

SCOMM

87:5

the CDQ Program

Building
Your
Future

This brochure was prepared by the rural students at Mt. Edgecumbe High School, Sitka, Alaska.
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P.O. Box 112100
Juneau, Alaska 99811-2100
Phone (907) 465-4898

For additional information on the CDQ program, contact:
state of Alaska.
bright future for this heretofore depressed area of the great
sound fisheries management, the 21st century holds a very
management of CDQ quota and prudent financial
provided direct access through the CDQ program. Wise
fishing vessels adequate to compete in the fishery are
necessary financial capital, groundfishing experience and
lets them be Alaskaized. Rural resident fishermen lacking
for Americanizing the Bering Sea fisheries. The CDQ program
Conservation and Management Act (Magnuson Act) provided
for Alaska's Bering Sea coastal communities. The Fisheries
The CDQ program will forever change the economic outlook

Made into a great variety of tasty products, Alaska pollock enters the
world market to feed millions of people

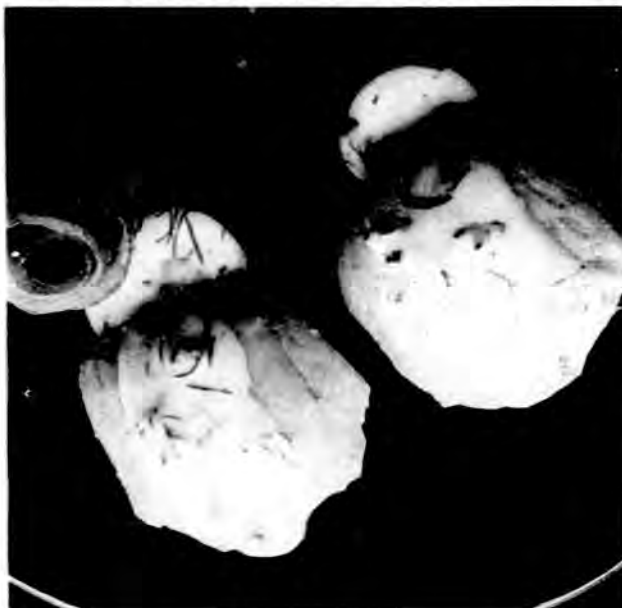


Photo: Alaska Seafood Marketing Institute

SECURITY

groups.
operations will require a host of local resident managers and
will soon launch a vessel loan program. Management of these
Delta has purchased two fishing vessels and Central Bering Sea
already purchased direct ownership of a factory trawler. Yukon
plans on direct fishery investments. Coastal Villages has
involved in long range fishery career opportunities. Bristol Bay
Quota (IFQ) loans, local residents will become personally
Through vessel, gear, permit or future individual fishery

COMMUNITY

management office.
(CDP). Interested residents should contact their local CDQ
placement in their approved Community Development Plan
their fishing partners. Each group has goals for employment or
residents, either working directly with the CDQ operation or
All CDQ groups are required to provide jobs for community

JOBS

Currently these lucrative positions are filled by foreigners.
a school to train residents in herring and salmon roe grading.
degrees. Coastal Villages Fishing Cooperative plans to establish
to acquire necessary skills. Coast Guard licenses or college
scholarship endowments insuring funds for residents' tuition
long range training needs, groups have set aside education and
fishery jobs for more than 150 local residents. In anticipation of
Initial training for entry level fish processing has resulted in

EDUCATION

Benefits for YOU



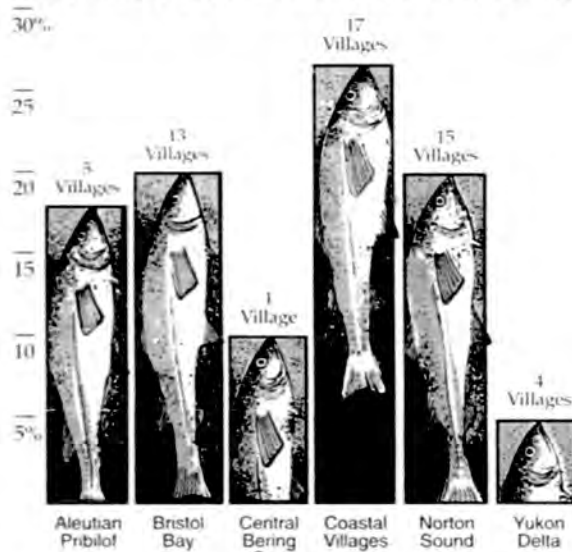
The F/T Brown's Point, 50% owned by the Coastal Villages Fishing Cooperative, returns from pollock fishing in the Bering Sea.

Community Development Quotas

Rural communities in western Alaska are poised to benefit from a unique federal, state, and industry fishery partnership developed under Governor Hickel's direction. Approved in March of 1992 and implemented that fall, the Community Development Quota (CDQ) program allows small communities along the Bering Sea to partner with experienced fishery companies to harvest, process and market the bountiful pollock groundfish. 7.5% of the allowable catch limit is reserved for the CDQ program. This amounts to more than 100,000 metric tons of fish! The 55 eligible communities formed six regional associations to compete for a share of the quota. Initial program authorization runs through 1995.

Western Alaskans will benefit through profit sharing, fishery partnerships with experienced industry, direct job placement, career opportunities, nearshore fishery development, experience in groundfishing management, scholarship endowments, and general community development.

POLLOCK ALLOCATIONS



CDQ Groups

CDQ Groups

Aleutian Pribilof Island Community Development Association consists of five communities. For 1992/1993 the association was granted 18,260 metric tons of pollock. It has partnered with Trident Seafoods, Inc. and Starbound, Inc. to harvest and process fish. More than 40 local residents will be employed by the end of 1993.

Bristol Bay Economic Development Corporation includes 14 communities, and was allocated 20,289 metric tons of pollock for 1992/1993. Their fishing partner is Oceantrawl, Inc. More than 60 local residents will be employed directly in the fishery, with an additional 20 to be placed through a management internship program.

Central Bering Sea Fishermen's Association represents the fishing community of St. Paul. In partnership with American Seafoods, Inc. they are going out for their quota of 10,144 metric tons of fish. Their goal is to employ 25 local residents by the end of 1993.

Coastal Villages Fisheries Cooperative has formed the largest regional association with 17 communities. Their 1992/1993 pollock allocation is 27,390 metric tons. Coastal Villages is partnered with Golden Age Seafoods for harvesting and processing. They will employ more than 50 local residents in the fishery, develop a management intern program and place residents in salmon roe grading jobs.

Norton Sound Economic Development Corporation is comprised of 15 communities. Their 1992/1993 quota is 20,289 metric tons of pollock. Glacier Fish Company, Ltd. is their fishing partner. NSEDC expects 40 local residents to be employed in the fishery in 1993.

Yukon Delta Fisheries Development Association embraces four communities. For 1992/1993 they were granted 5,072 metric tons of pollock. Their partner for harvesting and processing is Golden Alaska Seafoods, Inc. More than 40 local residents are expected to be employed in 1993 operations.



Processing of groundfish holds abundant employment opportunities for Alaskans.

NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION

P.O. Box 39089
Elim, Alaska 99739

(907) 890-2248

Brevig Mission
Diomedes/Inalik
Elim
Gambell
Golovin
Koyuk
Nome
Savoonga

Shaktolik
St. Michael
Stebbins
Teller
Unalakleet
Wales
White Mountain

YUKON DELTA FISHERIES DEVELOPMENT ASSOCIATION

P.O. Box 210
Emmonak, Alaska 99581

(907) 949-1926

Alakanuk
Emmonak

Kotlik
Sheldon Point

COASTAL VILLAGES FISHERIES COOPERATIVE

204 North Franklin Street, #1
Juneau, Alaska 99801

(907) 586-2360

Cherfornak
Chevak
Eek
Goodnews Bay
Hooper Bay
Kipnuk
Konigianak
Kwigillingok
Mekoryuk

Newtok
Nightmute
Platinum
Quinhagak
Scammon Bay
Tooksok Bay
Tuntutuliak
Tununak

CENTRAL BERING SEA FISHERMEN'S ASSOCIATION

1300 W. 33rd Ave.
Anchorage, Alaska 99503

(907) 278-2312

St Paul

BRISTOL BAY ECONOMIC DEVELOPMENT CORPORATION

P.O. Box 1464
Dillingham, Alaska 99576

(907) 842-4336

Aleknagik
Clark's Point
Dillingham
Egegik
Ekuk
Manokotak
Naknek

King Salmon/Savonoski
South Naknek
Togiak
Twin Hills
Pilot Point/Ugashik
Port Heiden

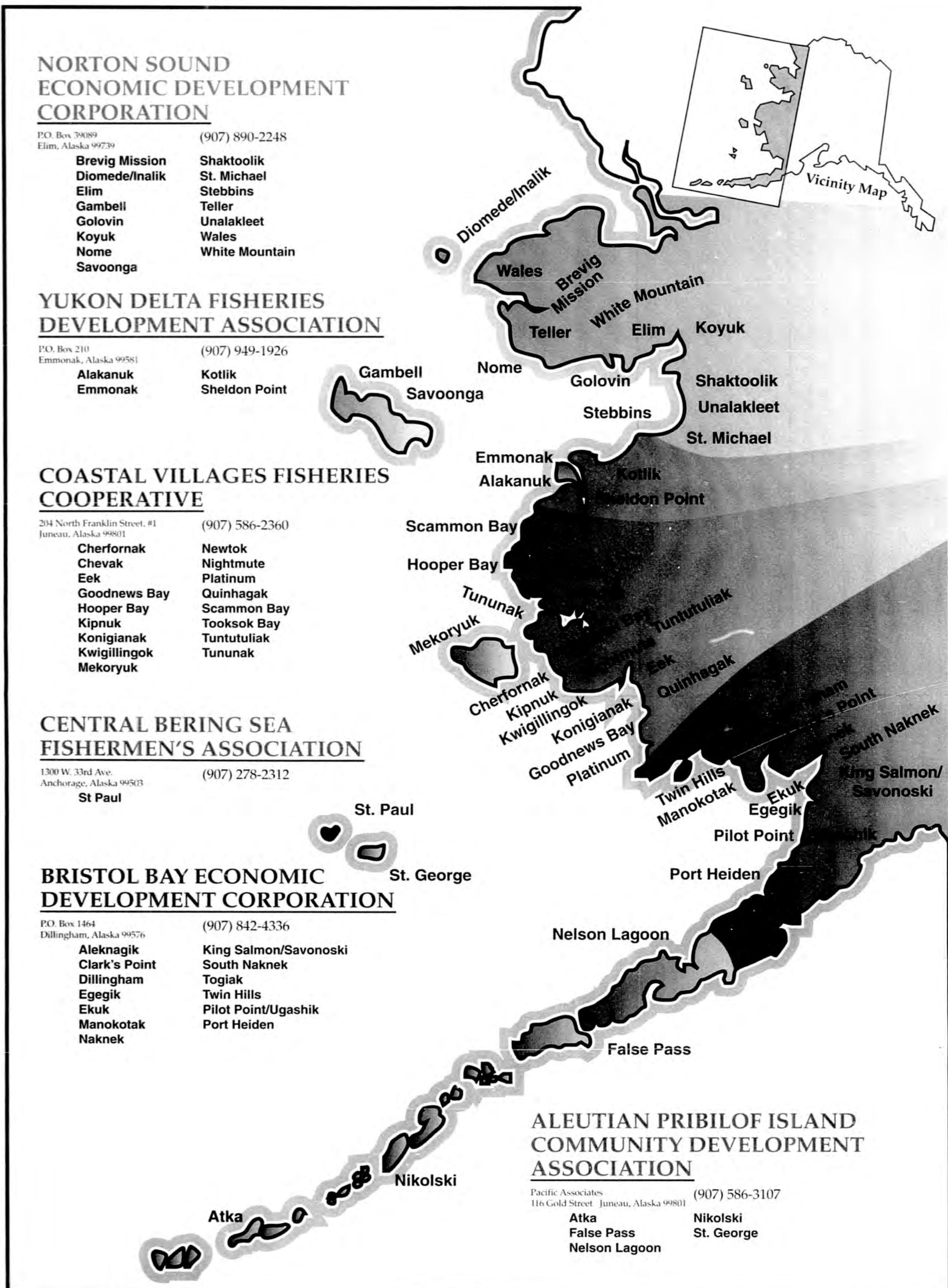
ALEUTIAN PRIBILOF ISLAND COMMUNITY DEVELOPMENT ASSOCIATION

Pacific Associates
116 Gold Street Juneau, Alaska 99801

(907) 586-3107

Atka
False Pass
Nelson Lagoon

Nikolski
St. George



the CDQ Regions in Alaska

Prepared for the State of Alaska

FISHING PERMIT BROKERAGE

Since the limited entry salmon fishing permit system was established by the State of Alaska in 1975, the Bristol Bay region has lost nearly one quarter of the permits to fishermen who live outside the region. Most Bay fishermen who sold their permits did so because of immediate economic need and having few liquid assets. BBEDC has established an in-region brokerage service to attempt to locate willing buyers in the region in the event that a local needs to sell his permit. Most existing brokerages are located outside the state or in major urban centers, and they cater to fishermen from those areas.



