

# Community Development Quota (CDQ) Program

## Presentation to the Arctic Affairs Committee

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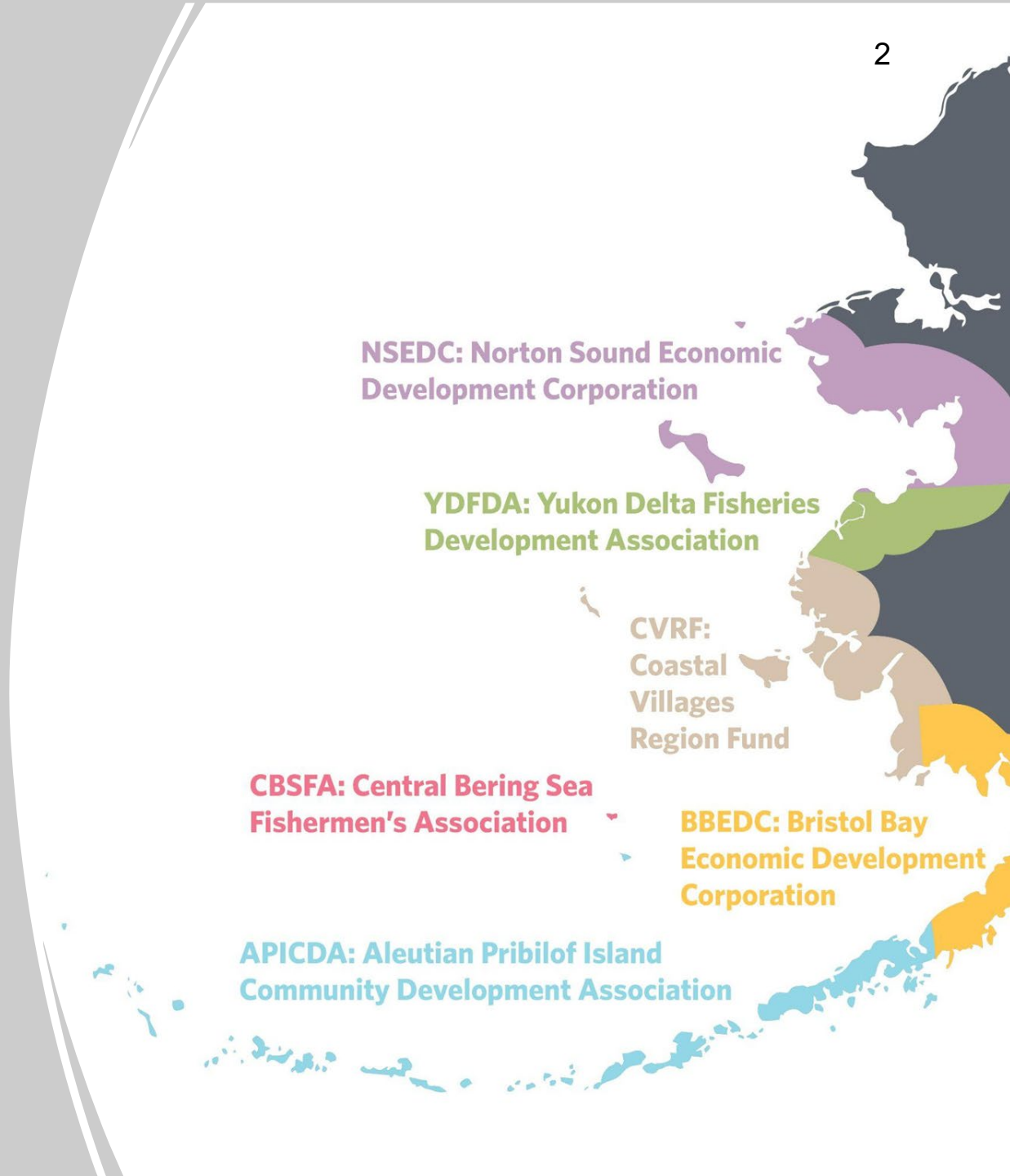
April 24, 2025

