SCOMM

95:39

# Benefits for YOU

## EDUCATION

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

## JOBS

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

## COMMUNITY

All six groups plan fishery development infrastructure projects in and around their area. This will result in many jobs and long term economic development in these communities. Plans include shoreside processing facilities, warehouses, cold storage, fishing gear storage, docks, and fishery enhancement projects. Projects will be partially or wholly owned by the CDQ groups.

## SECURITY

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



Photo: Alaska Seafood Marketing Institute

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

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

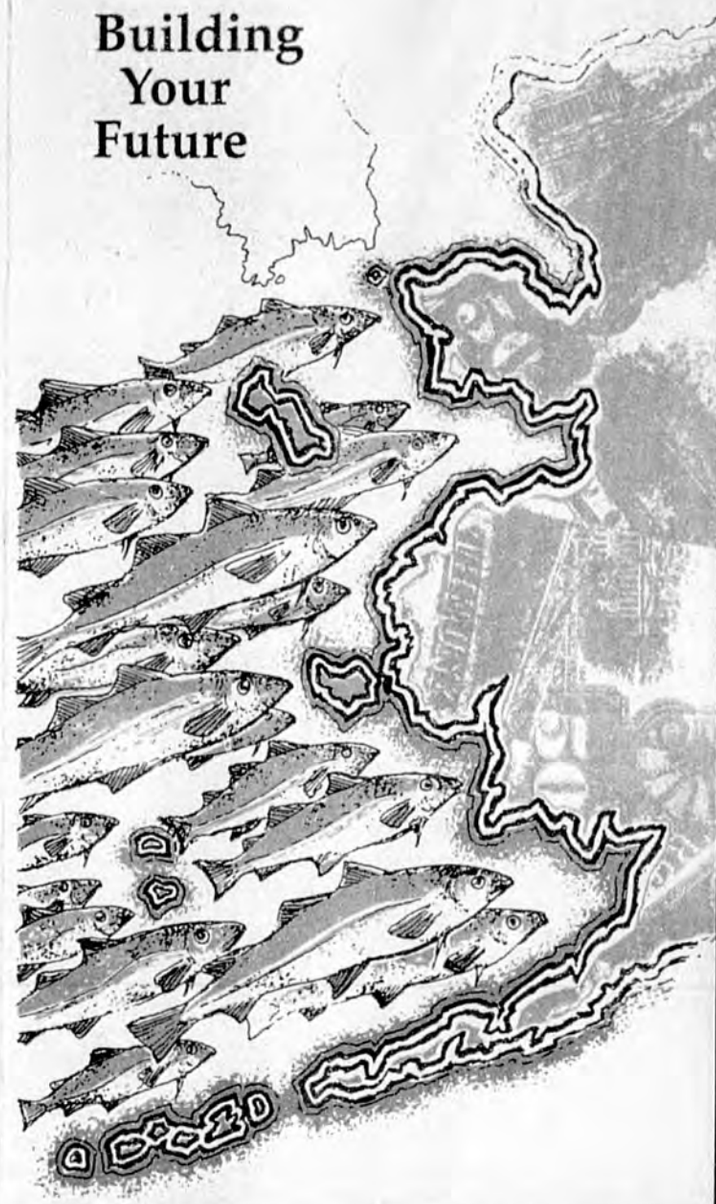
For additional information on the CDQ program, contact:

John M. Walsh
Dept. of Community & Regional Affairs
P.O. Box 112100
Juneau, Alaska 99811-2100
Phone (907) 465-4898

---

This brochure was prepared by the rural students at Mt. Edgecumbe High School, Sitka, Alaska.

# Building Your Future



# the CDQ Program

## 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

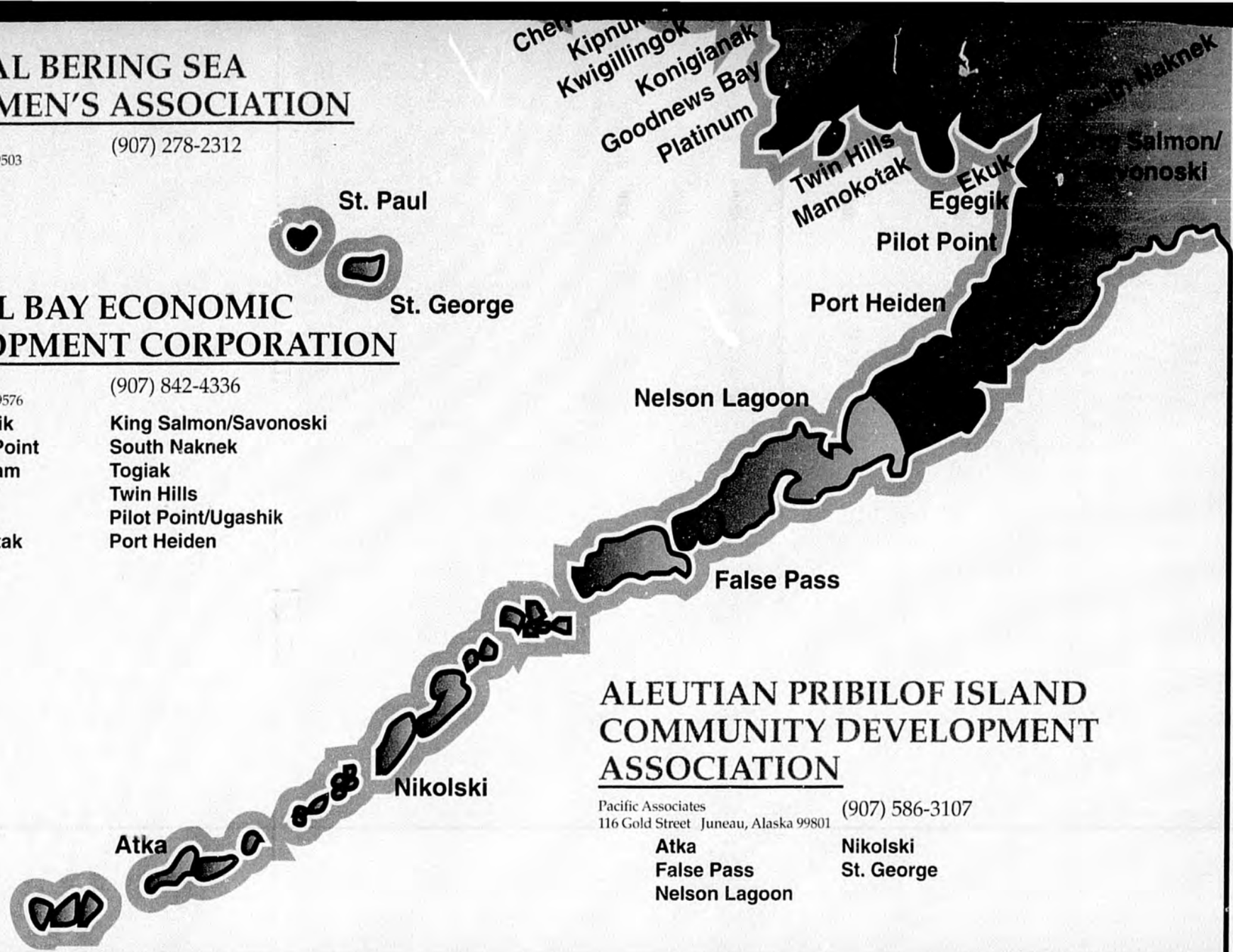
- Aleknagik
- Clark's Point
- Dillingham
- Egegik
- Ekuk
- Manokotak
- Naknek
- King Salmon/Savonoski
- South Naknek
- Togiak
- Twin Hills
- Pilot Point/Ugashik
- Port Heiden

## 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

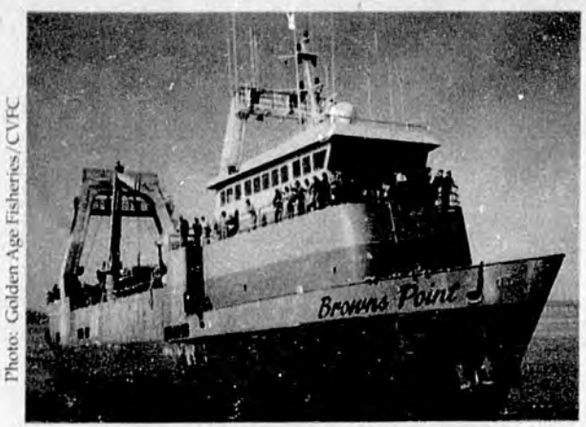



Photo: Golden Age Fisheries/CVFC

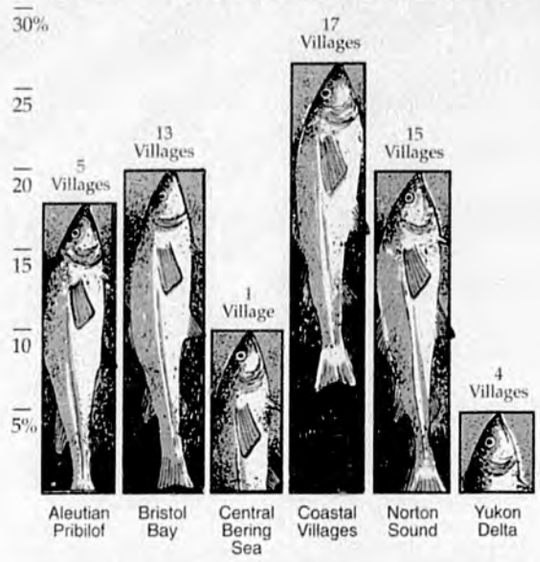
*The F/T Brown's Point, 50% owned by the Coastal Villages Fishing Cooperative, returns from pollock fishing in the Bering Sea.*

# 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



Photo: Alaska Seafood Marketing Institute

*Processing of groundfish holds abundant employment opportunities for Alaskans.*

# 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.

## NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION

P.O. Box 39089
Elim, Alaska 99739

(907) 890-2248

- Brevig Mission
- Diomede/Inalik
- Elim
- Gambell
- Golovin
- Koyuk
- Nome
- Savoonga
- Shaktoolik
- St. Michael
- Stebbins
- Teller
- Unalakleet
- Wales
- White Mountain