LOCAL FISHERIES DEVELOPMENT

BBEDC is working to develop the local fisheries economy through formulation and implementation of a regional fisheries development plan, a small fisheries development grant program, active participation in fisheries management forums affecting the region, and technical assistance to local fishermen's organizations. If funding allows, the corporation will also assist in financing critical fisheries infrastructure and purchase or financing of transferable fishing quotas for groundfish species in the North Pacific and Bering Sea.

PRESIDENTS VISION

**H.R. (Robin) Samuelsen, Jr., member,
North Pacific Fishery Management
Council**

"The Community Development Quota program offers a once in a lifetime opportunity for the Bay. We have seen good times and bad times in the local salmon and herring fisheries and recognize the need to diversify our local economy. While rich in salmon, our region is very shallow and icebound in winter, making it impractical to base Bering Sea vessels here. Through CDQ's, we can now participate in the nearby groundfish and crab fisheries for which we have not had the capital or infrastructure."

"Our experience has given us enough wisdom to realize that although the opportunities are endless, we must maintain a conservative approach. Our Board has adopted a careful approach, using the Alaska Seafood Investment Fund to invest in projects that will remain as sustainable development. We will still be here in ten years, in twenty years, providing jobs, training and local business development opportunities for the region. We are proud of the good start we have made, and are confident in our ability to make a real difference in the long term."



Bristol Bay Economic Development Corporation



P.O. Box 1464
Dillingham, AK 99576
(907) 842-4370
Fax (907) 842-4336



BACKGROUND

Bristol Bay Economic Development Corporation (BBEDC) was established in 1992, to participate in the Community Development Quota program. The purpose of the CDQ program is to provide development to the economically depressed coastal communities of Western Alaska through access to fisheries resources from the Bering Sea. Jobs, economic development and educational opportunities are becoming a reality through this program.

The CDQ program allows coastal communities in Western Alaska to participate in the Bering Sea pollock fisheries by forming joint ventures with an existing fishing company to harvest, process and market their catch. BBEDC received 1.5% of the Bering Sea pollock annual allowable catch (20,289 metric tons of pollock in 1993) for the years 1992-1995. This was 20% of the quota available in the CDQ program.

The joint venture partner is Oceantrawl Inc., an Alaska corporation operating three large, state of the art surimi trawlers from corporate offices in Seattle. BBEDC and Oceantrawl are true partners, sharing in the profits and the risks. BBEDC receives 60% of the total profits from the CDQ quota pollock operations.

JOBS

After one year of the program 50 have been hired and many early hires have been promoted to better positions and increased salaries on the Oceantrawl ships. An internship program is also being implemented to make available training positions in the Oceantrawl offices. Those seeking employment in the region will find new opportunity through the employment and internship program. Oceantrawl and BBEDC will employ 120 people from the region by 1995.

VOCATIONAL/TECHNICAL TRAINING

Basic and Advanced vocational/technical training are major parts of the BBEDC program. The Basic training offers disadvantaged individuals improved job skills in oral and written communications and comprehension, analytical skills, job interview skills and employee responsibilities. A cultural bridging component is also offered.

The Advanced training provides apprenticeship, entrepreneurship, mentorship and on the job leadership training. Where it is not cost effective to provide the training in region, other existing educational facilities are used. In all cases the offerings are closely coordinated with other programs and funding sources.

SCHOLARSHIPS

BBEDC has also established a Scholarship Endowment using 10% of its CDQ revenues. Scholarships of up to \$10,000 are awarded annually on a competitive basis. These scholarships are awarded to full time Juniors, Seniors or Graduates in good standing at fully accredited universities. Applicants are not limited to specific fields of study, but those focusing on fields where employment is available in the region may be given preference.

ALASKA SEAFOOD INVESTMENT FUND

The Alaska Seafood Investment Fund is the centerpiece of BBEDC's investment program. BBEDC is investing 70% of its CDQ revenues in a venture capital development fund which specializes in the seafood industry. Oceantrawl is a partner in the Fund and provides 20% of each investment. The investments are diversified by region and fishery, and made in all areas including marketing, harvesting, and processing. Each investment is rigorously investigated for profitability, good management, long term stability, and minimal risk.



SALMON FISHING PERMIT PRESERVATION PROGRAM

Salmon are the lifeblood of the region. Because of the continuing slide in salmon prices, many fishermen face serious economic hardship and possible seizure and sale of their limited entry fishing permits by the IRS. BBEDC provides intervention, tax counseling and financial management training. As an intermediary between the IRS, loan institutions and permit holders, BBEDC has been effective in stopping the loss of permits due to IRS seizures and loan defaults.



Bering Strait Region Community Development Quota Program

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WHAT ARE THE BENEFITS?

With the CDQ program enabling local fishermen and residents to participate in the pollock fishery (and eventually other groundfish fisheries), commercial fisheries based in the region will be developed, a wide range of jobs provided, and local economies improved. Job training is now in progress for residents of the region.

Employment is at the heart of NSEDC's CDQ program. NSEDC currently employs five full-time residents. In addition to the increased fishing time for salmon fishermen, more jobs are in store in the near future in managing and operating shoreside fish processors, planning for salmon rehabilitation and enhancement, running offshore salmon and herring buying operations, and working skilled jobs on offshore factory trawlers.

Revenues from CDQs are invested so that NSEDC's programs can continue to operate after the CDQ allocations have ended.

NSEDC's CDQ program could provide more than \$5 million annually to the people of the Bering Strait region in the form of jobs and income, fish markets, project development, education, and support facilities.

Residents of the region worked on board the Pacific Glacier and Northern Glacier during the 1992 season — more local people will work the fishery in the future.



Bering Strait Region Community Development Quota Program

1. *Journal of the American Medical Association*, 1997; 277: 1000-1001.

WHAT ARE CDQs?

Community Development Quotas (CDQs) were officially approved by the federal government in 1992. The CDQ program was created to provide groundfish allocations to coastal Bering Sea villages to help improve local economies through fisheries-related activities. CDQs are a direct allocation of groundfish to organizations representing villages in western Alaska. The CDQ program started in 1992 for only one type of groundfish: pollock. Pollock catch is the largest of any fish in the Bering Sea; 1.3 million tons were harvested in 1992. CDQs are on the horizon for black cod, halibut and other fish species.

The CDQ program allocates 7.5 percent of the total Bering Sea pollock catch (about 100,000 tons annually) to qualifying groups. The pollock CDQ program is scheduled to run for four years (through 1995). The maximum amount any one group may receive is 33 percent of the CDQ, or about 33,000 tons. The CDQ program allows communities to either catch the pollock directly or to contract with a fishing company to catch it on their behalf. Six regional CDQ organizations including NSEDC were formed to apply for a portion of the pollock CDQ.



A factory trawler in the Bering Sea retrieving a codend filled with approximately 40 tons of pollock.



Bering Strait Region Community Development Quota Program

Alaska Department of Fish and Game
Bering Sea Fisheries Management Division
P.O. Box 25570, Anchorage, Alaska 99501-0570
Telephone: (907) 261-5700, Fax: (907) 261-5701

WHAT IS NSEDC DOING?

In August 1992, NSEDC selected Glacier Fish Company to be its contractual CDQ partner for harvesting pollock and supporting fisheries development programs. Shortly thereafter, NSEDC, in cooperation with Glacier Fish Company, developed the Bering Strait Region Community Development Plan as an application for a CDQ allocation. After a comprehensive review by the state and federal governments, NSEDC was awarded 1992 and 1993 allocations equal to 20 percent of the CDQ pollock reserve, or about 20,000 metric tons each year. NSEDC is managing this allocation and fisheries development programs to serve the best interest of member communities, and is using CDQ fishing revenues as seed money for the NSEDC programs.

NSEDC plans to use revenues from CDQ fishing to:

- *Pioneer new markets for salmon and herring* starting in 1993 when Glacier Fish Company will buy and market 1,500 tons of herring and all species of salmon.
- *Provide low-interest loans* starting in the spring of 1993 for the region's fishermen interested in buying local salmon and herring permits, purchasing fishing gear, and upgrading boats.
- *Set up a program for training up to 80 residents of the region each year* in skills needed to work on offshore fishing boats and in shoreside fish processors, and help them get jobs in the fishing industry.
- *Award scholarships* each year to residents interested in gaining advanced education and technical school training in fisheries-related areas.
- *Work with the school district to establish salmon incubation and hatchery programs* in every school in the region, and increase the number of commercial herring and salmon fisheries workshops.



Bering Strait Region Community Development Quota Program

Alaska Department of Fish and Game
Bering Sea Fisheries Management Division
P.O. Box 25570, Anchorage, Alaska 99501-0570
Telephone: (907) 261-5700, Fax: (907) 261-5701

- *Establish a construction fund* to revitalize shoreside fish processing in Unalakleet, Shaktoolik, Golovin and Moses Point, and explore building others in the region.
- *Purchase a fishing vessel* capable of catching and processing halibut, black cod, and others, and serving as a tender or processing salmon and herring.



Jobs in the fishing industry are the target of NSEDC programs.

- *Launch a major salmon rehabilitation and enhancement program* to rebuild salmon runs on rivers throughout the Norton Sound region.
- *Create new fishing opportunities* through regulatory change and technical assistance, targeting halibut in the nearshore waters around St. Lawrence Island, crab in Norton Sound and elsewhere, and other bottomfish such as tomcod.
- *Fund a permanent education endowment* which will provide monies after 1996 to build a regional workforce through fisheries skills training, scholarships, and employment programs.



