job opportunities, skill development and career advancement. In 2010, the six CDQ entities granted more than 850 scholarships totaling a combined human capital investment of over \$2 million. Combined training investments exceeded \$660,000 for the year, providing more than 825 training and skill development opportunities to eligible residents.

In 2010, the six CDQ entities provided wage and salary jobs to nearly 2,300 individuals. Total combined payroll for the year exceeded \$32.4 million. CDQ processors, fish-buying stations, and other fisheries businesses paid ex-vessel payments in excess of \$24.7 million to more than 1,500 fishery permit holders in western Alaska. In turn, those permit holders supported an estimated 1,700 crewmember jobs.

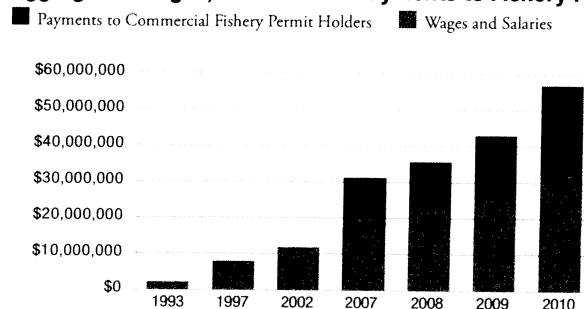
### Aggregated Employment and Fishery Workforce<sup>1</sup>



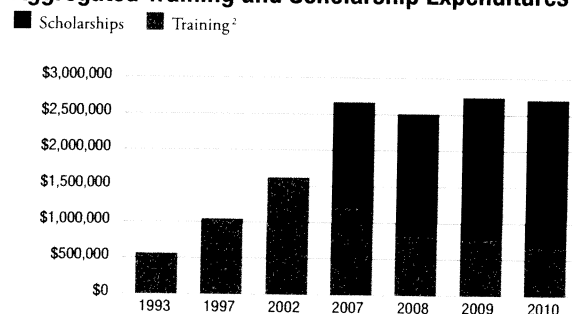
### Aggregated Training and Scholarship Opportunities



### Aggregated Wages, Salaries and Payments to Fishery Permit Holders



### Aggregated Training and Scholarship Expenditures



<sup>1</sup> Total jobs for 2007-2010 reflect two methodological changes: wage and salary jobs are reported based on unique social security numbers of employees rather than on the number of jobs for which an individual may have been hired; the fishery workforce supported by the CDQ program (based on ex-vessel payments to permit holders) are included. <sup>2</sup> Training and scholarship opportunities and expenditures were reported in aggregate prior to 2007.