## YUKON DELTA FISHERIES DEVELOPMENT ASSOCIATION

P.O. Box 210
Emmonak, Alaska 99581

(907) 949-1926

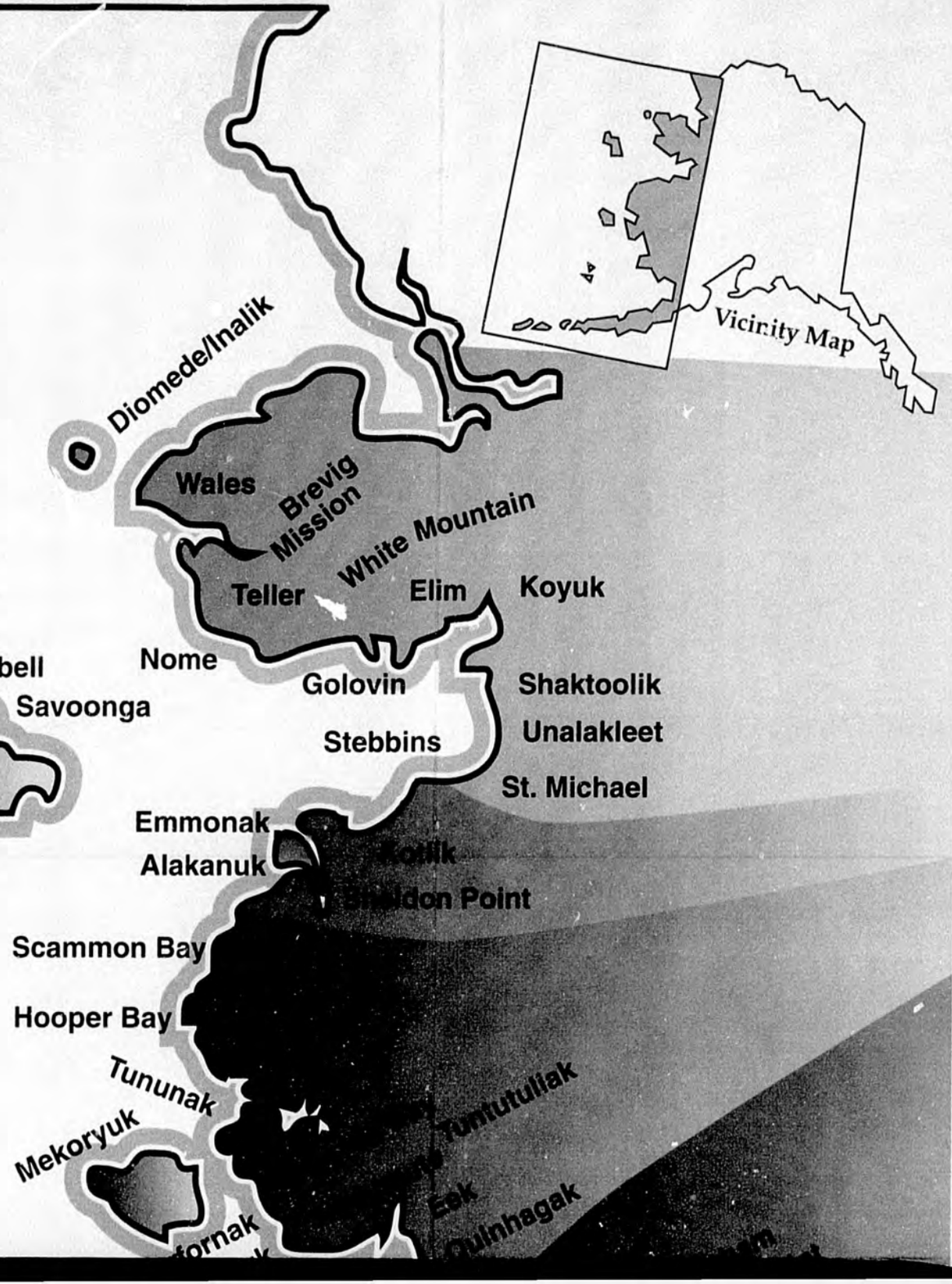
- Alakanuk
- Emmonak
- Kotlik
- Sheldon Point

## 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



## NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION

P.O. Box 39089
Elim, Alaska 99739

(907) 890-2248

- Brevig Mission
- Diomede/Inalik
- Elim
- Gambell
- Golovin
- Koyuk
- Nome
- Savoonga
- Shaktoolik
- 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

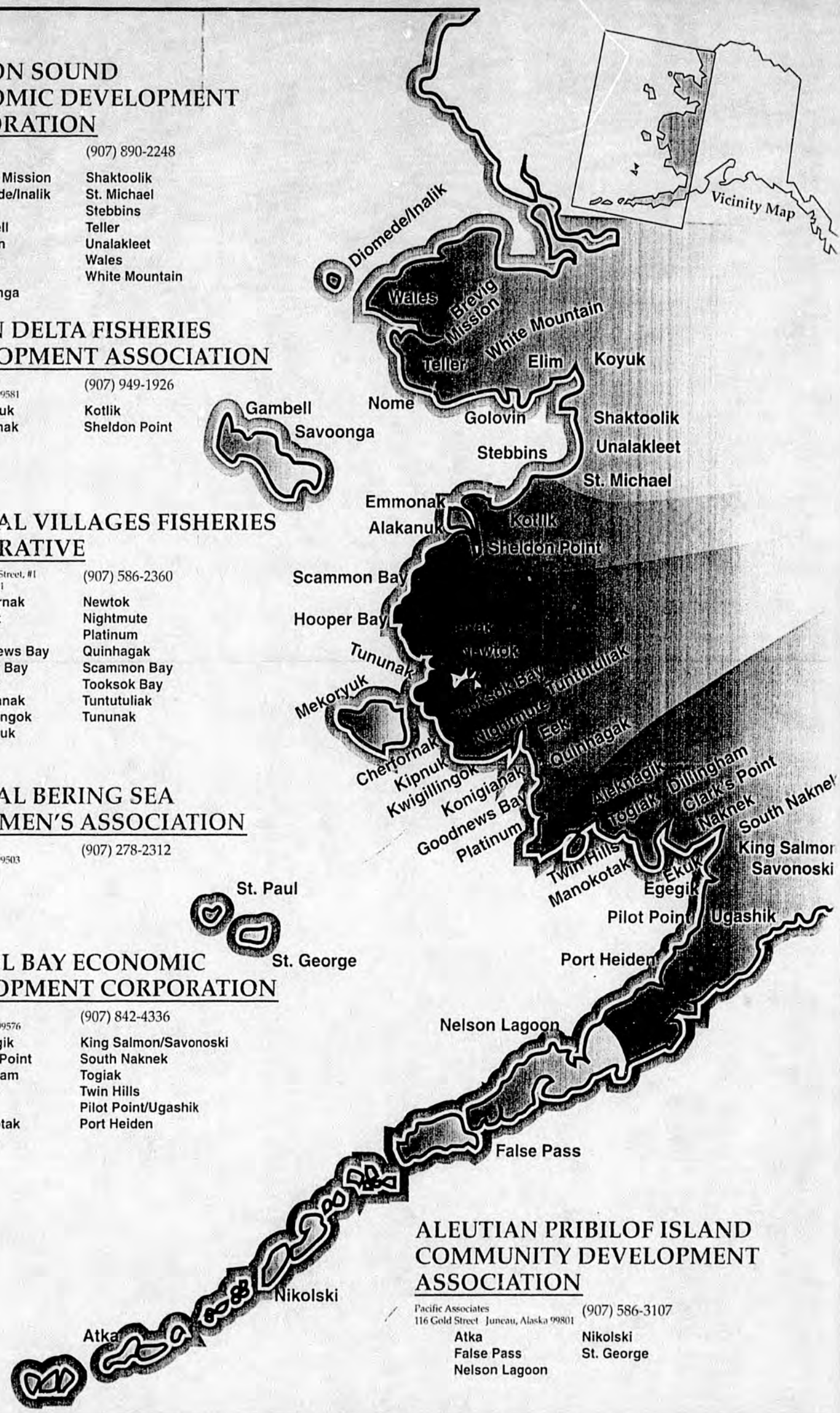
- Aleknagik
- Clark's Point
- Dillingham
- Egegik
- Ekuk
- Manokotak
- Naknek
- King Salmon/Savonoski
- South Naknek
- Togiak
- Twin Hills
- Pilot Point/Ugashik
- Port Heiden

## 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

# THE CDQ REPORT

*Bristol Bay Economic Development Corporation • Norton Sound Economic Development Corporation*
*Aleutian Pribilof Island Community Development Association • Coastal Villages Fishing Cooperative*
*Central Bering Sea Fishermen's Association • Yukon Delta Fisheries Development Association*

*— News and information about the Western Alaska Community Development Quota Program —*




From left to right, Dick Lincoln of Tununak, Joe Paniyak of Chevak, and David Bill of Toksook Bay testify at a Sept. 7 hearing in Anchorage in support of the Coastal Villages Fishing Cooperative's application for halibut and sablefish CDQs.

## STATE MAKES CDQ HALIBUT AND SABLEFISH RECOMMENDATIONS

After a public hearing and private meetings on Sept. 7-8, the State of Alaska made its recommendations for allocating Bering Sea halibut and sablefish CDQs between the seven groups that submitted applications.

In an opening statement at the hearing, Clem Tillion, Special Assistant to the Governor for Fisheries, said, "As I consider each halibut and sablefish application, I'll be looking for fail-safe programs that are resistant to failure. There are many enemies of CDQs ready to pounce on the program if there are any failures or bankruptcies among the CDQ groups."

The **Aleutian Pribilof Island Community Development Association** (APICDA), on behalf of the **Atka Fishermen's Association** (AFA), submitted the only application for area 4B and received 100 percent of the halibut CDQ allocation.

Under the APICDA/AFA proposal, halibut will be harvested by local residents using three 32' longline vessels owned by APICDA and nine skiffs owned by Atka fishermen. CDQ halibut will be processed in Atka at Atka Pride Seafoods, a fish processing plant and cold storage facility co-owned by AFA and APICDA.

APICDA also received 10 percent of the sablefish allocation in the Aleutian Islands management subarea, pared down from its 33 percent request. APICDA proposed to harvest the allocation in partnership with Alaska Sablefish using the factory longliner, *Judi B.* CDQ sablefish will be processed at the Atka Pride Seafoods facility to produce a smoked product for domestic markets.