Bering Strait Region Community Development Quota Program

*Buckley Mission, Plover, Elm, Gambell, Litoxi, Kook, Nome, Seward, Mitchell
Savonni, Shaktolik, Sheldons, Teller, Unalakleet, Wales, White Mountain*

NSEDC OFFICES

NSEDC currently has four offices located throughout Alaska:

Central Office

P.O. Box 89
Elim, Alaska 99739
(907) 890-2248
FAX (907) 890-2249

NSEDC Shaktoolik Office

P.O. Box 24
Shaktoolik, Alaska 99771
(907) 955-2341
FAX (907) 955-3243

NSEDC Unalakleet Office

P.O. Box 102
Unalakleet, Alaska 99684
(907) 624-3190
FAX (907) 624-3183

NSEDC Anchorage Office

725 Christensen Drive, Suite 5
Anchorage, Alaska 99501
(907) 274-2248
FAX (907) 274-2249

*For more information about NSEDC
please call (907) 890-2248*

Norton Sound Economic Development Corporation

PO Box 89
Elim, AK 99739

TO: Postal Patron/Box Holder



**NORTON SOUND
ECONOMIC
DEVELOPMENT
CORPORATION**

A MEMBER OF THE COMMUNITY DEVELOPMENT QUOTA PROGRAM



Bering Strait Region Community Development Quota Program

Alutian, Unalut, Plover, Elm, Gambell, Inalik, Saint Michael, Savoonga, Shaktoolik, Stebbins, Teller, Unalakleet, Wales, White Mountain

WHAT IS NSEDC?

Norton Sound Economic Development Corporation (NSEDC) is a regional economic development nonprofit corporation composed of fifteen villages in the Bering Strait region of northwestern Alaska.



Subsistence-caught salmon, capelin and cod drying in the summer sun.

These communities are on Norton Sound, St. Lawrence Island and Little Diomed Island and include Brevig Mission, Diomed/Inalik, Elim, Gambell, Golovin, Koyuk, Nome, Saint Michael, Savoonga, Shaktoolik, Stebbins, Teller, Unalakleet, Wales, and White Mountain.

NSEDC was originally incorporated in 1989 to promote economic development opportunities in the Norton Sound region. In June 1992, the organization was restructured to expand membership within the region, to focus its efforts on fisheries-related activities, and to qualify as a Community Development Quota applicant and managing organization. The NSEDC Board of Directors is made up of one representative from each member community, with officers elected by the board.



Bering Strait Region Community Development Quota Program

Alutian, Unalut, Plover, Elm, Gambell, Inalik, Saint Michael, Savoonga, Shaktoolik, Stebbins, Teller, Unalakleet, Wales, White Mountain

NSEDC BOARD OF DIRECTORS

Arthur Akinga
Diomed

George Ashenfelter
White Mountain

Morris J. Coffey
Stebbins

Jack Fagerstrom
Golovin

Henry Ivanoff
Unalakleet

Victor Joe
Saint Michael

Frank Kavairlook, Sr.
Koyuk

Pete Larsen
Nome

Norm Menadelook
Teller

Sam Mokiyyuk
Savoonga

Walter Seetot
Brevig Mission

Harvey Sookiayak
Shaktoolik

Gerald Soonagrook, Sr.
Gambell

Oscar Takak
Elim

Louie Weyapuk
Wales

NSEDC TECHNICAL SUPPORT

John Jemewouk Executive Director in Elim

Eugene Asicksik Project Development Manager in Shaktoolik

Jerry Ivanoff Training, Education and Employment
Coordinator in Unalakleet

Chuck Soxie Loan Program Administrator in Unalakleet

Fred Bradley Office Manager/Program Development
in Elim

Sheldon Katchatag ... Fishing Operations/Fleet Manager in Seattle

Jon Zuck Technical Advisor

WESTERN ALASKA FISHERIES DEVELOPMENT ASSOCIATION

Coastal Villages Fishing Cooperative • Norton Sound Economic Development Corporation
Bristol Bay Economic Development Corporation • Yukon Delta Fisheries Development Association

725 Christensen Drive, Suite 5 • Anchorage, Alaska 99501 907-279-6519 Fax 907-258-6688



CDQ CONSERVATION RECORD

All Community Development Quota fishing operations are required to have two observers onboard the catcher-processor vessels, to weigh or use volumetric measurements on their catches, and to report daily catches to the National Marine Fisheries Service. The expenses for these requirements are borne by the CDQ corporations.

The CDQs are the subject of the most extensive data collection requirements of any fisheries that occur within the North Pacific 200-mile limit.

Additionally, the CDQ fisheries -- because they catch specific allocations of pollock over the course of a year -- can adjust their methods to minimize by-catch, waste, and discards. CDQs stress economic value and conservation principles rather than harvest of the greatest amount of fish in the shortest amount of time.

The Western Alaska Fisheries Development Association is working with the State of Alaska and the individual CDQ corporations to compile the conservation-related data. A report is expected to be available later this spring.

2/22/94

The CDQ Program

New Economic Potential for Western Alaska

BERING SEA

PACIFIC OCEAN



INTRODUCTION

A Community Development Quota (CDQ) program was implemented in 1992 that thrust participating western Alaska communities into a unique partnership with the multimillion-dollar Bering Sea groundfish industry.

In contrast to their traditional subsistence and small boat commercial fisheries, western Alaska residents will now have opportunities to work on factory trawlers capable of fishing the Bering Sea year-round, in shoreside processing plants, and in related seafood industry operations. With CDQs, Bering Sea coastal communities are partners with established corporations in industrial-scale seafood production—delivering massive quantities of groundfish to consumers efficiently and at the lowest price—and will derive direct economic benefits (estimated at up to \$20 million annually) from a resource located just off their shores.

The CDQ program has been carefully designed to avoid the mistakes of the past. As one CDQ corporation said in its quota application, "...there are far too many monuments to good intentions scattered throughout western Alaska already." To many, CDQs represent the most viable opportunity yet for sustained economic development in western Alaska.

BACKGROUND

The concept of Community Development Quotas emerged in the mid-1980s as the Bering Sea groundfish fisheries—long dominated by foreign nations—finally became profitable for the domestic fishing industry. Advocates for rural Alaska wondered if the guaranteed quota concept—based on the experiences in Greenland, New Zealand, Iceland and elsewhere—could be adapted for use in the state. If western Alaska rural communities could implement such a program, they could help diminish chronic unemployment and social problems, and share directly in the harvest of a multimillion-dollar fisheries resource.

During the 1989 Congressional hearings on the reauthorization of the Magnuson Fishery Conservation and Management Act, western Alaskans proposed an amendment expressly allowing the creation of CDQs. The idea, however, was dropped during Congressional negotiations.

In the meantime, the Alaska-based seafood industry launched a campaign to convince the North Pacific Fishery Management Council to split groundfish allocations in the Gulf of Alaska and Bering Sea between shorebased seafood processors and offshore factory trawlers. At its April, 1991 meeting, the council adopted a specific CDQ alternative for analysis as part of the inshore-offshore proposal. The final inshore-offshore



Photos: (above) A cod-end filled with 120 tons of CDQ pollock is hauled on board the F/T Pacific Glacier, owned by Glacier Seafoods, Ltd., and working in partnership with the Norton Sound Economic Development Corporation. (below) Commercial fishermen deliver skiff loads of chum salmon to a buying station along the Yukon River. Skiffs and gillnets are the traditional tools for western Alaska commercial fisheries.

management plan was approved by the council in June 1991, and included a provision that set aside 7.5 percent of the pollock quota in the Bering Sea (approximately 100,000 tons annually) for a four-year CDQ program.

The CDQ provision is structured to give the Governor of Alaska the lead responsibility for recommending who would receive quotas. In 1992, state and federal officials drafted CDQ criteria, procedures and regulations. Once all the administrative measures were approved, the state accepted CDQ applications from the eligible communities of western Alaska, submitted through six newly formed or reorganized corporations, each with a corporate fishing partner.

On Nov. 25, 1992, Gov. Walter Hickel issued findings and recommendations for the amount of quota each applicant would receive for 1992 and 1993. The Secretary of Commerce approved the state's decision on Dec. 3, 1992, and authorized the CDQ applicants to harvest their quotas.

HOW CDQS WORK

Applications for CDQs, based on 7.5 percent of the biologically harvestable Bering Sea pollock resource, are submitted on a biennial basis to the Governor of Alaska. The governor evaluates the applications and makes recommendations on the size of the quota to be awarded. The recommendations are reviewed by the North

Pacific Fishery Management Council and are submitted for final approval to the U.S. Secretary of Commerce.

Communities that are eligible to receive quotas must be located on or within 50 miles of the Bering Sea coast from the Bering Strait to the westernmost of the Aleutian Islands, or located on islands within the Bering Sea. The communities must meet the definition of Native villages under the Alaska Native Claims Settlement Act.

Applications for a maximum 33 percent of the available CDQ pollock may be submitted by local fishing organizations from eligible communities or groups of communities, or a local economic development organization incorporated for the purpose of designing or implementing a Community Fisheries Development Plan.

Applications must address the level of local employment that will be generated, the vocational and educational programs that will

be created, and the schedule for moving from reliance on CDQs to self-sufficiency. Applications must also include detailed business plans to allow evaluation of the feasibility of the CDQ joint ventures. In these ventures, the corporate partners purchase the rights to the fish, hire western Alaskans to work at all levels of their operations, and guide the CDQ groups to full involvement in the groundfish industry.

Because the total amount of CDQ pollock is limited, applications are evaluated in competition with each other on the basis of goals and objectives, realistic measurable milestones for determining progress, methods for developing a self-sustaining local fisheries economy, level of local employment, capital or equity generated for local fisheries investment and profit-sharing arrangements.

The state requires active, not passive operations. The mere sale of quota and receipt of dividends is not considered acceptable. Western Alaska residents must fully participate in the fisheries. CDQ proceeds must be invested in fishery development programs and ventures that create jobs and promote stable local economies in western Alaska.

CDQ recipients must file quarterly reports to allow the state to monitor their progress and compliance with program requirements. CDQ groups that represent more than one community must have at least one resident from each member community on their boards of directors.

Applications for CDQs, based on 7.5 percent of the biologically harvestable Bering Sea pollock resource, are submitted on a biennial basis to the Governor of Alaska. ... Communities that are eligible to receive quotas must be located on or within 50 miles of the Bering Sea coast from the Bering Strait to the westernmost of the Aleutian Islands, or located on islands within the Bering Sea. CDQ proceeds must be invested in fishery development programs and ventures that create jobs and promote stable local economies in western Alaska.

CDQ PROGRAM GOALS

The overall goal of the CDQ program is to make substantial progress toward economic self-sufficiency for western Alaska through:

- ◆ Promoting the economic well-being of local coastal communities through involvement in Bering Sea fishery resources.
- ◆ Allowing western Alaska communities to diversify local economies.
- ◆ Providing western Alaska community residents with new opportunities to obtain stable, long-term employment.
- ◆ Allowing western Alaska residents a fair and reasonable opportunity to participate in the Bering Sea/Aleutian Islands fisheries which have been closed to them because of the high capital investments required.

Six applicants received CDQ allocations in western Alaska. A summary of each organization and program plan is provided below.



St. George in the Pribilof Islands is a member of the five-community Aleutian Pribilof Island Community Development Association.

ALEUTIAN PRIBILOF ISLAND COMMUNITY DEVELOPMENT ASSOCIATION

APICDA consists of the communities of Atka, False Pass, Nelson Lagoon, Nikolski, and St. George. Akutan and Unalaska participate in the training and education programs. APICDA received 18 percent of the pollock reserve set aside for CDQs. APICDA's corporate partners in harvesting the quota are the Trident Seafoods Corporation, one of Alaska's largest shorebased seafood processing companies, and Starbound Partnership, operator of a factory trawler. Both companies are 100 percent American-owned. The F/T *Starbound* was built in the United States.