Emma from Akutan



# CDQ Program

- Purpose:
  - To provide eligible Western Alaska villages with the opportunity to participate and invest in fisheries in the Bering Sea and Aleutian islands management area.
  - Support economic development in Western Alaska.
  - Alleviate poverty and provide economic and social benefits for residents of Western Alaska.
  - Achieve sustainable, diversified local economies.
- Envisioned by Alaskans who wanted the BSAI fisheries to benefit coastal Bering Sea communities.
- 10% of pollock, flatfish, cod, crab, and halibut harvests allocated to 65 western Alaska villages.
- The CDQ program averages \$80-100 million in spending for in-region wages, community benefits, and expenditures.





# CDQ History

- o 1992 – The CDQ program was created to give Alaskan coastal communities an economic stake in the Bering Sea.
- o The CDQ communities are identified in statute and were selected based on:
  - o Proximity to the coast (within 50 miles) and BSAI fisheries.
  - o Recognition as a Native village.
  - o Lack of previously developed commercial fishing or processing capacity.
- o 1996 - Congress writes CDQ program into Magnuson-Stevens Act.
- o 2006 - Congress re-authorizes program based on State of Alaska's Blue Ribbon Committee recommendations.





Joe Paniyak Memorial Fisheries Support Center

# Employment

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- Providing direct employment opportunities is the primary economic initiative of several groups.
- An estimated 1,400 in-region jobs generate nearly \$20 million in wages and compensation for community residents.
- Approximately 5,000 jobs and \$260 million in annual labor income can be attributed to CDQ groups, including all aspects of the program (BSAI industry jobs, jobs associated with development programs and multiplier effects).
- Western Alaska CDQ jobs include fishing crews, seafood processing, boat-building, mechanic/welder shops, biological research, program benefits assistance, and many others.

Source: McKinley Research 2020 data



# Training and Education

- Scholarships (UAF, UAA, APU, etc.)
- Internships
- Vocational training in partnership with state and non-profit entities (AVTEC, Alaska Works Partnership, Alaska Marine Safety Education Association (AMSEA), etc.)
- Marine safety and first-aid
- Fisheries education and salmon camp
- Early childhood education funding
- School grants
- Culture Camp

Approximately \$3.1 million in educational funding is provided to 1,000 students annually.

Source: McKinley Research



NSEDC's Commercial  
Pilot Scholarship Program

# Small Boat Fishery and Local Food Security Support

- Assistance with vessel and permit purchases
- Revolving loan programs
- Vessel upgrades for quality improvements
- Preseason advances
- Tender and ice support
- Buying stations
- Gear grants
- Market access
- Skiff building and repair
- Subsistence harvesting support





# Infrastructure Development

- Over \$30 Million is invested annually in local infrastructure.
- Funding leverages state, federal and private resources.
- Funding assistance for small boat harbors.
- Boat maintenance and haul-out facilities.
- Shoreside processing plants.
- Fuel Farms
- Fish handling facilities
- Critical community support services: water, electricity, and heating fuel.
- Community Centers





# Collaborative Fisheries Research

CDQ groups work with community partners, industry and management agencies to help fund essential science and research.

- o Norton Sound Fisheries Research and Development
- o Bristol Bay Science and Research Institute (BBSRI)
- o Yukon Delta Fisheries Development Association Science Program
- o Alaska King Crab Research, Rehabilitation and Biology Program
- o Gear Innovation Initiative
- o Collaboration on surveys (Golden King Crab and IPHC)

CDQ groups invest approximately \$6 million annually in research efforts, creating substantial multiplier effects and fostering strong, consistent partnerships with the State of Alaska and federal agencies.