*Continued on page 6: Allocations*

### IN THIS ISSUE:


2 KNOWLES AND CAMPBELL TALK ABOUT CDQs

3 STATE HIRES CDQ SPECIALIST


The ***CDQ Report*** is published by the Bering Sea Fishermen's Association pursuant to National Oceanic and Atmospheric Administration Award No. NA36FM0280. The views expressed do not necessarily reflect the views of NOAA or any of its subagencies.

### APPLICANT REACTIONS

Alaska's CDQ groups had varied reactions to the state's recommendations on halibut and sablefish quota awards.

Ed Glotfelty, executive director for YDFDA, commented, "YDFDA is happy with the amount of fish we received. The halibut and sablefish fisheries will help YDFDA to take one more step toward self-sufficiency."

John Jemewouk, NSEDC president, expressed mixed feelings about the state's recommendations for the Norton Sound region.

"I feel NSEDC was treated fairly with the sablefish allocations and I'm pretty happy with the quota we got," he said. However, the state's allocation of halibut in area 4D raised questions regarding the St. Lawrence Island halibut fishery.

"The coastal communities of area 4D [Gambell and Savoonga] should have benefited a lot more from the halibut allocations," said Jemewouk. "I thought that the CDQ program was designed to help develop new fisheries. Gambell and Savoonga have been working for the past three years to develop a halibut fishery around the island. The allocation they got doesn't allow them any room to grow. It ties their hands behind their back."

Mark Snigaroff, APICDA chairman, said, "APICDA is happy with the halibut quota we got. We estimate it to represent somewhere around 430,000 pounds of fish."

APICDA was less pleased with its share of the sablefish quota. "We had hoped to receive more of the sablefish allocation," Snigaroff said, "but ten percent of the Aleutian Islands fish is better than nothing. We figure that our quota may be enough to continue progress with our fisheries development projects."

Nels Anderson, BBEDC executive director, expressed frustration with the timing of the application period. "The halibut/sablefish rules and regulations were drafted and issued late so CDQ groups had little time to prepare good, well thought out proposals," said Anderson. "The application process occurred during Bristol Bay's busiest time of year — the sockeye salmon season."

*Continued on page 6: Applicant reactions*

# The next Alaska governor...

*The two leading contenders in Alaska's 1994 gubernatorial campaign – Jim Campbell, a Republican, and Tony Knowles, a Democrat – met with the members of the Western Alaska Fisheries Development Association (WAFDA) on Sept. 7 in Anchorage in separate sessions.*

*The meetings allowed CDQ group participants to informally discuss the CDQ program and other western Alaska fisheries issues with the candidates.*

*Current polls indicate that one of these two men will be Alaska's new governor after the Nov. 8 election.*

*From their past service as members of the North Pacific Fishery Management Council, Campbell and Knowles are knowledgeable about fisheries issues. The NPFMC manages the fishery resources in the federal waters that surround Alaska. Both men have actively campaigned for fishing industry and western Alaska support.*

*The following is a series of excerpts from the discussions. The excerpts were arranged in an interview format with the answers edited for length and clarity.*

*Also running for governor are Alaska Independence Party candidate Jack Coghill, Green Party candidate Jim Sykes, and Patriot Party candidate Ralph Winterrowd.* K.O.

## TONY KNOWLES ON CDQs



WHAT IS YOUR POSITION ON THE WESTERN ALASKA CDQ PROGRAM?

As a candidate for governor, I come here in complete support of the program. I think that it is an essential part of the development of the federal waters off Alaska's coastal shores.

The fact that it has grown into reality and represents some $39 million and 550-some-odd jobs for Alaskans is not only a great success story, but is a real symbol of what Alaska can do and, indeed, must do, as we look ahead to how we are going to have the kind of place that we want to have to live in.

I will look to (the CDQ groups) for recommendations in terms of extending the CDQs to other species.

There is a litmus test for appointments in a Knowles/Ulmer administration for the NPFMC and support of the CDQ program is part of it. Other parts of that litmus test will be an Alaska agenda and that I would expect our council members to be active participants in making sure that Alaskans benefit.

The CDQ program needs to have the partnership and leadership of the state to deal with the federal government.

DO YOU SUPPORT CONTINUATION OF THE CURRENT POLLOCK PROGRAM AFTER 1995? AND, IF SO, AT WHAT PERCENTAGE OF THE FISHERY RESOURCE?

Yes. I know it's in your interest to see that the corporations that are involved with you are successful. They have to feel that there is profitability there. There has to be a fair take from an Alaskan of point of view.

I will work with you to make sure that we maximize Alaska's benefits in terms of employment and future investment into the CDQ areas.

I don't have a specific number, maybe at 7.5 percent, maybe higher. I don't know whether it would be lower or not. However, there won't be any consideration of any other number without this group's participation and agreement.

WHAT CAN BE DONE ABOUT BERING SEA BYCATCH PROBLEMS?

The figures show there have been some 43,000 kings intercepted and the number of chum that have been intercepted almost exceeds the catch. I

*continued on page 3: Tony Knowles*

### TONY KNOWLES BIOGRAPHY

**Tony Knowles makes his living as the owner of the Downtown Deli restaurant in Anchorage. He served two terms as Mayor of Anchorage from 1981 through 1987 after four years as a member of the Anchorage Assembly.**

**He served as a member of the North Pacific Fishery Management Council (NPFMC) in 1988-89.**

**Born in Tulsa, Oklahoma, he came to Alaska as an oil field worker in 1968 following U.S. Army service in Vietnam and an economics major at Yale University. He went on to own and operate a number of food service businesses in Anchorage.**

**Knowles first ran for governor in 1990, coming in second in a three-way race behind Gov. Walter Hickel and ahead of Republican Arliss Sturgulewski.**

## JIM CAMPBELL BIOGRAPHY

Jim Campbell came to Alaska in 1959 from Washington State to take a job as assistant manager of Spenard Builders Supply in Anchorage. In the next 26 years he became the president and chief executive officer and led the company's statewide expansion.

He served on the North Pacific Fishery Management Council from 1978 through 1986, becoming chairman in 1983.

From 1991 through 1994, he was the president of the Alaska Commercial Company.

Over the years, Campbell has been active in many Anchorage civic and Alaska business-related activities.

He first ran for governor in 1990, losing in the Republican primary to State Senator Arliss Sturgulewski. He later joined Sturgulewski as her running mate after State Senator Jack Coghill left the ticket to team up with Gov. Walter Hickel in his successful bid for office.

# JIM CAMPBELL ON CDQS



**WHAT IS YOUR POSITION ON THE WESTERN ALASKA CDQ PROGRAM?**

I've experienced (the CDQ program) because I ran the Alaska Commercial Company. We could see direct results of the income it provided the communities in which CDQ programs were working. It has been a success story and will continue.

I understand you've got some issues now that are coming up, extension of the program on pollock in the Bering Sea. I think it would be a criminal injustice to not extend it and I think it will be extended. I don't think there's much of a problem there.

During my time in office, the 1995 implementation on sablefish and halibut (Individual Fishing Quotas) will come up. We will also review all the options on crab and all groundfish set asides to implement those (allocation) programs. You will have my support on those. I can guarantee you that. I see the need for the program.

**WHAT IS YOUR POSITION ON THE EXPANSION OF CDQS INTO OTHER FISHERIES IN THE BERING SEA?**

I fully support the expansion of any other CDQ programs within the Bering Sea. That's a given. That's going to happen. You're talking about all other groundfish and crab. The council is going to address that and it's going to be important that I have people on that council that support my position.

**WHAT NPFMC ISSUES SHOULD THE CDQ GROUPS WATCH?**

I would encourage you to pay close attention to Alaska continuing to have the voting majority on that council. It is going to be an issue and it is important to each of you in this room.

Alaska doesn't have to apologize for the way we've managed fish and game in a lot of cases. We still maintain that (harvest) cap in the Bering Sea Aleutian Islands with all the pressure from the factory trawlers.

The issues that I talk about are important to you because they're resource issues and you are going to share in those allocations. I think anyone who says that you're not just doesn't

*continued on page 5: Jim Campbell*

# STATE HIRES NEW CDQ SPECIALIST



Julie Anderson, State CDQ Specialist

Julie Anderson, a lifelong Alaskan, has been hired by the Alaska Department of Community and Regional Affairs as a CDQ specialist based in Anchorage.

Anderson will serve as a liaison between CDQ groups and state agencies. Her responsibilities include monitoring the CDQ program within the state and assisting CDQ groups with questions and concerns. The position was previously held by Ivan Ivan of Bethel.

One of Anderson's top priorities is to maintain open lines of communication to keep information about the CDQ program flowing to CDQ communities. She places great importance on community outreach and educating the public on the value of CDQs to western Alaska and to the state as a whole.

Anderson, originally from interior Alaska, grew up in a family which relied on commercial and subsistence fisheries on the Yukon River. She is familiar with many of the issues regarding fisheries resources in rural Alaska and looks forward to visiting the communities participating in the CDQ program.

A graduate of the University of Alaska, Fairbanks, she recently received a masters degree in international management from the American Graduate School of International Management in Glendale, Arizona. In addition to her background in international business, she also speaks Japanese.

Julie Anderson can be reached at the Alaska Department of Community and Regional Affairs office in Anchorage — 333 West 4th Avenue, Suite 220 — or by phone at 269-4598.

*M.McB.*

*Continued from page 2: Tony Knowles*

applaud the CDQ groups and their partnership with the trawlers in attempting to work a way out of that.

I think there has been some significant progress and, as governor, I will totally support bycatch reduction, both in terms of research and data. I'll also support whatever other rules the state can bring on the feds to make sure there is a joint insistence that bycatch be significantly reduced.

***"...I will look to this group for some advice and counsel as to (how) an IFQ program for Bering Sea groundfish would relate to the benefit of Alaska coastal communities."***

**WHAT WOULD BE THE KNOWLES ADMINISTRATION'S ATTITUDE TOWARD FACTORY TRAWLERS?**

The two problems I have seen with the factory trawlers have been bycatch and impacts on habitat. Ocean-bottom habitats are a real concern, particularly the impacts of hard on-bottom trawling on the crab and halibut fisheries.

There again, do you stereotype all factory trawlers or do you reward individual clean fishing efforts? I think the most productive approach is to take a look at individual efforts using an incentive system and rewards.