APICDA plans to:

- ◆ Establish a comprehensive vocational education, job training, and employment program.
- ◆ Establish a higher education endowment fund for community residents who wish to pursue university degrees.
- ◆ Participate in the funding for completion of the Zapadni Bay Harbor on St. George island, creating a new commercial service center for the Bering Sea fisheries. Harbor completion will be coupled with the construction of a shoreside processing plant in 1993 and ancillary economic development.
- ◆ Complete engineering designs for a dock in Nelson Lagoon (to be constructed in 1994) and conduct an economic feasibility study on related economic development, all in cooperation with the Aleutians East Borough.
- ◆ Work with the False Pass Tribal Council to fund the construction in 1993 of a gear storage warehouse in False Pass.
- ◆ Cooperate with the City of False Pass to extend water and sewer service to the new False Pass dock, making the facility ready for commercial activity. A vessel storage facility, repair facility, and/or seafood processing facility may be developed adjacent to the dock.



- ◆ Combine forces with the City of Atka to complete engineering designs for a dock (to be constructed in 1994) and conduct an economic feasibility study on related development, including a fuel-tank farm and shoreside processing plant construction.
- ◆ Make funds available for the purchase of fishing vessels, Individual Fishing Quotas, and other business opportunities.
- ◆ Employment goal: 60 people in 1993.

Contacts: Mark Snigaroff, Chairman
 APICDA
 P.O. Box 47307
 Atka, Alaska 99547
 (907) 839-2249 FAX: 829-2234

Larry Cotter
 Pacific Associates
 116 Gold Street
 Juneau, Alaska 99801
 (907) 586-3107 FAX: 586-1001

BRISTOL BAY ECONOMIC DEVELOPMENT CORPORATION

BBEDC consists of the Bristol Bay communities of Aleknagik, Clark's Point, Dillingham, Egegik, Ekuik, Manokotak, Naknek, Pilot Point, Port Heiden, Savonoski/King Salmon, South Naknek, Togiak, Twin Hills, and Ugashik. BBEDC received 20 percent of the available CDQ pollock. BBEDC's corporate fishing partner is Oceantrawl Inc., an Alaska corporation operating three factory trawlers.

BBEDC plans to:

- ◆ Implement a Community Development Plan in 1993 consisting of employment training programs, a small business development program, grants for value-added processing and marketing, and extension services to halt the regional loss of limited entry permits.
- ◆ Establish a Scholarship Endowment Fund in 1993 for students to attend universities or full-time vocational programs.
- ◆ Set up a reserve to provide matching funds for infrastructure construction, and financing for the acquisition of Individual Fishing Quotas.
- ◆ Establish the Alaska Seafood Investment Fund in 1993 to invest in a diversified series of Alaska seafood businesses both within and outside the Bristol Bay region.
- ◆ Employment goal: 60 people year-round in Oceantrawl, Inc. operations by 1993.



Contact: H. Robin Samuelson, Jr., Chairman
 BBEDC
 P.O. Box 1464
 Dillingham, Alaska 99576
 (907) 842-4370 FAX: 842-4336

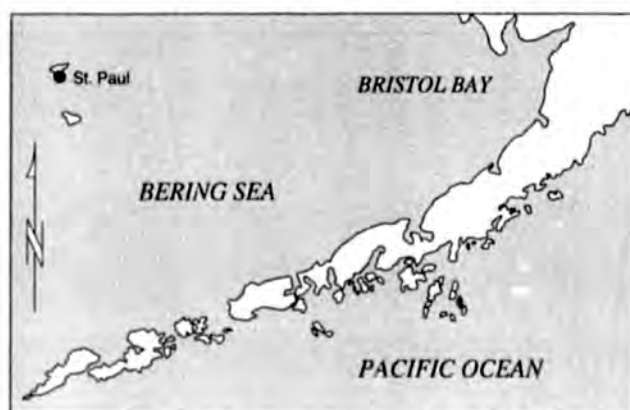
CENTRAL BERING SEA FISHERMEN'S ASSOCIATION

CBSFA represents the community of St. Paul in the Pribilof Islands. It received 10 percent of the Bering Sea CDQ pollock. Its corporate fishing partner is American Seafoods Company, Inc.

CBSFA plans to:

- ◆ Establish a boat loan program for the purchase and construction of vessels 32 to 125 ft. in length that are capable of participating in the multi-species fisheries of the Bering Sea.
- ◆ Set aside funds for infrastructure development on St. Paul Island.
- ◆ Employment goal: 20-25 people in CDQ operation.

Contact: Perfenia Pletnikoff, Jr., President
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P.O. Box 88
St. Paul, Alaska 99660
(907) 546-2312



CBSFA
1300 W. 33rd Ave.
Anchorage, Alaska 99503
(907) 278-2312 FAX: 278-2316

COASTAL VILLAGES FISHING COOPERATIVE

CVFC consists of the Yukon-Kuskokwim Delta communities of Chefnak, Chevak, Eek, Goodnews Bay, Hooper Bay, Kipnuk, Kongiganak, Kwigillingok, Mekoryuk, Newtok, Nightmute, Platinum, Quinhagak, Scammon Bay, Toksook Bay, Tuntutuliak, and Tununak. CVFC received 27 percent of the available pollock CDQ. CVFC's corporate partner is Golden Age Fisheries, owner of five factory trawlers involved in Bering Sea and Gulf of Alaska fisheries.

CVFC plans to:

- ◆ Purchase 50 percent equity in the 197 ft. factory trawler *Browns Point* with the long-term goal of owning, managing, and operating a fleet of at-sea processing and harvesting vessels.
- ◆ Establish a "Salmon Roe University" to train residents of the region to be salmon roe technicians.
- ◆ Purchase or construct a salmon processor to operate in the lower Kuskokwim River.
- ◆ Self-assess the equivalent of the State of Alaska's fisheries business tax and dedicate this money to grants for fisheries infrastructure development.
- ◆ Train individuals from CVFC member villages to work at all levels of the groundfish industry — harvesting, processing, marketing, and corporate management.



- ◆ Establish a Coastal Villages Scholarship Fund for careers in the fisheries and fisheries management.
- ◆ Create a financing mechanism for purchasing and repatriating salmon and herring entry permits to the region.
- ◆ Create a financing mechanism for the purchase of vessels for local and nearshore fisheries.
- ◆ Employment goal: 51-70 people by 1993.

Contact: Norman Cohen
CVFC
204 North Franklin Street, #1
Juneau, Alaska 99801
(907) 586-2360 FAX: 586-2331



Skiffs are pulled up on the beach at Toksook Bay prior to a commercial herring opening. Toksook Bay is a member of the Coastal Villages Fishing Cooperative.

NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION

NSEDC consists of the Norton Sound, Little Diomed Island, St. Lawrence Island and Seward Peninsula communities of Brevig Mission, Diomed/Inalik, Elim, Gambell, Golovin, Koyuk, Nome, St. Michael, Savoonga, Shaktoolik, Stebbins, Teller, Unalakleet, Wales, and White Mountain. NSEDC received a 20 percent share of the CDQ. NSEDC's corporate fishing partner is Glacier Fish Company, Ltd.

NSEDC plans to:

- ◆ Pioneer new markets for salmon and herring starting in 1993 when Glacier Fish Company will buy and market all salmon species and 1,500 tons of herring.
- ◆ Provide low-interest loans starting in the spring of 1993 for the region's fishermen to purchase Norton Sound salmon and herring permits, fishing gear, and to upgrade boats.
- ◆ Establish a program for training up to 80 residents of the region each year in the skills necessary to work on fishing boats and in shoreside plants, and to help them get jobs in the fishing industry.
- ◆ Award scholarships each year to residents interested in obtaining advanced education and technical school training in fisheries-related areas.
- ◆ Work with the school district to establish salmon hatchery programs in every school in the region, and hold more commercial herring and salmon fisheries workshops.
- ◆ Establish a construction fund to revitalize shoreside fish processing in Unalakleet, Shaktoolik, Golovin and Moses Point, and explore building processing plants in other communities.



- ◆ Purchase a fishing vessel capable of catching and processing halibut, black cod, and other species, and serving as a salmon and herring tender or processor.
- ◆ Create new fishing opportunities through regulatory changes and technical assistance, targeting halibut in St. Lawrence Island nearshore water, crab in Norton Sound and elsewhere, and groundfish species such as tomcod.
- ◆ Establish a permanent endowment, providing funds after 1996 to build a regional workforce through fisheries skills training, scholarships, and employment programs.
- ◆ Employment goal: 80 people in CDQ operations.

Contact: John Jemewouk, Executive Director
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YUKON DELTA FISHERIES DEVELOPMENT ASSOCIATION

YDFDA represents the Yukon Delta communities of Alakanuk, Emmonak, Kotlik, and Sheldon Point. YDFDA received five percent of the available CDQ. YDFDA's corporate fishing partner is Golden Alaska Seafoods.

YDFDA plans to:

- ◆ Establish a training program for up to 258 residents by 1995.
- ◆ Develop a fleet of small catcher vessels designed to operate in local longline and/or pot fisheries.
- ◆ Participate with the Emmonak Co-op and the Emmonak Tribal Council in the construction and operation of a shoreside processing and cold storage facility.
- ◆ Set up a fund for purchasing salmon limited entry permits.
- ◆ Explore halibut and cod fisheries in the upper Bering Sea.
- ◆ Employment goal: 50 people in CDQ operations by 1995.

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 Emmonak, Alaska 99581
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YDFDA
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 (206) 443-1565 FAX: 443-1912



FUTURE ISSUES

The CDQ program, along with the inshore-offshore allocation plan, will expire in 1995.

The North Pacific Fishery Management Council adopted the initial CDQ plan as a temporary measure with the expectation that a comprehensive rationalization plan — establishing allocation systems for all fisheries under federal management — would then be ready for adoption. In the meantime, many major CDQ-related issues remain to be resolved:

- ◆ Will the CDQ program prove valuable enough that its existence should be extended past 1995?
- ◆ Should CDQs be implemented for crab, Pacific gray cod, rock sole, yellowfin sole, and other Bering Sea species? If so, how should these CDQs be designed?
- ◆ How will the CDQs that are a part of the Individual Fishing Quota (IFQ) allocation system for halibut and sablefish be implemented?
- ◆ Should pollock CDQs continue or should they be converted to IFQs?
- ◆ Should the Magnuson Act, up for Congressional reauthorization in 1993, be amended to include CDQs?



Fresh-caught CDQ pollock receives a freshwater rinse in a holding tank on the F/T Pacific Glacier. Pollock is the largest harvestable resource in the Bering Sea and the foundation for the CDQ allocation program.

CONCLUSION

The CDQ program brings a new group of people into the industry as major participants. The state and federal governments, as well as private industry groups, will closely monitor the CDQ program to determine if it is successful in achieving its goals.

While the information and results will be debated in fishery forums for many years, no one can deny that a new set of issues will challenge the industry and that the criteria and standards for federal fisheries allocations have changed forever.

This publication was produced by the Bering Sea Fishermen's Association in March, 1993 with information supplied by the State of Alaska — Department of Community and Regional Affairs, Department of Commerce and Economic Development, and Department of Fish and Game — the Aleutian Pribilof Island Community Development Association, the Bristol Bay Economic Development Corporation, the Central Bering Sea Fishermen's Association, the Coastal Villages Fishing Cooperative, the Norton Sound Economic Development Corporation and the Yukon Delta Fisheries Development Association.

*Photos by Lew Tobin, Jon Zuck and Marideth Sandler
Design by North Coast Research Group, Inc.*



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CHANGING COURSE

One year after the Community Development Quotas program began, villagers are seeking to tap riches of Bering Sea fishery.

By HAL BERNTON

The village of Alakanuk, spread out along the banks of a Yukon River slough, bears the scars of the dark side of rural Alaska life. During the past decade, this Yupik Eskimo village of 550 people has been buffeted by alcoholism, domestic violence and a tragic mid-'80s string of eight suicides among its youth.