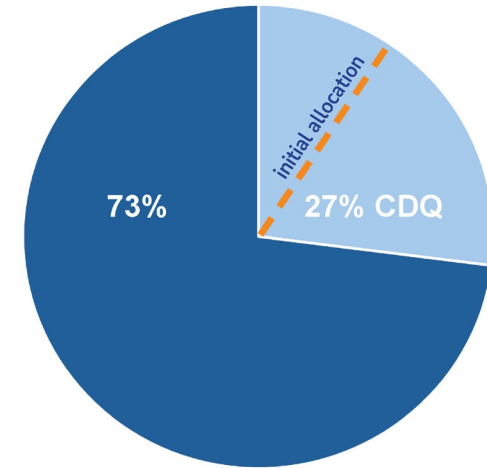




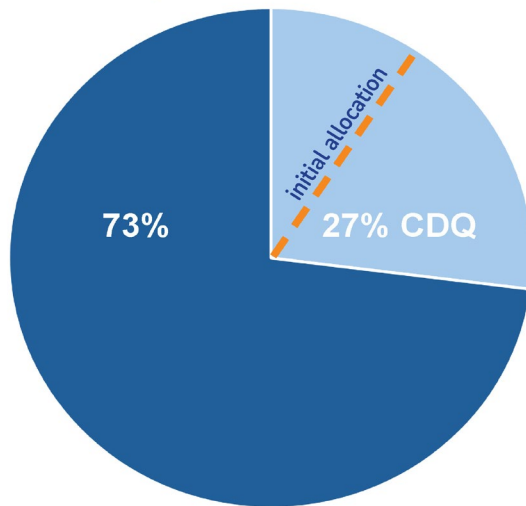
# Alaskanization of Major Federal Fisheries

- o CDQ groups collectively own over \$1 billion in assets.
- o Over the past thirty years, Alaska community ownership in the federal fisheries has grown significantly beyond the initial 10% allocations, through CDQ investments.
- o Pollock is presently responsible for approximately 60-70% of individual CDQ group fishery-related revenue.

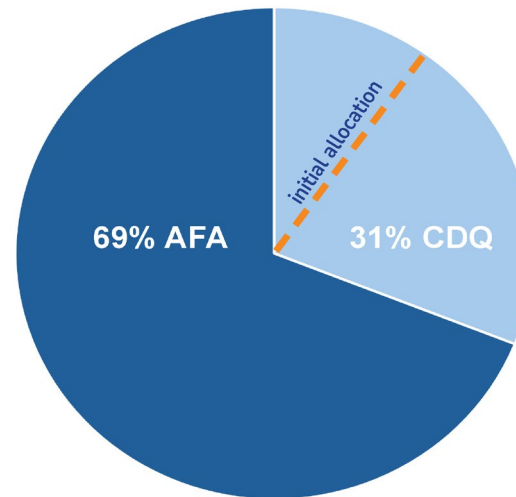
CDQ Crab Harvesting Quota Shares



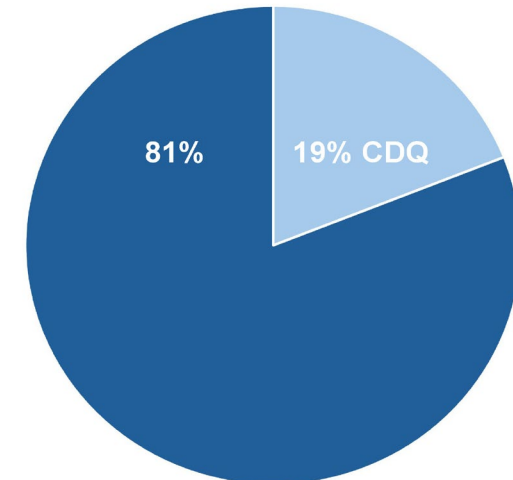
CDQ Cod Investment



CDQ Pollock Ownership



CDQ Crab Processing Quota Shares





# Vessel Ownership Percentage

- 62 Vessels
- 39 Pollock



- C/P Arctic Prowler - 50%
- C/P Ocean Prowler - 50%
- C/P Siberian Sea - 50%
- C/P U.S. Liberator - 50%
- F/V Aleutian Pribilof #2 - 100%