**WHAT IS YOUR POSITION ON INDIVIDUAL FISHING QUOTAS?**

I would consider looking at the IFQ program for groundfish in the Bering Sea only on the basis that it would provide protection and be a net gain for Alaskan interests. I would want to see and talk about it in terms of bycatch, ownership, and continuing the CDQ program. Those are the kinds of criteria that I would hold up against having any kind of IFQ program.

It's a concern of mine that public property, once we privatize it with IFQs, will flow south. It would be a permanent loss to Alaska that would never be recovered. We shouldn't be privatizing a public resource without assurances and guarantees that it will help Alaskans' interests. At this point, I don't see any guarantees.

Before I would ever discuss any IFQs, I will look to this group for some advice and counsel as to (how) an IFQ program for Bering Sea groundfish would relate to the benefit of Alaska coastal communities.

I have not drawn a line in the sand on IFQs. I have opposed it in terms of a blanket approach. If it doesn't benefit Alaskans, I don't want to have any part of it.

I have always felt that there was no connection between IFQs and CDQs. You can have CDQs without IFQs. I've never seen the interrelationship between those two.

**WOULD YOUR ADMINISTRATION PROVIDE MATCHING DOLLARS FOR CDQ-FUNDED PROJECT DEVELOPMENT?**

Absolutely. I think partnership is the key term towards business development in this decade.

I would use any which way we can to leverage or (establish a) partnership to encourage community-based development. I think the state must accept its fundamental role – and it's a very traditional one – of transportation, utilities and assistance in those basic business areas.

**WHO ARE YOU CONSIDERING FOR APPOINTMENT AS COMMISSIONER OF THE DEPARTMENT OF FISH AND GAME?**

I will look to a person who is a professional, who is accepted by the industry and who will be a fierce advocate of the resource and the industries. I will look to that also in terms of other appointments in the Department of Fish and Game.

I consider it unethical of me as a candidate to ask or talk to anyone about any job in an administration before an election. I can assure you that has not happened nor will it happen.

Once the election takes place, I will have a transition team. I would look to the transition team to make recommendations for the appointments within fisheries. I would like to request that there be a representative of (the CDQ groups) on the transition team.

**WHAT IS THE "ALASKA FISHERIES PLAN" THAT YOU WOULD IMPLEMENT IN YOUR ADMINISTRATION?**

First, an Alaska fisheries plan would deal with conservation—both in terms of stopping waste and the protection of upland and marine habitat.

Second, we need to make better use of science and technology. We've just barely scratched the surface on what science and technology can do to not only develop our biology and our understanding of the resource, but how to put it on peoples' dinner plates.

The third area is the sense of Alaska fairness and that the fisheries economically benefit Alaskans in terms of jobs and business opportunities.

Finally, marketing. We don't have to market some of our species quite as aggressively as others. But in terms of our wild salmon, we have to market them at a scale that we're not even beginning to touch. With the right science and technology, I think that we could recover what we've lost of our (market) share. In fact, I think we could make big gains. We can whip foreign salmon.

**WHAT IS YOUR POSITION ON SUBSISTENCE?**

I will see that there is a vote by the people of Alaska for a constitutional amendment for rural preference. I do not support the state lawsuits against ANILCA. I will drop those on the first day in office. Those lawyers can pack their bags. I think that is absolutely the wrong message to send and I will campaign for the constitutional preference. I'm confident that the people of Alaska will support it.

I think there is a lot of support for subsistence in the urban areas because urban residents recognize what an important part of the culture and economy subsistence is in rural areas. An urban area cannot succeed if the rural area is failing.

*Continued from page 3: Jim Campbell*

know what they're talking about.

You're on your way, but it's going to be a continual battle, and you can't relax and you need to continue to be involved in the process, certainly fish politics in the State of Alaska.

**Is CDQ expansion the only solution to chronic unemployment and underemployment in western Alaska?**

Hopefully, there are some other programs that we can initiate, other than this one too, that are going to create some economic activities for coastal communities. Not only coastal communities, but all of rural Alaska. This is one step, but I think it's only one of many that we'll have to start working on.

The governor has continued, and I applaud that, to set aside that match of $25 million for sewer and water for those programs. It is going to be harder and harder because I am going down there to do something about the cost of government.

**What are your thoughts on job training for western Alaskans?**

Job training, vocational education is my cup of tea. I talk about it all over the state. And right now we have six programs in state government handling jobs. And that's wrong. We're going to consolidate those jobs programs into one so when you go to them for help you know where to go.

Sixty-five percent of our children don't go on to higher education, do not go on beyond twelfth grade. We need to do something to create jobs there. Voc-ed is a very high priority.

**How can bycatch levels be reduced in Bering Sea fisheries?**

If I am disappointed in anything the council has done since I left it's the issue of the bycatch, not addressing that issue. I think it's criminal that we allow that to go on.

Just yesterday they closed the (Bristol Bay) crab fisheries. That comes as a big surprise to a lot of people involved in that fishery. It becomes your fishery because you're going to become very much a part of a share in that resource.

You need to be involved, as I know most of you are, and certainly continue to be involved in the council process and to scream and holler and see that something's done on that issue of bycatch because we can't continue to be throwing those animals back in the sea. It just has to come to a stop.

**Is the establishment of a permanent CDQ program linked with the creation of an Individual Fishing Quota system?**

They automatically link. I think that's a given.

I'd like to tell a story. Years ago I homesteaded a place down off of Seldovia. It was on a little spit that goes out into the ocean. It had big spruce trees from one side to the other, beautiful beaches, and all that. The (1964) earthquake came along, sank the spit, and pretty soon the ocean started eroding my land, started taking the beach away. So, the neighbor on one side of me put in a bulkhead and the neighbor on the other side put in a bulkhead and I didn't.

So what happened is the waves rushed down the beach on their bulkheads and pretty soon started to come in and eroded my land more. The same thing has happened to Alaska.

On one side of us we have the Norwegians and all those people rearing salmon, taking away our market. On the other side of us we've got Canadians now with a system that allows them to compete and have fresh halibut on the market. And when you buy halibut in Alaska fresh you buy Canadian halibut.

The IFQs are the answer. That's a change for Jim Campbell. But as I've seen this erosion of our share, we have to do something about it.

**How will your administration address the lack of resident hire in the fishing industry?**

You can't legislate local hire, it doesn't work. Some judge throws it out. It takes a governor with enough guts, who can sit down with the processors and sit down with the people doing business in Alaska, those headquartered here and those headquartered in Seattle, and say, "Look, I'm going to work with you and this is what we'll do, but on the other hand, I want you hiring Alaskans."

**Who is Jim Campbell looking for in a commissioner of Fish and Game?**

We need a fresh face. We need someone that comes to the job that doesn't have all these historical, "I don't like him because of...."

I've asked groups like yours, "Now, you tell me who you want to be the commissioner. You let me know. Let's start talking about it." I haven't got one suggestion yet.

I have asked something that will surprise you. I have said, "What would you think if we brought a commissioner in from outside the State of Alaska? Someone knowledgeable, of course, about the issues." I've had people say, "Jim, I'm not opposed to that." And I'm not saying I'm going to bring someone in, but I don't see much objection from it. We are all looking for that person, in my opinion, who is not so much a fish biologist but is a people person.

***"...it's going to be a continual battle, and you can't relax and you need to continue to be involved in the process, certainly fish politics in the State of Alaska."***

**What's your position on subsistence?**

I'm the only Republican in the whole state, I believe, that believes in rural preference. I think that's wonderful because I can do something about it.

As governor I am going to coerce, I am going to threaten vetoes, I'll do everything I can to get the legislature to support, my first year in office, a vote by the people, "Will you support and do you support rural preference?" And I'm sure they will.

Democrats have supported that historically. It's my job to bring the Republicans. But as a Republican governor, I have a little more clout.

## State CDQ halibut and sablefish recommendations/Applicant reactions

*Continued from page 1: Allocations*

The **Bristol Bay Economic Development Corporation** (BBEDC) received 23 percent of the 4D halibut, 30 percent of the 4E halibut and 25 percent of the Aleutian Islands sablefish.

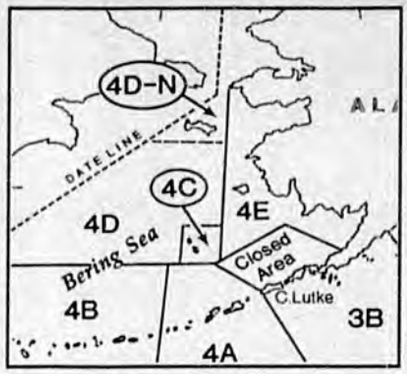
The 4E harvest will be set aside for qualified Bristol Bay residents who wish to fish halibut. Halibut in area 4D and sablefish in the Aleutian Islands management subarea will be harvested under contract with *F/V Ocean Harvester*, a 72' longliner with a successful Bering Sea fishing history.

Two *Ocean Harvester* crew positions will be made available to qualified Bristol Bay residents. These individuals will receive on-the-job training through a Deep Sea Fishermen's Union apprenticeship program which has trained commercial fishermen since 1912.

Profits from the 4D halibut and Aleutian sablefish will be used to develop longline fisheries in the region and provide BBEDC residents with training and opportunities to participate in longline fisheries in the Bering Sea.

The **Coastal Villages Fishing Cooperative** (CVFC) received 24 percent of the 4D halibut, 70 percent of the 4E halibut and 25 percent of the Aleutian subarea sablefish.

Under the CVFC proposal, 4D and 4E halibut will be harvested by local fishermen and delivered to local processing facilities. The sablefish allocation will be fished under contract by the *F/V Ocean Harvester*, the same as BBEDC.




The *Ocean Harvester* will employ two residents from the CVFC region as crew members, trained through the Deep Sea Fishermen's Union apprenticeship program.

Profits from the CVFC sablefish will be used to administer the halibut and sablefish programs, develop longline fleet ownership and purchase IFQs.

The **Norton Sound Economic Development Corporation** (NSEDC) received 20 percent of the 4D halibut, 30 percent of the Bering Sea sablefish, and 25 percent of the Aleutian Islands sablefish.

The halibut CDQ would be harvested by local fishing vessels. The sablefish allocation will be fished using an NSEDC-owned longline vessel.

Profits from the fisheries would be used to support fisheries development activities on St. Lawrence Island, halibut processing and marketing halibut through the Norton Sound Crab Company, and the purchase of a fishing vessel for local fisheries.