But during the past year, many villagers are reaching out in a different direction, joining a new program that is offering training and jobs in commercial fishing for salmon, crab, halibut, cod and other bottom fish.

"There's tremendous interest, and very strong support among young people," said Martin Moore, a lower Yukon River elder who helped organize the program. At an Anchorage meeting last Wednesday, he held up a list of 40 Alakanuk villagers who had signed up for the program. "Look at this list. They're not committing suicide anymore."

Moore's remarks came as his group of four villages made a plea for a new — and larger — federal award of pollock that sustains the program. His Yukon Fisheries Development Association is one of six such regional groups attempting to pull 55 western Alaska villages into the mainstream of the multibillion dollar North Pacific fisheries.

Although only a year old, the Community Development Quotas program already has launched a wide ranging series of rural projects. They are tackled by regional fishing groups working in new partnerships with Seattle-based fishing companies.

The program "has just gone beyond anything that anyone has ever imagined — even in one year," said Paul Fuhs, the state Commissioner of Commerce and Economic Development.

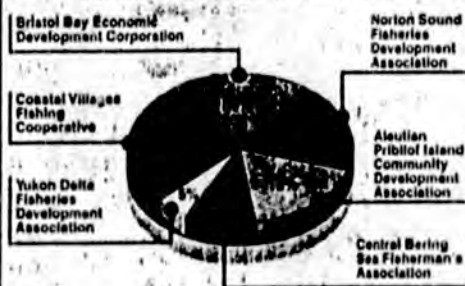
It is also transforming the politics of the North Pacific fishery. Many coastal villagers have viewed trawl fleets as raiders with nets that scoop up large quantities of fish in wasteful harvests. Now, village groups are tied to the trawler companies by business ventures, and are finding common ground.

"A year ago, you could have asked what people



Emmonak Corp. President Martin Moore speaks on behalf of the Yukon Delta Fisheries Development Association at the state public hearing on the Community Development Program last week.

1993 POLLOCK HARVEST RIGHTS For western Alaska communities



Source: State Department of Commerce and Economic Development

KEVIN POWELL / Anchorage Daily News

thought about factory trawler operations, and you would have gotten an almost universally negative response," said Buck Laukittis, a salmon and halibut fisherman from False Pass. "Now, people have an entirely different attitude. . . . What does it mean that we now have a 36 inch by 40 inch color photo of a factory trawler hanging in our city office?"

POLLOCK PROGRAM

At the heart of the program is a pollock

endowment that was approved by the federal Commerce Department in March 1992. That allocation — pushed by state representatives on a regional fishery advisory council — was a dramatic break with past federal policy that simply gave away the bottom fish on a first-come, first-serve basis.

Under the plan, the western Alaska villages, which are predominantly Native, have exclusive rights to harvest 7.5 percent of the Bering Sea pollock during a four year period

that ends in 1995.

The program enfranchised all villages within 50 miles of the Bering Sea. But it left out Kodiak, Southeast, Interior Southeast and North Slope villages, communities that were not considered to be linked to the Bering Sea.

Under the terms of fish grants, the six groups have to develop new opportunities in the fishing industry. And they could be a model for new programs that would give Alaska villages shares of crab, cod

and other seafood resources in annual allocations that might extend well beyond 1995.

In a frenetic round of paper pushing last fall, state officials were able to work with the federal Commerce Department to get the first two years worth of pollock quota — 200,000 metric tons, worth more than \$30 million — awarded to the regional groups.

Each of those groups

Please see Page F-3.
FISHERIES



Pollock aboard the F/V Pacific Knight.

DAVE HILL / Anchorage Daily News

FISHERIES: Villages head toward independence

Continued from Page F-1

formed partnerships with seafood harvesting and processing companies eager for the chance to secure pollock harvest rights through a mix of cash, jobs, business deals and other incentives.

The next two-year allocation runs through 1995. But a sharp drop in the value of pollock is causing major financial problems for the bottom-fish fleets. And that means harvest rights are likely to be worth much less than the 1992-93 rights.

But their worth is still measured in the millions of dollars. And leaders of the six groups were all eager to increase their shares as they testified last week before a state panel. The panel's assessment will go to Gov. Wally Hickel, who this week is scheduled to pass on recommendations to the federal government.

The panel is reviewing confidential financial reports, and has demanded audits to try and ensure that the money is not wasted in boondoggle projects. At times, state officials have pressured some groups to back off of high salaries and they also have objected to questionable expenses.

"We're watching this thing like a hawk," said Clem Tillion, the governor's top fishery adviser. "This thing has to work. We don't want to have any egg on our face."

ON HIGH SEAS

All six groups are making a big push to increase employment, according to summary reports of their past year's activities. Many of those jobs have been found aboard the bottom-fish fleets of the Bering Sea.

In the 12 months ending on June 30, more than 130

villagers attended a two-week fish processor safety and training course at the Seward Alaska Vocational Technical Center. More than 200 villagers signed on for at least one 60-day stint aboard an industry vessel, according to Dewey Halverson, executive director of the Bering Sea Fisheries Development Foundation, a group that helped organize training and placement.

Some groups also are buying their own boats and hiring villagers as crew. The Yukon Delta Fisheries Development Association, a four-village group that represents 1,700 villagers including those of Alakanuk, has purchased two boats and leased two.

They trained 24 villagers for halibut hook and line fishing as well as crab fishing. They used their small boats to help harvest crab and halibut in Norton Sound, then headed south to fish out of Seward.

The jobs and money have made an impact on the meager rural economy of the villages and helping to offset a year of poor salmon runs. Those runs have traditionally provided cash and subsistence food.

"Our people have made over \$500,000 this summer in fishing ventures with factory trawlers and other boats," said Ed Giotfelty, a former Emmonak city manager who now is executive director of the group.

The groups also are trying to develop fishery skills that will propel villagers beyond deck-hand level jobs on factory trawlers. With long, monotonous hours and often harsh working conditions, people in these jobs burn out fast.

The Coastal Villages Fishing Cooperative, has seven interns in a management trainee program. It also is

developing a "salmon roe university" to teach villagers to supervise the processing of this Asian delicacy. Overall wages paid in its 15 village region total \$360,000, according to the group's executive report.

DIFFERENT TACTICS

But enthusiasm for the new program is not universal. Cooperative leaders say they must battle not only alcohol and drug abuse but a "culture of dependency" on welfare payments. "This dependency has progressed to the point where it is easier and preferable to remain on welfare than enter the labor force," the cooperative wrote in an executive summary of its operations.

To combat that culture, Coastal Fisheries is reaching out to high school students to teach them about the program and its job opportunities.

And to sustain those jobs, all six groups are investing in long-term development projects. But they are going about it in quite different ways.

The Central Bering Sea Fishermen's Association of St. Paul is betting its future on harbor development that the group's leaders see as key to transforming this Pribilof Island into central port for the bottom-fish and crab industry.

They have pledged \$1 million of pollock royalty money earned during the past year to help finance a harbor dredging operation. And they report other commitments from the city, state and seafood industry for more than \$16 million in improvements to water, dock, waste disposal and other facilities. The goal is to work with their partner Iclide Seafoods and American Seafoods to develop a

major new processing center.

The Aleutian Pribilof Island Community Development Association, representing more than a half dozen villages, also is investing in dock, harbor and other improvements to support the bottom-fish industry. It is even considering investing in a Nikolski cattle ranch to provide meat for the fishing fleets and processors.

The groups had held off from investing in boats, betting that the financial crisis in the bottom-fish industry will result in bargain basement prices for bankrupt boats, according to the group's executive report.

The group has formed a partnership with Trident Seafoods and the factory trawler Starbound.

Meanwhile, the Norton Sound group, representing about 8,750 people in 15 villages, is working with its joint venture partner, Glacier Fishing Co., to develop small regional fisheries. Local salmon fishermen, for example, haven't had a market for pinks since the late '80s, when a Japanese buyer briefly showed up in Norton Sound.

"We used to throw away many thousands of pink salmon," said Morris Nagruk, an Elm fishermen.

This past year, Glacier Fishing Co. sent a vessel to Norton Sound and purchased \$192,000 worth of salmon, most of which were pinks. Overall, the group reports helping to bring \$1.6 million into the region's economy through new wages, fishing gear and fish purchases from villagers.

While Norton Sound rushes ahead, the Bristol Bay Economic Development Corp. is taking a more conservative approach. They have created an Alaska Seafood Investment Fund to squirrel away much of the

money earned through sales of pollock harvest rights. The fund is modeled after the Alaska Permanent Fund, and Bristol Bay has even retained Dave Rose, the fund's ex-director, to manage the pollock money.

The group plans to operate a scaled-down program that will draw only on fund earnings, with the money used for a mix of scholarships, job training and loans to help villagers buy salmon permits for the rich Bristol Bay harvest.

Most of the groups are set up as nonprofits, although the Internal Revenue Service has not yet made a final ruling on their status, according to Donna Parker, a state Commerce Department fisheries aide. And if they fail to get that status they may have to pay some hefty taxes out of royalties they have collected from their pollock.

But not everyone is happy with the program. Laukitis of False Pass said he's resigned from the group's local board and is worried some money may not be well spent. "We need for this to be locally controlled, and it seems there's a lot of consultants and lawyers telling you what you can and can't do."

And Halverson, of the Bering Sea Foundation, said that some groups haven't reached out enough. As a result, some people haven't had a say in the programs and feel left out.

WHAT NEXT?

The future of the village pollock program is uncertain, and tied both to the health of the fisheries and the Byzantine politics of the seafood industry.

Conservationists fear that pollock stocks won't hold out. They think it's great that villages are finally get-

ting some benefit from the resource, but worry about the villages new ties to the trawl industry.

"We're entering an agreement with a gear type that could bring about a decline in the whole ecosystem," said Laukitis, the False Pass fisherman who also serves on the board of the Alaska Marine Conservation Council. "And I'd hate to see that."

Meanwhile, the federal government is considering radical changes in industry harvests.

For decades, the government has given away fishing rights on a first-come, first-serve basis. Now, the federal government — working through the regional advisory council — is considering granting fishing companies catch rights for crab, pollock and other bottom fish based upon past harvest records.

If such fishing rights are offered to private industry, state officials have said they will push for some shares to be permanently set aside for Alaska villages, according to Paul Fuhs, the state Commissioner of Commerce.

Federal officials hope that fishing rights will slow the frantic pace of the harvests, and result in less waste and accidental catch of fish that are the wrong size and species.

For fishery managers, the village pollock program has served as a test run for the future when all boats would be guaranteed harvest shares and not have to compete for fish. Presumably, such harvests would allow the fleet to fish slower and be more selective.

Fuhs said initial reports indicate that vessels involved in the village harvests did reduce waste and produced a more valuable catch. "It's the cleanest fishery we have going."

BATTLES: Change in Alaska fisheries has only just begun

Continued from Page E-1

Quota battles just starting

By HAL BERNTON
Daily News business reporter

Anch. Daily News
1/9/94

January is harvest time in the North Pacific, and out in the Aleutian Islands boom town of Unalaska, the big ships of the bottom-fish and crab fleets are stocking up on groceries and preparing to head out to sea. But at least during this week, the hottest action will be taking place far from the fishing ground.

In an Anchorage hotel ballroom, the North Pacific Fishery Management Council will again grapple with the question of the decade: How to reform mad-dash harvests that nearly everyone agrees are out of whack? And the council's decisions will have multibillion-dollar consequences over time, determining winners and losers as the industry heads into the next century.