- F/V Starward - 75%
- F/V Starlite - 75%
- F/V Fierce Allegiance - 30%
- F/V Saint Paul - 100%
- F/V Saint Peter - 100%
- F/V Early Dawn - 83%



- F/V Western Dawn - 58.3%
- M/V Golden Alaska - 58.3%
- F/V Aleutian Challenger - 100%
- F/V Pacific Challenger - 100%
- F/V Ocean Leader - 75%
- F/V American Beauty - 75%
- C/P Courageous - 100%
- C/P Baranof - 41%
- F/V Kiska Sea - 45%



- C/P Arctic Storm - 18.3%
- F/V Defender - 50%
- F/V Sea Storm - 18.3%
- F/V Alaskan Defender - 50%
- C/P Arctic Fjord II - 18.3%
- F/V Bering Defender - 50%
- F/V Neahkahnie - 18.3%
- C/P Arctic Fjord - 18.3%
- F/V Wildfish - 50%
- C/P Bering Leader - 60%
- C/P Bristol Leader - 60%
- F/V Northern Defender - 50%
- C/P Alaskan Leader - 60%
- C/P Northern Leader - 60%
- F/V Bristol Mariner - 100%



- C/V Misty Dawn - 100%
- C/P Northern Hawk - 100%
- C/V California Horizon - 100%
- C/V Papado II - 100%
- C/V Morning Star - 100%
- C/V Bering Rose - 37.5%
- C/V Great Pacific - 25.5%
- C/V Messiah - 37.5%
- C/V Sea Wolf - 37.5%
- C/V Alaska Rose - 37.5%
- C/V American Eagle - 37.5%
- C/V Commodore - 37.5%
- C/V Half Moon Bay - 37.5%
- C/V Hickory Wind - 37.5%
- C/V Ocean Hope III - 37.5%
- C/V Patricia L - 37.5%
- C/V Progress - 37.5%
- C/V Storm Petrel - 37.5%
- C/V Sunset Bay - 37.5%
- C/V Pacific Viking - 39%
- F/V Flicka - 100%
- F/V North Sea - 100%
- M/V Excellence - 15%



- C/V Bering Rose - 37.5%
- C/V Great Pacific - 25.5%
- C/V Messiah - 37.5%
- C/V Sea Wolf - 37.5%
- C/V Alaska Rose - 37.5%
- C/V American Eagle - 37.5%
- C/V Commodore - 37.5%
- C/V Half Moon Bay - 37.5%
- C/V Hickory Wind - 37.5%
- C/V Ocean Hope III - 37.5%
- C/V Patricia L - 37.5%
- C/V Progress - 37.5%
- C/V Storm Petrel - 37.5%
- C/V Sunset Bay - 37.5%
- C/P Alaska Ocean - 72%
- C/V Pacific Viking - 39%
- C/P Northern Glacier - 72%
- F/V Patricia Lee - 50%
- F/V Aleutian #1 - 50%