The **Pribilof Island Fishermen** (PIF), representing fishermen from St. George and St. Paul, submitted the only halibut application for area 4C and received 100 percent of the CDQ.

Fishermen from St. George and St. Paul will harvest 4C halibut using locally-owned fishing boats. Proceeds from the fishery will be used to cover administrative and monitoring costs.

The **Yukon Delta Fisheries Development Association** (YDFDA) received 33 percent of the 4D halibut, 10 percent of the Aleutian Islands sablefish, and 75 percent of the Bering Sea sablefish.

Under the YDFDA proposal, halibut and sablefish will be harvested by YDFDA's combination fishing boat fleet, employing up to 30 local residents as skippers and crew members. CDQ halibut will be delivered to the Yukon Delta Fish Marketing Cooperative processing plant in Emmonak. Sablefish will be sold to a processor in Dutch Harbor.

YDFDA will use its halibut and sablefish proceeds to support projects started under the pollock CDQ program, such as vocational training and developing a locally-owned fleet of small-scale commercial fishing vessels.

Following its review, the U.S. Department of Commerce is expected to approve the state's recommendations.

*M.McB.*

---

*Continued from page 1: Applicant reactions*

Anderson added that BBEDC's halibut and sablefish allocations were less than they had requested but still within the range of being economically viable. "We are pleased with 4E halibut which allows us to continue the historic halibut fishery begun by our people in 1990," he said.

Joe Paniyak, CVFC president, said, "Even though we didn't get what we wanted, the allocations seem like a fair amount. Anything we get will help with our CDQ program."

"We're very happy with the allocation. We got 100 percent of what we went for," said St. George PIF spokesman, Lawrence Lestenkof. According to Lestenkof, the 4C allocation will provide the communities of St. Paul and St. George with a greater proportion of income from halibut and more control of the resource.

Philip Lestenkof, St. Paul PIF spokesman, said that PIF's allocation is another step in a long tradition of halibut fishing. "Aleuts have been halibut fishing for 200 years around the islands," he explained.

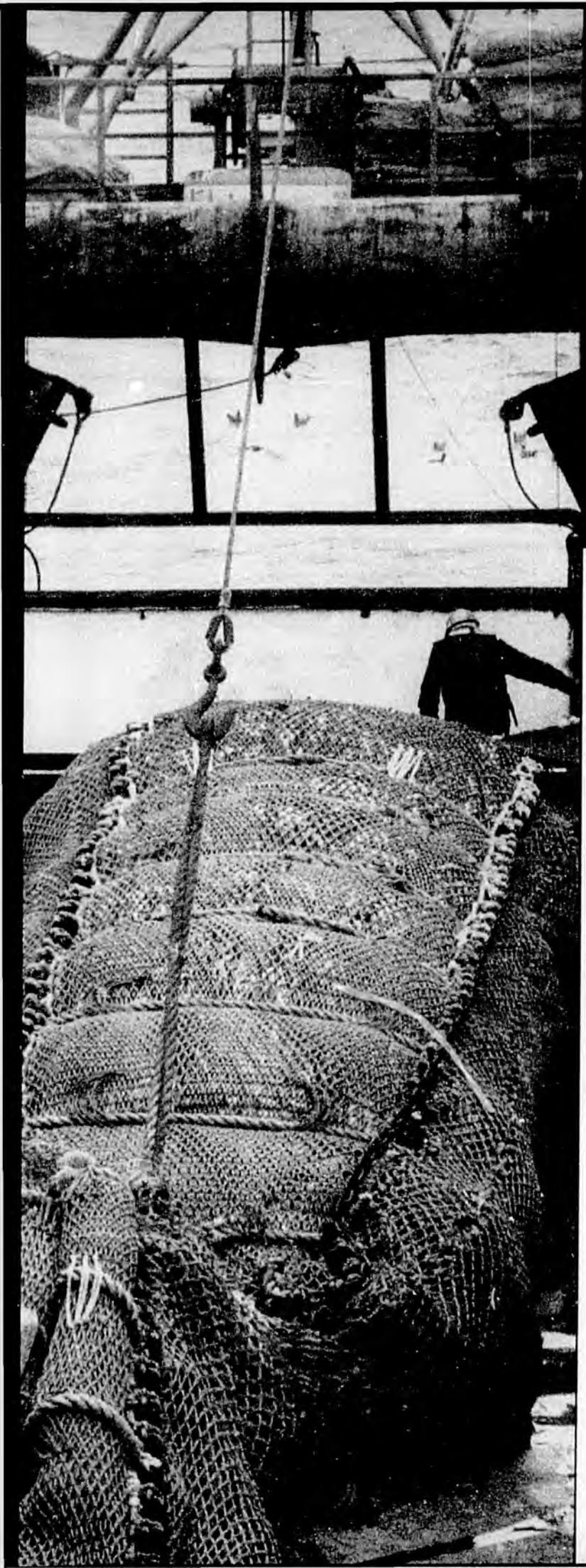
*M.McB.*

***Bering Sea Fishermen's Association***
725 Christensen Drive
Anchorage, Alaska 99501
tel: (907) 279-6519

Bulk Rate
U.S. Postage
PAID
Permit No. 179
Anchorage, AK

*Editors*
Mary McBurney and Karl Ohls

*Design*
Veronica Slajer, North Coast Research Group



# Fishing for the Future:

## Employment and Education through the CDQ Program

According to the Alaska Department of Labor, unemployment in rural Alaska is more than twice the rate of the rest of the state. This is because many communities lack the resources to create jobs and provide residents with vocational and technical training.

In 1992, the Western Alaska Community Development Quota (CDQ) program was approved to help Bering Sea coastal communities benefit from the region's rich pollock fishery. The CDQ program sets aside a portion of the total allowable catch of pollock, halibut and sablefish for harvest by eligible western Alaskan communities. Fifty-six communities have organized to form the six regional CDQ groups that currently participate in the program.

These CDQ groups – the Aleutian Pribilof Island Community Development Association, Bristol Bay Economic Development Corporation, Central Bering Sea Fishermen's Association, Coastal Villages Fishing Cooperative, Norton Sound Economic Development Corporation and Yukon Delta Fisheries Development Association – work in partnership with established seafood companies to harvest, process and market pollock.

Under the CDQ program, the profits from CDQ fisheries must be spent to develop sustainable jobs within the region.

Employment and training opportunities vary with each CDQ group and are generally available to all residents living in member communities and neighboring areas.

If you are interested in finding out more about how the CDQ program can help you plan for your future, contact your regional CDQ group for information on employment opportunities, vocational training and other available programs.

The CDQ program is fishing for the future of western Alaska.

*A publication of the Bering Sea Fishermen's Association pursuant to National Oceanographic and Atmospheric Administration Award # NA36FM0280.*



# Aleutian Pribilof Island Community Development Association

## Employment Opportunities

Trident Seafoods and Starbound Partnership have a resident preference policy to hire qualified individuals from APICDA member communities, including Akutan and Unalaska. Job opportunities vary from clerical and processing jobs to maintenance and equipment operators. Contact the Community Liasion Officer (CLO) in your community for information.

| | |
|---|---|
| **Akutan** | Jennie Robinson 698-2266 |
| **Atka** | Michael Snigaroff 839-2249 |
| **False Pass** | Gilda Shellikoff 548-2207 |
| **Nelson Lagoon** | Nanette Johnson 989-2235 |
| **Nikolski** | Leonty Ermeloff 576-2225 |
| **St. George** | Calvin Kashevarof 859-2246 |
| **Unalaska** | John Bereskin 581-1234 |

## Vocational Training

APICDA offers scholarships up to $2000 for vocational training in occupations that support commercial fisheries or community development. Programs have included diesel mechanics, longshoring, computer and office skills, food service technology and small business administration.

Residents of APICDA member communities, Akutan and Unalaska may apply.

On-the-job training is available for individuals who have completed vocational programs. Positions are with Trident Seafoods and Starbound Partnership to help vocational graduates find permanent job placements. For more information, contact the Juneau APICDA office at 586-3107.

## Scholarships

High school graduates and college students from member communities are eligible for college scholarships. Scholarship amounts vary and are determined annually by the APICDA board of directors.

Individuals must be full-time students and maintain a 2.0 grade point average. Students may apply for a scholarship each year. Applications are due June 30 for the fall semester and November 30 for the spring.

APICDA also publishes a booklet outlining other academic scholarships available to students.

For information and applications, contact the Juneau APICDA office at 586-3107.

## Internships

Pacific Associates sponsors an internship in the Juneau APICDA office in business development and management.

Trident Seafoods Corporation and the Starbound partnership are developing an internship for outstanding applicants interested in careers in the seafood industry. Interns concentrate on specific interest areas such as product marketing , plant operations, corporate management and sales.

For more information, contact the Juneau APICDA office at 586-3107.

***Member Communities***

**Atka**
**False Pass**
**Nelson Lagoon**
**Nikolski**
**St. George**



# Bristol Bay Economic Development Corporation

## Employment Opportunities

Employment on Oceantrawl vessels is open to all individuals within the Bristol Bay region. However priority is given to residents of BBEDC member communities.

New hires start out as processing technicians and may work into positions of greater responsibility.

Contact Rick Shilanski at the BBEDC office in Dillingham at 1-800-478-4370 or 842-4469 for information and applications.

## Vocational Training

BBEDC and the Bristol Bay Native Association offer vocational training. BBEDC provides funds to supplement other vocational grants. Training has included office occupations, food service, electronics repair and diesel mechanics. Residents of member communities may apply.

Contact Marlee Fatuesi, BBNA Training Program, at 1-800-478-5257 or 842-5257.

BBEDC has an agreement with the University of Alaska in Dillingham to provide vocational and Grade Equivalent Diploma (GED) classes in member communities.

Contact Johanna Bouker, University of Alaska, at 1-800-478-5109 or 842-5109 for class schedules and information.

## Scholarships

BBEDC offers scholarships of up to $10,000 per academic year to graduate students and college students with a junior or senior standing. The program is open to residents of BBEDC member communities. Scholarship applications are due July 15.

Contact Pearl Strub, BBNA, at 1-800-478-5257 or 842-5257 for information.

## Internships

High school students are eligible for a clerical internship in the BBEDC office during the school year. Contact BBEDC at 842-4370 for more information.

Four three-month administrative internships are open to high school graduates and college students from member communities. Interns work at the Oceantrawl corporate headquarters in Seattle and may specialize in areas such as accounting, legal services, marketing, and management.