Those who conduct these harvests say there are just too many boats pursuing too few fish. A fleet that once could fish over most of the year now has grown to such a size that it can scoop up almost 3 billion pounds in a few months. The current rules — grab as much as you can as fast as you can — result in "dangerous, inefficient and embarrassingly wasteful harvests," according to a Dec. 22 letter to the council from seven major fishing industry groups.

"The fishermen and women of the North Pacific deserve better; the resources of the North Pacific deserve better and the people

Please see Page E-2, BATTLES

of the United States ... deserve better," the letter stated.

The council, a mix of industry, state and federal officials, is trying to come up with a final reform plan by this fall, and put that plan in place by January 1996.

Now that it's clear the council is taking on the issue, everyone is fighting to try to make sure they come out all right in the final plan. And it's not just the industry that's joining in the battle. Conservationists are increasingly alarmed over the more than 500 million pounds of dead or dying fish the fleet wastes each year.

The Alaska Marine Conservation Council is trying to get the council to consider a plan that would base the reform on waste reduction. Under their proposals, vessels that reduced waste and the accidental catch of prohibited species such as salmon and halibut would be rewarded with more fish. That approach recently gained support from the Alaska Fishermen's Journal, which editorialized that, "Maybe it's just a pipe dream — but it's too beautiful to ignore."

At least for the moment, that plan is not under council review. Instead the council, which drafts policy for the federal government, is considering six options that range from doing nothing, to limiting licenses or creating fishing quotas.

The quotas have gotten the most attention. The council is considering carving up the nearly \$1 billion-a-year harvests of bottom fish and crab into shares, then doling them out to vessel owners, who could either fish them or sell them.

The plan is patterned after a halibut and black cod "shares" system the federal government is planning to introduce next year. Those harvests are largely the domain of small-boat operators who skipper their own vessels.

But the bottom-fish and crab harvests are much more complex. The catch is taken by huge catcher-processor vessels operated by large corporations or by smaller boats that deliver fish to onshore processing plants.

In these fleets, skippers are often hired hands who get paid according to the size of their catches. They acknowledge that corporate investors risk capital. But they say they risked their lives in the tumultuous harvests of the past decade and should now share in the rewards. They want from 3 percent to 15 percent of any bottom-fish or crab shares.

"As far as the risks go, I can't count on both hands the number of close friends I have lost to fishing," wrote Daniel Hanson, master of the Arctic Storm, in a letter to the council. "I look at my time away from home and my contribution to the industry as my investment."

The skippers have gained the support of several council members, who have asked that the proposal be studied. But it is opposed by the American Factory Trawler Association, a trade group that includes many of the skipper's bosses.

The factory trawler association also is at odds with shore-based processors. The share system could bankrupt coastal processing plants, said Vince Curry, president of the Pacific Seafood Processors Association. He said the shares would bestow on the factory trawlers an enormous asset that would allow them to monopolize the catch.

Under a federal policy scheduled to end next year, the onshore plants are guaranteed a fixed percentage of the catch. Under the new system, processors have proposed claiming a share of the catch, or creating a "two-ple" system in which the federal government would award both harvesting and processing rights. But that system — which would force a certain percentage of the fleet to sell to shore plants — was viewed as illegal in an initial review by the National Marine Fisheries Service.

The factory trawlers have long fought any special reservation of some of the catch for onshore plants. They said let the market determine winners and losers. But Joe Blum, head of the trawlers association, said his group is talking with the shore group about a compromise on the share issue.

Other groups lobbying for shares include western Alaska communities, which want some of the fish to be reserved to help build fishing economies. These communities right now are getting 7.5 percent of the Bering Sea pollock. But this experiment is scheduled to end next year. So far, the development groups formed by the villages have managed to parlay this temporary share into more than \$30 million in joint-venture agreements with bottom-fish companies.

If the bottom-fish companies are willing to pay the villages for their fish, why not the government?

"The public should get something," said Clem Tillon, a state fishery official who has served on the council.

School of fish Salmon Roe University in the works

By Charlie Ess
For the Tundra Drums

Salmon Roe University could become a big school someday. And though its facilities are no larger than the Coastal Fisheries barges, its program could bring more than 500 highly paid jobs to Western Alaska.

Classes have not started and blocking the school's path lie several complicated hurdles, one of which demands improvement of relations with Japanese salmon roe markets and their technicians.

Salmon Roe University, or SRU, is the result of a "very creative idea proposed by the Coastal

See SRU, page A4

SRU ...

From page A1

Village CDQ Group," said Donna Parker, a fisheries specialist for the Alaska Department of Commerce and Economic Development.

Under a 1990 immigration law requiring U.S. processors to phase out foreign nationals working in commercial fisheries, the program, using CDQ funds, would train and certify U.S. citizens to replace Japanese roe technicians on U.S. processors.

That means jobs for locals. In the early stages last year, SRU had planned to take 30 to 40 students through its two-year curriculum, then contract them out to processors at wages that would perpetuate and expand the school.

But such a product can't be mass produced like cars and trucks. Marketing Kuskokwim River salmon roe could be impossible without Japanese supervision, training and cooperation. Selling salmon roe in the Japanese market is more of an art than a science.

One complication comes from the nature of the roe itself. Ikura, for example, which is single chum salmon eggs eaten as sushi with rice, requires exact handling and processing to be acceptable in the Japanese market.

"Individual eggs must be tender and easily chewed in the mouth. Mild, salty taste, transparent, bright red color and uniform egg size are important," says a Japanese Market Report from the state Commerce Department.

Just how transparent and how salty varies between companies. "The Japanese Fish Market in Japan can be extremely particular about the type of product they get," said Jay Hastings, counsel to the Japan Fisheries Association.

Even harder to market is sujiko, which is whole skeins of salted chum salmon roe. Often, sujiko is marketed on the reputation of the lead roe technician alone.

An equally large obstacle SRU will have to face in order to succeed involves rebuilding relations that were strained in July by the Alaska Attorney General's charges of Japanese salmon price fixing. Parker said until then Japanese industry officials had expressed great interest and cooperation in mapping out the curriculum.

"They were quite distraught over the Attorney General's report because there was really nothing in the report that demonstrated any type of price fixing," Hastings recalled.

One complication comes from the nature of the roe itself. Ikura, for example, which is single chum salmon eggs eaten as sushi with rice, requires exact handling and processing to be acceptable in the Japanese market.

The state also requested that the Japanese provide SRU with funding, a request that was difficult for the Japanese to understand, Hastings said.

"If the state is going to put together a university program for training U.S. technicians, this is really something that is entirely within the hands of the Alaskan side," he said.

Yet another variable could have been that the United States and Japan were in the middle of trade negotiations.

That puts SRU and the Japanese in a stalemate. It stalls progress, according to Stan Simonson, one of the program's creators.

"It appears they don't want to let go of the strings," said Simonson, whose company Golden Age Fisheries has formed a partnership with Coastal Village in the project. "They have access to specific information we need in order to train individuals as well as they need to be trained."

Trying to process roe without that information would be futile in the scheme of the Japanese markets. Ikura bought from the Kuskokwim and Yukon rivers makes up only 200 of the 6,000 metric tons consumed annually. The rest comes from Japan's own Hokkaido chum fishery.

"You can see what Alaska contributes to the fishery is just peanuts," Simonson said.

Although the program's actual production has been delayed, Parker said SRU will forge ahead cautiously as a pilot project.

Judith Yarrow, SRU's curriculum specialist, has been rewriting a program to fit that pilot project. The new focus, she said, is to recruit four to 12 members from the local villagers and train them to work within the facilities at Coastal Fisheries. Likely they would earn \$7 to \$16 per hour.

Still, Japanese participation is paramount to the program's success.

"We are hoping that they will participate in this to ensure a high quality product," she said.

Yukon Pollock

CDQs on the big river

I think the only thing that comes close to this program was the native land claims twenty years ago. This will do more for coastal communities than anything presently available."

Ed Glatfely is executive director of the Yukon Delta Fisheries Development Association, one of six CDQ cooperatives that split 7.6 percent of the Bering Sea pollock quota in 1992 and 1993. To say he's committed to the CDQ concept is an understatement.



Ed Glatfely and Billy Charles.

"State and federal grants do a little bit for each one of the villages that can successfully compete for them, but this pollock CDQ and future CDQs for halibut and sablefish, and maybe some other species, will do more to enrich these communities and make them self-sufficient than anything that's come along since."

Glatfely has been involved in the villages and fisheries of northwest Alaska since 1967 when he went to Nome to take on the job of city manager. Since that time, he has split his career between managing northern villages and fishing for king crab and halibut on his own vessel.

YFDA represents four villages on the Yukon River Delta—Emmonak, Alakanuk, Kotlik and Sheldon Point. Under the CDQ allocations for 1992 and 1993, the association was granted 5,037 metric tons of pollock annually. They, in turn, bartered their pollock allocation to Golden Alaska Seafoods of Seattle, who caught the product and processed it aboard their 277-foot mothership.

In exchange for the exclusive pollock quota, Golden Alaska funded and participated in various YFDA projects including the training of 80 villagers both in catching and processing groundfish. More than 40 residents have worked aboard the *Golden Alaska*. Others have served longlining and crabbing apprenticeships aboard four smaller vessels owned or leased by YFDA. Two more

have served internships at the company offices in Seattle.

One feature that sets YFDA apart from other CDQ operations is that it owns two fishing vessels itself, the *Blue Dolphin* a 47-foot Sunniford combination vessel, and the *Nakat*, a 53-foot seiner/longline combination vessel.

The association has drawn fire for purchasing small vessels rather than providing additional opportunities aboard large groundfish boats. But Glatfely sees a future in groundfish for individual village fishermen who can learn the ropes, locate the financing, and purchase smaller vessels of their own.

"I feel that the whole intent [of CDQs] is to get people out and to teach them to harvest, process and market the product from the Bering Sea. The initial phase is to catch the product, and you can't catch fish without something to catch it with," Glatfely says.

"Initially we want to train people in the operation of the boats and gear—show them that there is product available out there, train them to catch the fish, and then help them purchase fishing boats and be successful boat owners."

"Ownership of the fishery needs to go to the individual," Glatfely says, "so pride is instilled. If a guy owns a boat, he's going to take a lot better care of it than if the association owns the boat."

"The state has criticized myself and our group asking, 'Well, why don't they go to banks, CFAB and other established institutions to get the money?' Well, they've tried that and been unsuccessful. We think this is an opportunity."

"In the past, banks and state funding sources haven't been lending money to fishermen on the Yukon because they haven't had any experience with offshore fishing and haven't had any down payments to put up to acquire boats big enough to handle the outside," Glatfely explains.

"We're hoping to do the initial financing for these fishermen on a number of boats and then put the fishermen in a position to meet the requirements for CFAB or state or bank funding to refinance after several years in the fishery."

"We're looking to make this a revolving fund to reinvest in younger fishermen," Glatfely says. "Not a one-shot deal, but hopefully a

program that will continue and be able to sustain itself even after the CDQ has ended. We're making involvement in our program a prerequisite for getting a loan. We don't want to give them a boat, but we want to sell them the boat."

Glatfely envisions a five-year payoff, where the individual pays at least 20 percent of the loan off each year from proceeds of his fishing operation. As loans are repaid, the money would become available to other individuals who had proven their skills in the training program.

Besides owning their own vessels, CDQ groups need to process their own catch, Glatfely says, "because that's where a good percentage of the profits are made."

This year YFDA contracted the processor *Karla Faye* to buy king crab from the small boat fleet working out of Nome. "We got paid what I feel was a relatively low price of \$1.25 a pound," Glatfely said. "It was pretty lucrative for Deep Sea [Fisheries]."