# State of the Seafood Industry

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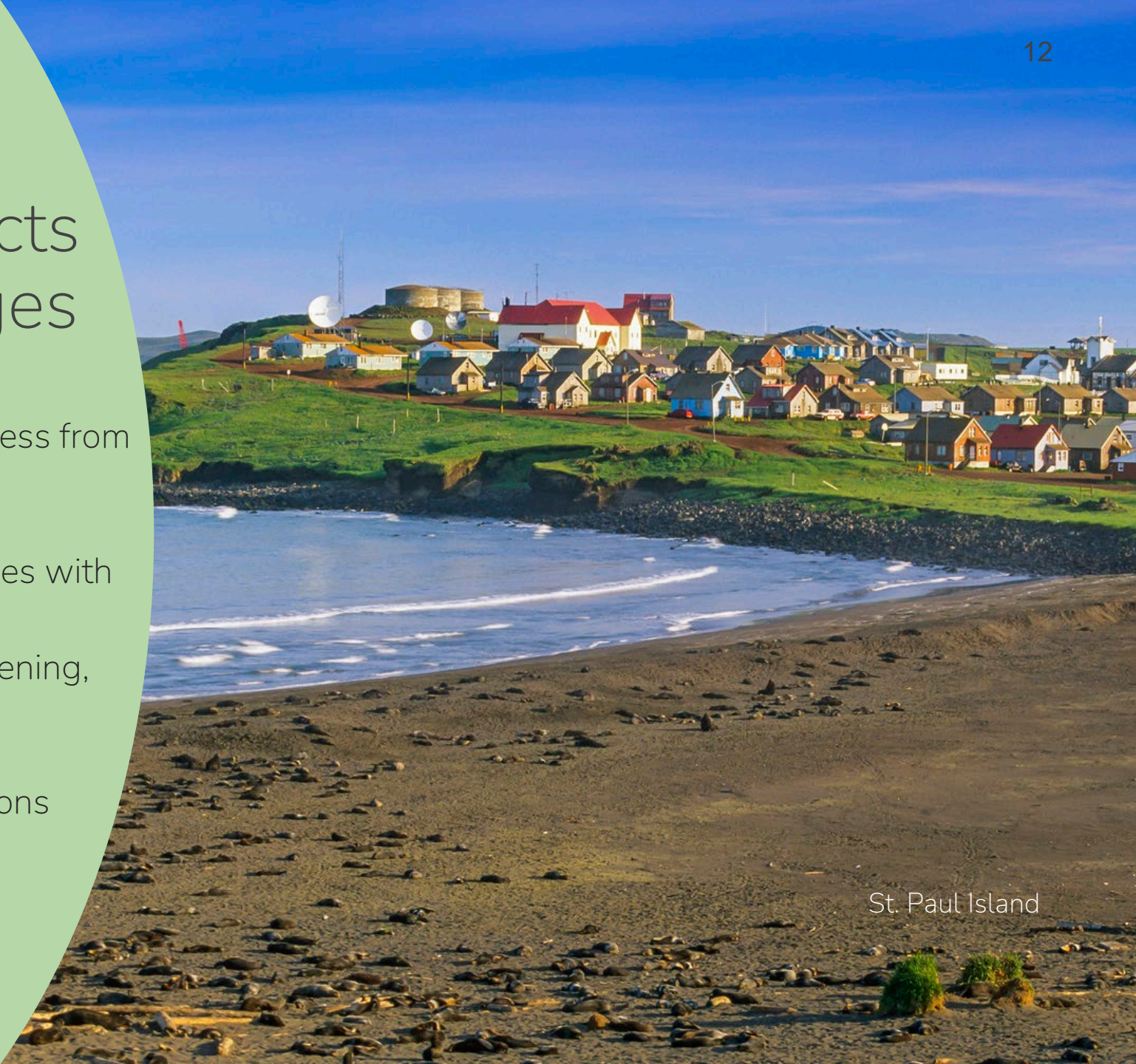
- Temperature-driven resource declines
- Geopolitical factors
- Weak key markets
- Rising operational costs
- Aging infrastructure
- Quota vs. steel (aging fleet)
- Closure or sale of major seafood plants





# CDQ Community Impacts from Seafood Challenges

- Loss or reduction of small boat market access from plant closures, requiring rerouting of CDQ resources.
- Reduction of municipal taxes in communities with processing.
- Transportation and support services weakening, impacting livability.
- Reduced royalty revenue and profitability; potential to impact CDQ benefits if conditions persist.
- Lower prices in global markets for CDQ-produced seafood products.



St. Paul Island



# Summary

- The CDQ program plays a critically important role in local economies and employment in Western Alaska.
- The CDQ program averages \$80-100 million in spending for in-region wages, community benefits, and expenditures.
- Maintaining benefits and stability for member communities is a key objective.
- CDQ economic activity benefits the entire State of Alaska.
- CDQ has been critical to increasing Alaska community ownership in the federal fisheries, and these investments continue to grow.

Quinhagak Youth to Work employees



Thank you!