Contact the BBEDC office at 1-800-478-4370 or 842-4370 for information.

## Permit Brokerage

The Bristol Bay Permit Brokerage assists Bristol Bay residents in buying, selling, and transferring commercial fishing permits and arranging boat leases. Financial counseling is also available for residents needing advice on meeting IRS tax obligations, child support and boat and permit loans.

Contact Bernice Heyano, Permit Broker, at 1-800-478-5257 or 842-5257.

## Economic Development

The Alaska Seafood Investment Management Company (ASIMCo) is a limited partnership between BBEDC and Oceantrawl. ASIMCo seeks to create new fisheries business opportunities to support community development programs.

Contact BBEDC for more information.



### *Member Communities*

**Aleknagik**
**Clark's Point**
**Dillingham**
**Egegik**
**Ekuk**
**King Salmon/ Savonoski**
**Manokotak**
**Naknek**
**Pilot Point**
**Port Heiden**
**South Naknek**
**Togiak**
**Twin Hills**
**Ugashik**



*Bristol Bay Times*



# Central Bering Sea Fishermen's Association

***Member Community***

**St. Paul**



## Employment Opportunities

St. Paul Aleut Community members, TDX Corporation shareholders and CBSFA members are eligible to apply for employment with the American Seafoods Company and Pribilof Bering Seafood, Ltd.

New hires generally start out as processing technicians but may work into positions of greater responsiblity.

Contact Bill Arterburn at the CBSFA office in Anchorage at 279-6566 or Jan Jacobs, Amercian Seafoods Company at (206) 448-0300 for information on current job openings and applications.

## Vocational Training

CBSFA will provide tuition for vocational training programs related to the fishing industry and for occupations that improve and support community development.

Training programs have included areas such as computer skills, small business administration, heavy equipment operation, welding and automotive repair.

St. Paul Aleut Community members, TDX Corporation shareholders and CBSFA members are eligible to apply. Applications are accepted throughout the year.

Applications are avaiiable at the TDX offices in St. Paul and Anchorage and the St. Paul High School. Applicants must identify the institution and training program they wish to attend.

For more information, contact Kathy Grace, CBSFA Training Coordinator, at the Anchorage office at 279-6566.

## Scholarships

CBSFA funds a scholarship program through the TDX Corporation Foundation. Full-time college students maintaining a 2.0 grade point average may receive a $2000 scholarship each semester.

Deadlines for applications are July 30 for the fall semester and December 15 for spring semester.

Contact Rena Kudrin, Chairman, TDX Scholarship Foundation at 546-2312.

## Internships

CBSFA sponsors an internship in conjunction with the American Seafoods Company.

The intern works in the American Seafoods corporate headquarters in Seattle and gains experience in corporate management and operations.

Contact Agafon Krukoff, President, CBSFA, in Anchorage at 279-6566 or in St. Paul at 546-2312.

## Loan Program

CSBFA provides loans to qualifying applicants for the purchase of commercial fishing vessels and gear.

Contact Agafon Krukoff in Anchorage at 279-6566 or in St. Paul at 546-2312.

## Economic Development

CSBFA is working to develop a shore-based processing facility in St. Paul to help diversify the local economy and provide additional employment opportunities.

Contact CBSFA for more information.

# Coastal Villages Fishing Cooperative

## Employment Opportunities

Residents of CVFC member communities and non-member communities throughout the Yukon-Kuskokwim region are eligible to apply for employment with Golden Age Fisheries.

New hires generally start out in entry level processing jobs with opportunities to work into positions of greater responsibility.

Applicants must have a physical examination and a drug screening test to qualify.

For information and applications, contact Joe Paniyak, CVFC Employment Coordinator in Chevak, at 858-7250.

## Vocational Training

CVFC sponsors technical training programs for specialized areas such as fish processing machine maintenance.

CVFC is also developing a program to train individuals as salmon roe processing technicians.

Residents of CVFC member communities and non-member villages in the Yukon-Kuskokwim region are eligible to apply for vocational programs.

For information and applications, contact Joe Paniyak, CVFC Employment Coordinator, at 858-7250.

## Scholarships

The Louis Bunyan Memorial Scholarship program offers academic and vocational scholarships for eligible students.

High school graduates and college students from CVFC member communities and non-member villages throughout the Yukon-Kuskokwim region may apply.

Scholarships are for students enrolled in vocational training programs related to commercial fisheries or majoring in fields supporting fisheries-related activities. Scholarship amounts vary.

Recipients of Louis Bunyan scholarships are required to work for a CVFC affiliated fish company during the summer, after graduation, or at some time during their training program

Scholarships are awarded for fall, spring and summer semesters. Eligible students may apply each semester.

For scholarship information and applications, contact Harold Sparck at 543-3788 or write: Louis Bunyan Memorial Scholarship, P.O. Box 2028, Bethel, Alaska 99559.

## Internships

Internships are available to high school graduates and college students pursuing careers related to the commercial fishing industry.

Interns work for Golden Age Fisheries in Dutch Harbor and Bethel and in the Golden Age corporate headquarters in Seattle.

Interns gain professional and technical experience in plant operations, production, corporate management and marketing.

Residents of CVFC member communities and non-member villages in the Yukon-Kuskokwim region are eligible to apply for internships.

For more information, contact Joe Paniyak, CVFC Employment Coordinator, 858-7250.



### *Member Communities*

**Cherfornak**
**Chevak**
**Eek**
**Goodnews Bay**
**Hooper Bay**
**Kipnuk**
**Kongiganak**
**Kwigillingok**
**Mekoryuk**
**Newtok**
**Nightmute**
**Platinum**
**Quinhagak**
**Scammon Bay**
**Toksook Bay**
**Tuntutuliak**
**Tununak**





***Member Communities***

**Brevig Mission**
**Diomede/Ignaluk**
**Elim**
**Gambell**
**Golovin**
**Koyuk**
**Nome**
**Savoonga**
**Shaktoolik**
**St. Michael**
**Stebbins**
**Teller**
**Unalakleet**
**Wales**
**White Mountain**



# Norton Sound Economic Development Corporation

## Employment Opportunities

NSEDC offers employment opportunities for residents of member communities including clerical and professional positions in its local offices. The Unalakleet and Shaktoolik processing plants operate during the summer and hire processing workers, plant foremen, maintenance crews and equipment operators.

People interested in jobs on Glacier Fish Company fishing vessels are required to complete a basic seafood training program through the Alaska Vocational Technical Center (AVTEC). Applicants must also have a physical examination and pass a drug screening test.

Contact Jerry Ivanoff, Training and Education Coordinator in Unalakleet at 1-800-385-3363 or 624-3190.

## Vocational Training

NSEDC sponsors a ten-day training program for basic seafood processing through AVTEC in Seward. Students who complete the program receive certificates making them eligible for employment with the Glacier Fish Company.

For more information, contact Jerry Ivanoff, Training and Education Coordinator, at 1-800-385-3363 or 624-3190.

## Scholarships

NSEDC awards annual scholarships of $1000 to high school graduates and college students from member communities. Students wishing to attend an accredited college or vocational school may apply. Scholarships are based on need and are available only to full-time students. Students may apply for a $1000 scholarship each year.

Application deadlines are June 30 for the fall semester and November 30 for spring semester. Scholarship applications for vocational training programs are accepted throughout the year.

For applications, contact Jerry Ivanoff at 1-800-385-3363 or 624-3190.

## Internships

NSEDC offers an internship in conjunction with Kawerak, Incorporated. Interns work in the Unalakleet and Elim NSEDC offices and assist staff with office operations.

An internship is available for an outstanding applicant with the Glacier Fish Company. The intern works in the Glacier Fish Company office in Seattle and gains experience in management, plant operations, seafood production and marketing.

Residents of NSEDC member communities are eligible to apply for internships.

Contact John Jemewouk, Executive Director, NSEDC, in Elim at 890-2248.

## Loan Program

The NSEDC Revolving Loan Program makes loans up to $7500 to purchase Norton Sound permits and fishing gear and finance vessel improvements.

Loans up to $15,000 are available for vessel improvements and purchasing gear to participate in the summer crab fishery.

For information, contact Charles Soxie, Revolving Loan Program Manager, in Unalakleet at 1-800-385-3363 or 624-3363.

# Yukon Delta Fisheries Development Association



## Employment Opportunities

YDFDA has two primary objectives. First, to build a regional fishing company supported by a locally owned commercial fishing fleet. Second, to create onshore infrastructure to maintain boats and gear in local communties.

To meet these goals, YDFDA is developing a coordinated program of training and employment opportunities for residents to gain experience in fishing and support services.

Residents of YDFDA member communities and Yukon Delta villages are eligible for employment with Golden Alaska Seafoods and other fishing companies as processing workers and deck hands.

Applicants must have a physical examination and pass a drug screening test to qualify.

Contact Ed Glotfelty, Director, in Seward at 224-5158 or a YDFDA representative:

| | |
|---|---|
| **Alakanuk** | Ragnar Alstrom<br>238-3117 or 238-3819 |
| **Emmonak** | Billy Charles<br>949-1028 |
| **Kotlik** | Lori Mike<br>899-4220 |
| **Sheldon Pt.** | Edward Adams, Sr.<br>498-4112 or 498-4313 |

## Vocational Training

YDFDA sponsors a five-week longlining program at the Alaska Vocational Technical Center (AVTEC) in Seward. The course covers fishing gear and maintenance, fishing techniques, marine safety and seamanship. Graduates receive a certificate of completion and are eligible to lease a 32-foot combination fishing vessel from YDFDA. Graduates may also participate in a one-week fishery aboard a YDFDA boat.

AVTEC and YDFDA also offer training in boat fabrication. The 20-week course covers welding and construction of aluminum combination fishing boats.

For information, contact a YDFDA representative or AVTEC at 1-800-478-5389.

## Internships

YDFDA sponsors an internship in its Seattle office. Interns are mentored by YDFDA staff and gain experience in finance, management and human resources.

Golden Alaska Seafoods offers a clerical internship in its Seattle headquarters for individuals interested in office occupations and operations.

Contact Eugene Raphel, YDFDA Training Coordinator, at 206-443-1565.

## Boat Loans and Leases

YDFDA has a revolving loan fund to finance Yukon River salmon and Norton Sound herring limited entry permits. Applicants must apply through the Alaska Commercial Fishing and Agriculture Bank (CFAB) to qualify.