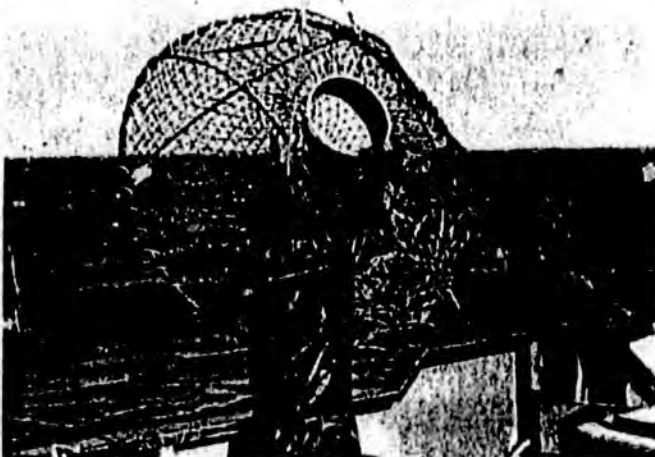
While Norton Sound king crab are generally smaller than the crab taken from Bristol Bay, the quality of the product was good. "I understand that the whole pack is

Yukon fishermen's co-op \$250,000 for upgrading and expansion of their processing and freezing capacity. The CDQ loan will be used in conjunction with a \$680,000 federal economic development grant to add new processing capacity for groundfish (initially cod) and value adding for chum salmon. Combined with another \$500,000 HUD grant to the local tribal council, the money would permit a \$1.43 million expansion of locally owned processing capacity in the village.

Why aren't the villages more directly involved in the pollock fishery itself? Bartering pollock CDQs for the expansion of local opportunity is more important, Glatfely says.

"The [YFDA] board's feeling is that just involving people in the offshore pollock fishery is not going to make a lot of difference in the way business is done in northwest Alaska. It's going to take the involvement of people fishing in their local areas, being able to make a living from the fisheries adjacent to their homes—not going away for three months and coming back with a paycheck."

"They need to be able to



CDQ trainees picking king crab near Nome. (Photos by John van Amerongen.)

sold," Glatfely says. "Some of it was processed whole-cooked and was banded and made a beautiful whole-crab pack like Dungeness."

If future CDQ allotments can provide the funding, Glatfely proposes that YFDA enter into a partnership in a crab processing vessel.

Processing plans for YFDA include more than king crab, however. In Emmonak, YFDA has made a commitment to loan the

supplement their salmon fishery with other fishing activity. These guys are excellent fishermen," Glatfely says, "and they should be given the tools and the opportunity to do that. I think that's the whole intent of the CDQ program. We shouldn't just be putting money in a trust fund for the future. We should be providing them the skills they need to go out and make a living at it."

—John van Amerongen

Villages take quota projects to the bank

The Associated Press

At remote Toksook Bay, where more than one in four villagers are unemployed and steady jobs are rare, 26-year-old David Bill Jr. said his job prospects were slim.

That's why he left his hometown for Unalaska, the booming bottom-fish town at the eastern end of the Aleutians. These days he's getting paid while he learns his job as a fish-processing warehouseman on the shores of Dutch Harbor.

"There's hardly anything going on around home," Bill said. "It's good that I got a chance to do this."

Bill is one of hundreds of villagers in western Alaska participating in an experiment known as community development quotas. The program is putting people to work in a region known for stubborn unemployment and a limited cash economy.

With CDQs, 55 mostly Native villages receive a 7.5 percent share of the Bering Sea pollock quota, worth an estimated \$20 million a year. The villages have formed six regional organizations, which applied to the state for a share of the quota.

All revenues must be invested in fish-related development. The state is responsible for overseeing how

the fish are allocated and for reviews and audits of each groups' performance.

After the federal government approved the quotas in 1992, some critics said villages had joined forces with the factory trawlers they'd been fighting for years over salmon intercepts.

Concerns over the politics of fishing remain, but no one denies the quota project has accomplished one goal: Using fish to create jobs.

"I am amazed at how much they have achieved," said Donna Parker, a fisheries specialist with the state Department of Commerce.

"None of them (the quota programs) are in trouble. We have several hundred people working and hundreds of thousands of dollars going to these groups and regions."

Quotas were set up as part of a deal dividing fish between onshore and offshore processors. The program, scheduled for a first-quarter checkup by the state in August, promotes fishery-related development in a region that saw few dividends from the multi-million dollar fishing industry operating just off shore.

A review by the North Pacific Fisheries Management Council in 1996 will decide if the quota sys-

tem continues.

After receiving state approval, the six groups — five nonprofit and one for-profit — began marketing their fish. They forged partnerships with six of the biggest players in the groundfish industry.

One of the first things they bargained for was jobs.

About 25 people from Bill's area worked this year's pollock 'A' season and brought \$100,000 back to their villages, said Norman Cohen, manager of the Coastal Villages Fishing Cooperative.

To the north, 20 members of the Norton Sound Economic Development Corp. earned \$250,000 on ships owned by partner Glacier Fish Company Inc., adviser John Zuk said.

A third group, the Bristol Bay Development Corp., said 30 workers returned in March from ships owned by Oceantrawl Inc., with \$150,000 in their pockets.

All three groups said their partners will employ up to 50 workers each in future seasons.

Processors were concerned that workers might not be prepared for the 16-hour-work days in cramped quarters on an often inhospitable Bering Sea. So they began training programs to familiarize would-be processors with shipboard life.

Bill started working on a factory trawler and didn't like it, so he took the shore-side job in Dutch Harbor. But the retention rate for the Coastal Co-op and others is comparable with industry-wide rates, Cohen said.

Joe Paniyak, Coastal's employment coordinator, said the larger problem is getting the word out and convincing villagers to apply.

But getting jobs on factory trawlers is only one way to boost work opportunities. Long-term plans call for developing fish-related jobs closer to home.

Coastal used its CDQ fish to purchase an interest in two vessels with Golden Age Fisheries. The for-profit venture is starting two new projects to bring jobs to the Kuskokwim region.

The company bought a barge-based processor that will purchase salmon in Bethel. About 100 villagers will work on the processor, fishermen will have a market for their fish and everyone will split the profits if the operation succeeds, said Golden Age owner Stanley Simonson.

A second project will train people to be salmon roe technicians, Cohen said. Every summer the Japanese send their own employees to work the egg houses in

Alaska's canneries. There's no reason why those jobs can't be performed by Alaskans, he said.

In Norton Sound, fishermen who for years struggled to sell their catches to processors who were committed elsewhere now have a ready market with Glacier Fish.

The two companies have signed a deal that will see Glacier Fish buying pink salmon from the Norton Sound fishermen.

"It's the first time in six years anyone has bought pinks in Norton Sound," Zuk said.

Some of Norton Sound's quota cash is being loaned to local fishermen so they can fix their boats and buy gear, he said.

In Bristol Bay, home of the world's largest sockeye salmon fishery, the CDQ group's board is made up of veterans of Alaska's boom-and-bust fishing business.

The group is working to help retain valuable salmon permits in the region and is training non-permit holders for jobs as welders and diesel mechanics, he said.

The state will provide a formal report card on CDQs in August before it considers applications for the second two-year phase. Parker said her department is proceeding cautiously, but she's excited about the experiment.

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There were other unexpected effects, as well. "It changes the way people do business," reports Ed MacLeod, who assessed the plan for his former employer, the National Marine Fisheries Service. "I don't think the people who design the plans foresee the domino effect they're going to have." He recommends that planners give more thought to how quota plans will affect social and economic structures.

One of Canada's fisheries that is under quota-share management is British Columbia halibut. While fishermen and fishery managers appear to be generally pleased with the program, the B.C. experience raises warning flags also.

Bruce Turris, who helped develop the plan for Canada's Department of Fisheries and Oceans, told a seminar audience at Pacific Marine Expo last November that it's a mistake to assume individual quotas will work in every fishery. Ironically, he advised fishermen not to assume the government will do a good job. He said it's essential that fishermen participate in all phases of plan development and execution and demand accountability.

What Turris and MacLeod suggest is very good advice. If your fishery is heading in the direction of a quota share system, become a student of other programs to learn what's working and what's not. The goal should be to engineer a management plan that can benefit both fish and fishermen.

PACIFIC COAST WATCH

CDQs are about more than money

National Fisherman

By Brad Matsen
Pacific Editor

March, 1993

Congratulations are in order for the members of the North Pacific Fishery Management Council and others who supported the creation of the Community Development Quotas (CDQ) in the Bering Sea pollock fishery (see p. 20). Most of the villagers who will benefit from the CDQ programs will never catch a pollock, but the council acknowledged that the lives of fish and the people of the coast are entwined beyond balance sheets.

The motivations and means for placing a portion of the pollock under the control of the people of western Alaska were purely political, a matter of vote-bargaining in the broader debate on permanent allocation of the billion-dollar fishery. For better or worse, the council, congressional delegations, state officials and interested parties are slowly carving out a complicated deal to transfer ownership of the resource to the private sector. Without CDQs, the eventual privatization of the groundfisheries, in all likelihood, would have been slowed or sunk by congressional pressure or lengthy judicial challenges.

Under the program fashioned by the Office of the Governor of Alaska, as directed by the council, six newly formed organizations representing 58 villages received exclusive access rights to 7.5% or, this year, about 100,000 metric tons of the overall 13-million-m.t. fishery.

Some of the villages plan to actually invest in fishing boats to eventually catch their shares. Others plan only to broker their shares to factory trawler or shore plant partners and spread the money around in training programs and other fisheries infrastructure for various species.

The CDQ program, especially the brokering role chosen by some development groups, has already come under fire, but the critics are missing the point. The lives of the Bering Sea people are tightly bound to the health of the pollock whether they catch and eat them or not. Every Eskimo, Aleut, or Athabascan shares a tier of the oceanic food web with the pollock, and the seals, walrus, sea lions, salmon, halibut and crab that depend on the pollock are also vital to subsistence in the villages.

Participation and control by local people, aboriginal or not, is precisely what fishermen fear is vanishing from the modern fisheries. If a highly industrialized fishing fleet will eventually own exclusive access rights to pollock, the villagers' relationship to those fish cannot rightfully be ignored in vesting those rights. The council made an enlightened decision, regardless of intent.

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Meanwhile,

Alaska coastal villages get 7.5% of the Bering Sea pollock quota

By Brad Malsen
Pacific Editor

A new column appeared on the chart of allocations for the \$2 billion Bering Sea and Aleutians groundfish fleets at the North Pacific Fishery Management Council's December 1992 meeting in Anchorage. Right there, next to the familiar ABC (Allowable Biological Catch) and TAC (Total Allowable Catch) were the letters CDQ, for Community Development Quota. Arrayed beneath them were numbers representing \$30 million worth of pollock, exclusively controlled (at least until 1995) by the predominantly Eskimo and Aleut villages of the western Alaska coast.

Last spring, after two years of debate and vote trading, the council amended the groundfish plan to split the pollock quota for the next three years 65%/35%, respectively, between the offshore and onshore fleets. Part of that amendment, and a critical political compromise among the factions, was a program to funnel money into the villages to develop the ability of the people to participate, in some way, in the groundfisheries in the Bering Sea.

The program quickly gained the support

of the Alaska congressional delegation and most of the Alaska voting majority on the council. At the time CDQs first worked their way into the political agenda for dividing up the groundfish, council member Henry Mitchell was their champion. Mitchell, an attorney and three-term council member, represents the Bering Sea Fishermen's Association, the members of which are from western Alaska villages.