Graduates of the AVTEC longlining program may lease a 32-foot combination fishing vessel. Boats are equipped for longlining, pot fishing, jigging and herring gillnetting. Skippers awarded a lease may also purchase the boat from YDFDA.

Contact a YDFDA representive or Ed Glotfelty at 224-5158 for information.

### *Member Communities*

**Alakanuk**
**Emmonak**
**Kotlik**
**Sheldon Point**



The following regional organizations represent communities participating in the Community Development Quota (CDQ) program. Contact them for more information.

**Aleutian Pribilof Island Community Development Assn.**
P.O. Box 47307
Atka, Alaska 99547
Mark Snigaroff, Chairman
PH. (907) 839-2249 FAX (907) 839-2234

**Bristol Bay Economic Development Corp.**
P.O. Box 1464
Dillingham, Alaska 99576
Nels Anderson, Jr., Executive Director
PH. (907) 842-4370 FAX (907) 842-4336

**Central Bering Sea Fishermen's Association**
1500 West 33rd Avenue, Suite 110
Anchorage, Alaska 99503
Agafon Krukoff, Jr., President
PH. (907) 279-6566 FAX (907) 279-6228

**Coastal Villages Fishing Cooperative**
P.O. Box 109
Chevak, Alaska 99563
Joseph V. Panyiak, President
PH. (907) 858-7250 FAX (907) 858-7812

**Norton Sound Economic Development Corp.**
P.O. Box 30089
Elim, Alaska 99739
John Jemewouk, Executive Director
PH. (907) 890-2248 FAX (907) 890-2249

**Yukon Delta Fisheries Development Assn.**
P.O. Box 2626
Seward, Alaska 99664
Edwin Glotfelty, Executive Director
PH. (907) 224-5158 FAX (907) 224-5154

**Western Alaska Fisheries Development Assn.**
725 Christensen Drive
Anchorage, Alaska 99501
Karl Ohls, Executive Director
PH. (907) 279-6519 FAX (907) 258-6688



# BERING SEA FISHERMEN'S ASSOCIATION

725 Christensen Drive
Anchorage, AK 99501

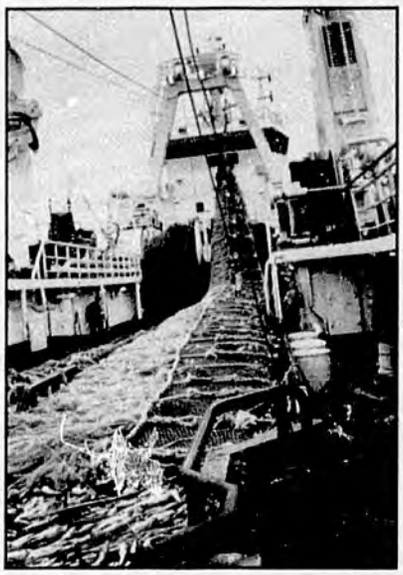
Bulk Rate
U.S. Postage
PAID
Permit No. 179
Anchorage, AK

Publication researched and designed by *Mary McBurney.* Photographs courtesy of *Karl Ohls/BSFA, Bristol Bay Times, Southwest Alaska Municipal Conference.*

# The CDQ Program

## New Economic Potential for Western Alaska



## 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.



*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.*

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

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 was 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.

*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.*

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.

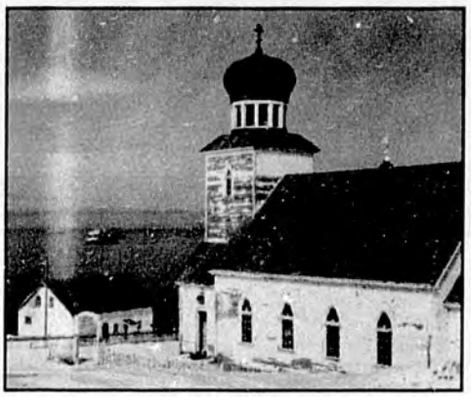
The state requires active, not passive operations. The mere sale of quota and receipt of dividends is not considered acceptable. Western Alaska residents must fully participate in the fisheries. CDQ proceeds must be invested in fishery development programs and ventures that create jobs and promote stable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

## 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.

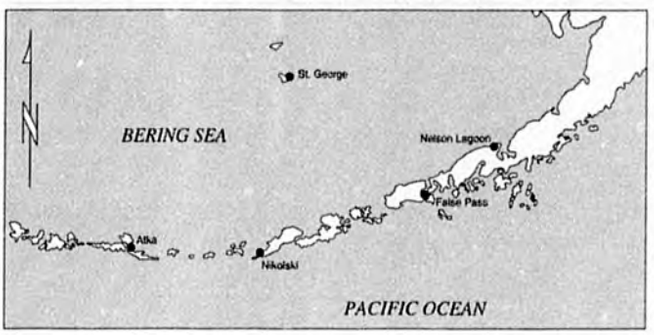


*St. George in the Pribilof Islands is a member of the five-community Aleutian Pribilof Island Community Development Association.*

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

## 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:

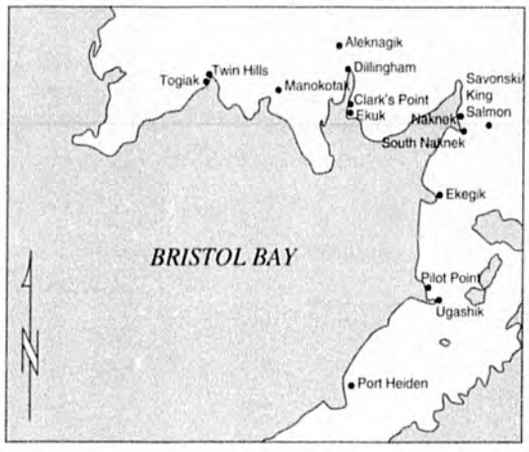
Mark Snigaroff, Chairman
APICDA
P.O. Box 47307
Atka, Alaska 99547
(907) 839-2249 FAX: 829-2234

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, Ekuk, 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:

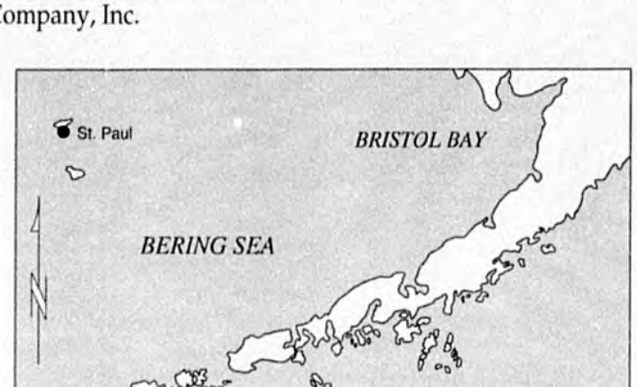
H. Robin Samuelsen, Jr., Chairman
BBEDC
P.O. Box 1464
Dillingham, Alaska 99576
(907) 842-4370 FAX: 842-4336

## 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
CBSFA
P.O. Box 88
St. Paul, Alaska 99660
(907) 546-2312

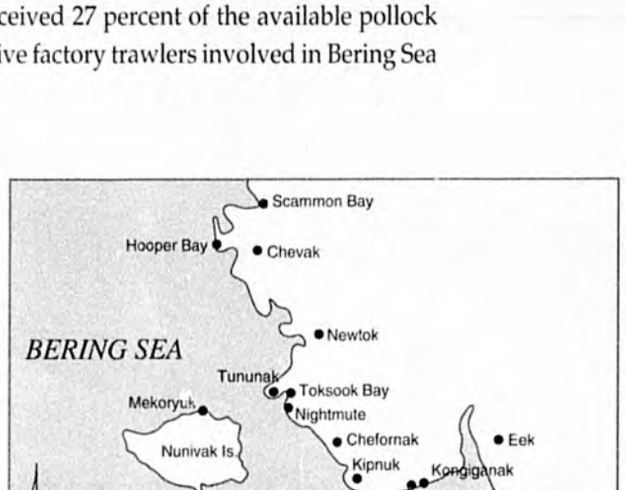
CBSFA
1300 W. 33rd Ave.
Anchorage, Alaska 99503
(907) 278-2312 FAX: 278-2316

## Coastal Villages Fishing Cooperative

CVFC consists of the Yukon-Kuskokwim Delta communities of Chefornak, 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



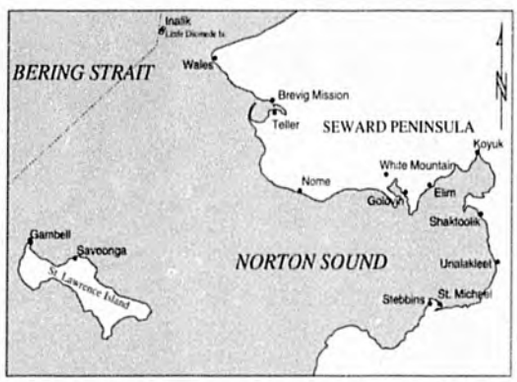
*Skiffs are pulled up on the beach at Toksook Bay prior to a commercial herring opening. Toksook Bay is a member of the Coastal Villages Fishing Cooperative.*

## Norton Sound Economic Development Corporation

NSEDC consists of the Norton Sound, Little Diomede Island, St. Lawrence Island and Seward Peninsula communities of Brevig Mission, Diomede / 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.



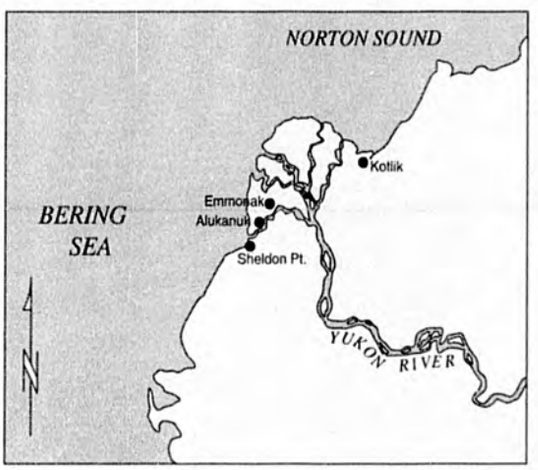

- Award scholarships each year to residents interested in obtaining advanced education and technical school training in fisheries-related areas.
- Work with the school district to establish salmon hatchery programs in every school in the region, and hold more commercial herring and salmon fisheries workshops.
- 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
NSEDC
P.O. Box 39089
Elim, Alaska 99739
(907) 890-2248 FAX: 890-2249

## 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.

Contact: Edwin H. Glotfelty, Executive Director

YDFDA
P.O. Box 210
Emmonak, Alaska 99581
(907) 949-1314 FAX: 949-1926

YDFDA
2415 Western Ave., Suite 415
Seattle, Washington 98121
(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:



*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.*

- 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?