Soon after the onshore/offshore amendment began working its way through the council process in 1990, Mitchell gained the alliance of Clem Tillion, as well as Alaska's governor, Walter Hickel. The governor declared an onshore allocation — and later, CDQs as well — a priority of his administration. Also wound into the political knot was the ongoing debate on the extension of individual fishing quota (IFQ) management into the groundfish fleets. Onshore/offshore and CDQs are viewed by many to be preludes to eventual privatiza-

tion of the resource through IFQs.

In March 1992, the council approved the onshore/offshore plan amendment and the CDQ program, the details of which were to be worked out by Hickel's office. The villages themselves would not have to go out and catch and process the pollock, but could enter into ventures with existing companies that would buy the quota from the village corporations that ended up owning it. The factory trawler fleet and shore-based processors were hungry for more fishing in a year when bycatch caps and split seasons made for rough going, so a bit of a pollock rush began. In effect, the new development corporations would broker their fish for a price to their harvest partners, who would also offer priority to villagers in their ships and plants.

Hour of the Middleman

"Like the old saying goes," quipped one fisherman at the council meeting, "in every large financial transaction there's a stretch

of time when the money is in the hands of neither the giver nor the receiver. That's the hour of the middleman." The villages would receive money in return for their share of the fish, and according to the plans approved by the governor, use it for fisheries training, education, local development, and even investment or ownership in factory trawlers.

The CDQ program was officially launched in June 1992, with the solicitation of proposals from village groups and the first fishery slated for December. The 7.5%

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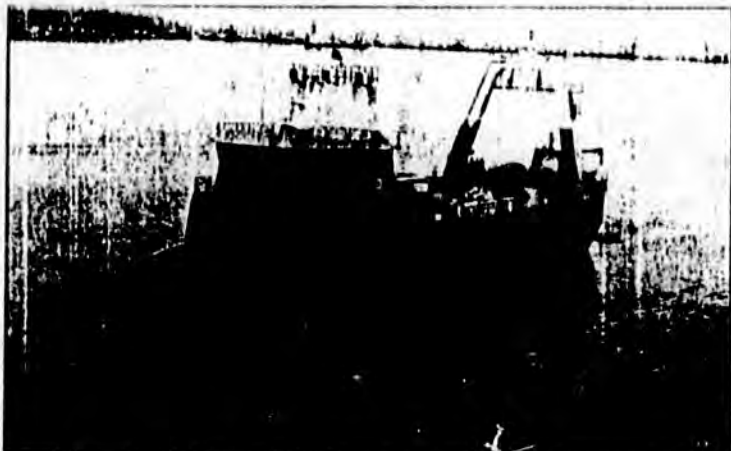
Community Development Quota (CDQ) Details

Name of CDQ association or corporation	Number of communities/population	Name of harvesting/processing partner(s) tonnage	Percent of the quota(1992)	Projects to be funded by CDQs
Aleutian Pribilof Island Community Development Association	5 villages, 449 people	Starbound Partners (F/T) Trident Seafoods (shoreside)	18% 18,260.1 mt	Employment training; educational endowment; Infrastructure: docks, water, dredging, slaughterhouse.
Bristol Bay Economic Development Corporation	14 villages, 3,406 people (over 16 yrs. old)	Oceantrawl (F/T)	20% 20,289 mt	Seafood investment fund (70%); employment training; Infrastructure; community development.
Central Bering Sea Fishermen's Association	1 village (St. Paul), 763 people	American Seafoods (F/T) Icicle Seafoods (shoreside)	10% 10,144.5 mt	Community infrastructure (70%), including utility corridor, water supply, sewage disposal, electrical upgrade; new processing capacity; Vessel acquisition & fisheries training (30%).
Coastal Villages Fishing Cooperative	17 villages, 5,786 people	Golden Age Fisheries (F/T)	27% 27,390.15 mt	Purchase F/T Browns Pt., purchase F/V Barbara Lee; training & employment programs; scholarship programs.
Norton Sound Fisheries Development Association	15 villages, 8,752 people	Glacier Fish Co. (F/T)	20% 20,289 mt	Increase salmon & herring processing; loan program; tendering vessel purchase; processor vessel remodel; training.
Yukon Delta Fisheries Development Association	4 villages, 1,756 people	Golden Alaska Seafoods (F/T)	5% 5,072.25 mt	Purchase 75% ownership in 160' vessel & another similar vessel; employment programs; fish surveys; permit buyback; small boat finance; finance small local processors & marine supply businesses.

CDQ of the 1992 TAC totalled 101,445 m.t., available from the 15% reserves held until the last quarter of each year as a cushion against management errors in the general fishery. By August, the governor's office had proposals from more than a dozen newly organized corporations formed by groups of villages, their consultants and their harvesting and processing partners.

Eventually, six corporations and their harvest partners were chosen, each incorporating from 1 to 17 villages (see box, page 20).

"By the end of December [1992], \$30 million will be on deposit in banks in the names of the [CDQ] development corporations," said council member Clem Tillion at the meeting. "CDQs are everything we hope we'll get out of IFQs in the way of steady seasons and lower bycatch rates."



Courtesy of Golden Age Fisheries

A cooperative association of 17 Native Alaska villages that was allocated more than 27,000 m.t. of pollock will use some of the proceeds from its Community Development Quota to purchase the factory trawler Browns Point from Golden Age Fisheries, its harvesting and processing partner in the venture.

"This is great news as it means that the citizens of the smaller towns in western Alaska are now assured of benefitting from the ocean resources off their coast," said Alaska Sen. Frank Murkowski, another champion of CDQs. Not everybody, particularly processors and the offshore trawl and longline fishing companies, think CDQs are the best way to develop the fishing potential in the villages. "I'm for helping out the people on the coast, but in the past, you took revenue into the general fund by taxing the fleets and then redistributed it into the villages or to the affected people by the Legislature," says freezer longliner owner Jim Beaton, a 20-year veteran of fisheries politics in Alaska. "CDQs are a shortcut for spreading the money around."

A Century in the Making

CDQs seem to have suddenly materialized in the jargon and politics of the industrial fisheries off Alaska, but the program is one of several that have been developed over the past century.

Later, in the early 1970s when the state and federal governments and the international oil industry wanted to clear the way to drill and transport the petroleum beneath Alaska's tundra and seafloor. As part of the political jockeying, the Alaska Native Claims Settlement Act (ANCSA) was passed to provide Natives with land, cash and a network of village and major regional corporations to manage it. Like most other treaties and deals a quarter century after they were made, ANCSA gets mixed reviews, largely because the economic fortunes of the village people — in particular those in western Alaska — have not held up as well as most hoped. CDQs are another well-intentioned, but clearly pragmatic attempt to merge wildly divergent cultures by giving everyone a piece of the pie.

"Easy issues become not so simple and some unusual alliances are formed," observes Richard Gutting of the National Fisheries Institute (NFI), a national trade association for seafood processors, brokers and wholesalers. NFI also passed a resolution to "express concern about the Community Development Quota system in the Alaska groundfishery and [to note] that NFI opposes any possible expansion of the program into other fisheries, areas or time periods."

"The precedent has us concerned," Gutting says.

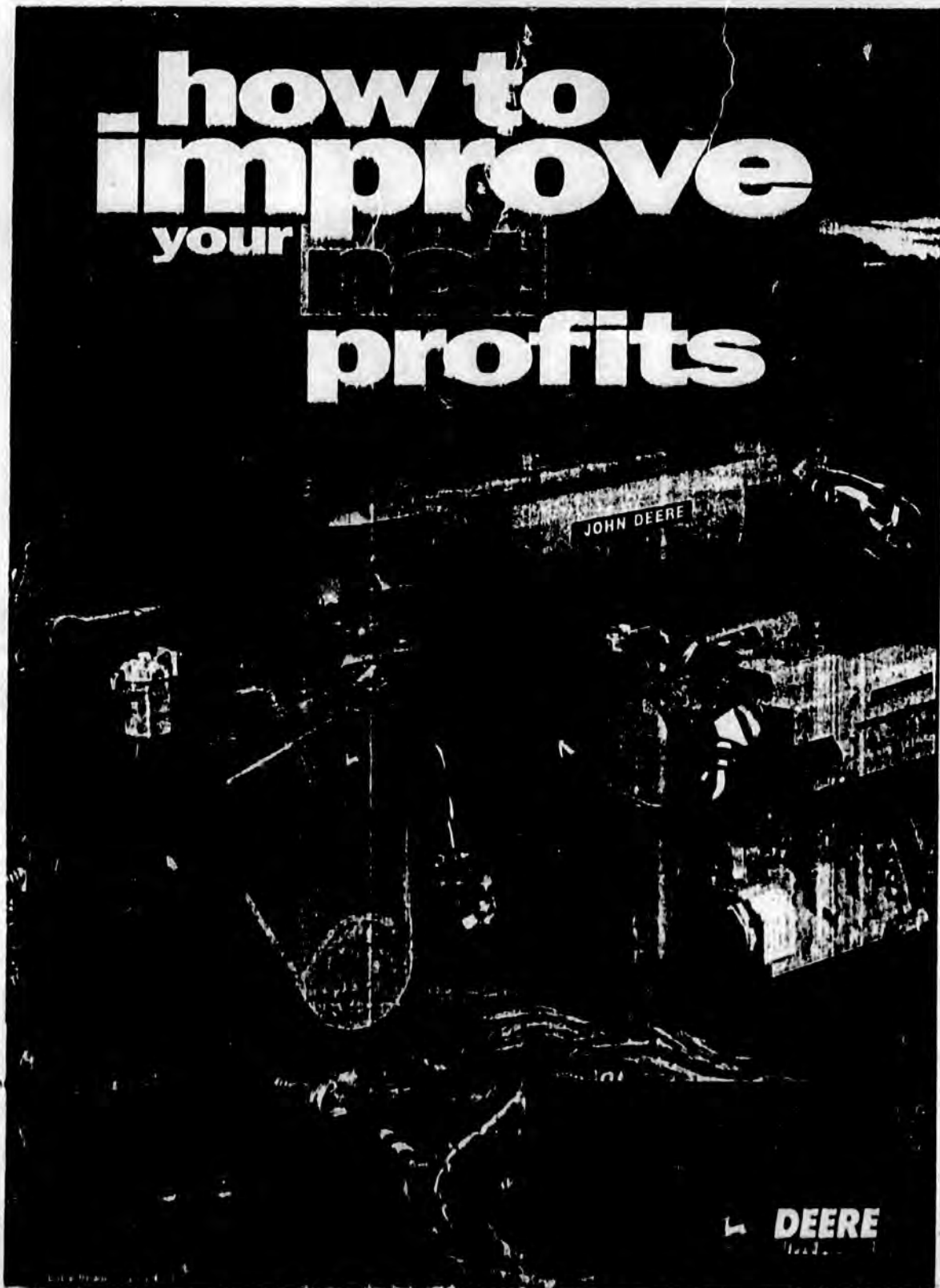
Others are asking questions, quietly considering the stakes, including: "Do Native villages have a legal claim to those fish? Why were CDQs never broken out of the plan for analysis. Are the national standards met by CDQs? And what about distinctions based on race and geography?"

"The reason you don't hear a lot of people complaining out loud about this," says one former council member, "is because sometimes you just have to make a compromise to get what you want. The owners of the offshore fleets want (onshore/offshore and ITQs) to protect their interests. This is part of the deal."

The extension of CDQs into other fisheries, particularly king crab, is definitely on the agenda, according to Tillion. "I want CDQs for king crab, but under a different kind of system. I don't want the shares sold to harvest contractors. They'll have to be caught and marketed by locals," he says.

"We'll see about that," says Ami Thomson of the Alaska Crab Coalition, who represents that fleet.

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