## 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.

*Bering Sea Fishermen's Association*
725 Christensen Drive
Anchorage, Alaska 99501
tel: (907) 279-6519

Bulk Rate
U.S. Postage
PAID
Anchorage, AK
Permit No. 179

National Marine Fisheries Service
P.O. Box 21668
Juneau, Alaska 99802-1668

Prepared: 04/13/95 at 6:45 PM
NMFS/AKR Fish Management
(907) 586-7229

1995 GULF OF ALASKA APPORTIONMENTS TO DOMESTIC
ANNUAL PROCESSING (DAP) AND PRELIMINARY CATCH IN ROUND METRIC TONS
Data are from Weekly Production and Observer Reports through 04/08/95
DAP apportionments are initial TACs based on Final Specifications

| | TOTAL CATCH | DAP APPORT. | REMAINING FOR DAP | % TAKEN | LAST WK CATCH |
|---|---|---|---|---|---|
| WEST,CENT PLCK | | | | | |
| Pollock 610 | 10,235 | 7,695 | -2,640 | 135 | 0 |
| Pollock 620 | 4,808 | 3,826 | -982 | 126 | 37 |
| Pollock 630 | 4,332 | 4,078 | -254 | 106 | 67 |
| WESTERN GULF | | | | | |
| Atka Mackerel | 70 | 2,310 | 2,240 | 3 | 0 |
| Arrowtooth Flounder | 1,007 | 5,000 | 3,993 | 20 | 0 |
| Deep Water Flatfish | 3 | 460 | 457 | 1 | 0 |
| Shallow Water Flatfish | 241 | 4,500 | 4,259 | 5 | 0 |
| Flathead Sole | 582 | 2,000 | 1,418 | 29 | 0 |
| Rex Sole | 234 | 800 | 566 | 29 | 0 |
| Pacific Ocean Perch | 11 | 1,014 | 1,003 | 1 | 0 |
| Shortraker/Rougheye | 2 | 170 | 168 | 1 | 0 |
| Pelagic Shelf Rockfish | 8 | 910 | 902 | 1 | 0 |
| Northern Rockfish | 12 | 640 | 628 | 2 | 0 |
| Other Rockfish | 3 | 55 | 52 | 5 | 1 |
| Pacific Cod - Inshore | 18,304 | 18,090 | -214 | 101 | 0 |
| Pacific Cod - Offshore | 2,852 | 2,010 | -842 | 142 | 0 |
| Sablefish (Hook & Line) | 9 | 2,080 | 2,071 | 0 | 7 |
| Sablefish (Trawl) | 10 | 520 | 510 | 2 | 0 |
| CENTRAL GULF | | | | | |
| Atka Mackerel | 47 | 925 | 878 | 5 | 0 |
| Arrowtooth Flounder | 5,207 | 25,000 | 19,793 | 21 | 1,791 |
| Deep Water Flatfish | 417 | 7,500 | 7,083 | 6 | 183 |
| Shallow Water Flatfish | 1,148 | 12,950 | 11,802 | 9 | 93 |
| Flathead Sole | 487 | 5,000 | 4,513 | 10 | 102 |
| Rex Sole | 1,464 | 7,050 | 5,586 | 21 | 562 |
| Pacific Ocean Perch | 155 | 2,702 | 2,547 | 6 | 50 |
| Shortraker/Rougheye | 72 | 1,210 | 1,138 | 6 | 44 |
| Pelagic Shelf Rockfish | 64 | 3,200 | 3,136 | 2 | 2 |
| Northern rockfish | 93 | 4,610 | 4,517 | 2 | 26 |
| Other Rockfish | 33 | 370 | 337 | 9 | 1 |
| Pacific Cod - Inshore | 34,316 | 41,085 | 6,769 | 84 | 64 |
| Pacific Cod - Offshore | 2,841 | 4,565 | 1,724 | 62 | 48 |
| Sablefish (Hook & Line) | 217 | 6,880 | 6,663 | 3 | 135 |
| Sablefish (Trawl) | 172 | 1,720 | 1,548 | 10 | 68 |
| EASTERN GULF | | | | | |
| Atka Mackerel | 0 | 5 | 5 | 0 | 0 |
| Arrowtooth Flounder | 28 | 5,000 | 4,972 | 1 | 6 |
| Deep Water Flatfish | 4 | 3,120 | 3,116 | 0 | 2 |
| Shallow Water Flatfish | 1 | 1,180 | 1,179 | 0 | 0 |
| Flathead Sole | 2 | 2,740 | 2,738 | 0 | 0 |
| Rex Sole | 1 | 1,840 | 1,839 | 0 | 0 |
| Pacific Ocean Perch | 0 | 1,914 | 1,914 | 0 | 0 |
| Shortraker/Rougheye | 31 | 530 | 499 | 6 | 6 |
| Other Rockfish | 14 | 1,810 | 1,796 | 1 | 0 |
| Pelagic Shelf Rockfish | 9 | 1,080 | 1,071 | 1 | 0 |
| Pacific Cod - Inshore | 725 | 3,105 | 2,380 | 23 | 45 |
| Pacific Cod - Offshore | 0 | 345 | 345 | 0 | 0 |
| Pollock | 3,205 | 3,360 | 155 | 95 | 1 |
| Northern Rockfish | 0 | 20 | 20 | 0 | 0 |
| WEST YAKUTAT | | | | | |
| Sablefish (Hook & Line) | 333 | 3,895 | 3,562 | 9 | 158 |
| Sablefish (Trawl) | 0 | 205 | 205 | 0 | 0 |
| SOUTHEAST | | | | | |
| Demersal Shelf Rockfish | 70 | 580 | 510 | 12 | 1 |
| Sablefish (Hook & Line) | 560 | 5,890 | 5,330 | 10 | 100 |

| | | | | | |
|---|---|---|---|---|---|
| Sablefish (Trawl) | 0 | 310 | 310 | 0 | 0 |
| ENTIRE GULF OF ALASKA | | | | | |
| Thornyhead | 95 | 1,900 | 1,905 | 5 | 34 |
| Other Species | 1,462 | 13,308 | 11,846 | 11 | 131 |
| TOTALS: | 95,996 | 232,962 | 136,966 | 41 | 3,763 |

National Marine Fisheries Service
P.O. Box 21668
Juneau, Alaska 99802-1668

Prepared: 01/12/95 at 5:14 PM
NMFS/AKR Fish Management
(907) 586-7229

1994 GULF OF ALASKA APPORTIONMENTS TO DOMESTIC
ANNUAL PROCESSING (DAP) AND PRELIMINARY CATCH IN ROUND METRIC TONS
Data are from Weekly Production and Observer Reports through 12/31/94
DAP apportionments are initial TACs based on Final Specifications

| | TOTAL CATCH | DAP APPORT. | REMAINING FOR DAP | % TAKEN | LAST WK CATCH |
|---|---|---|---|---|---|
| WEST,CENT PLCK | | | | | |
| Pollock 610 | 19,875 | 22,130 | 2,255 | 90 | 0 |
| Pollock 620 | 22,593 | 23,870 | 1,277 | 95 | 0 |
| Pollock 630 | 61,488 | 56,000 | -5,488 | 110 | 0 |
| WESTERN GULF | | | | | |
| Atka Mackerel | 2,663 | 2,500 | -163 | 107 | 0 |
| Arrowtooth Flounder | 1,177 | 5,000 | 3,823 | 24 | 0 |
| Deep Water Flatfish | 48 | 460 | 412 | 10 | 0 |
| Shallow Water Flatfish | 190 | 4,500 | 4,310 | 4 | 0 |
| Flathead Sole | 498 | 2,000 | 1,502 | 25 | 0 |
| Rex Sole | 49 | 800 | 751 | 6 | 0 |
| Pacific Ocean Perch | 165 | 571 | 406 | 29 | 0 |
| Shortraker/Rougheye | 109 | 100 | -9 | 109 | 0 |
| Pelagic Shelf Rockfish | 290 | 1,030 | 740 | 28 | 0 |
| Northern Rockfish | 1,394 | 1,000 | -394 | 139 | 0 |
| Other Rockfish | 101 | 199 | 98 | 51 | 0 |
| Pacific Cod - Inshore | 14,774 | 14,967 | 193 | 99 | 28 |
| Pacific Cod - Offshore | 468 | 1,663 | 1,195 | 28 | 0 |
| Sablefish (Hook & Line) | 452 | 1,832 | 1,380 | 25 | 0 |
| Sablefish (Trawl) | 104 | 458 | 354 | 23 | 0 |
| CENTRAL GULF | | | | | |
| Atka Mackerel | 877 | 1,000 | 123 | 88 | 0 |
| Arrowtooth Flounder | 21,311 | 20,000 | -1,311 | 107 | 0 |
| Deep Water Flatfish | 3,532 | 7,500 | 3,968 | 47 | 0 |
| Shallow Water Flatfish | 3,742 | 12,950 | 9,208 | 29 | 0 |
| Flathead Sole | 2,066 | 5,000 | 2,934 | 41 | 0 |
| Rex Sole | 3,540 | 7,500 | 3,960 | 47 | 0 |
| Pacific Ocean Perch | 923 | 714 | -209 | 129 | 0 |
| Shortraker/Rougheye | 886 | 1,290 | 404 | 69 | 0 |
| Pelagic Shelf Rockfish | 1,702 | 4,550 | 2,848 | 37 | 1 |
| Northern rockfish | 4,518 | 4,720 | 202 | 96 | 0 |
| Other Rockfish | 714 | 988 | 274 | 72 | 0 |
| Pacific Cod - Inshore | 29,971 | 28,125 | -1,846 | 107 | 0 |
| Pacific Cod - Offshore | 1,107 | 3,125 | 2,018 | 35 | 0 |
| Sablefish (Hook & Line) | 7,554 | 8,976 | 1,422 | 84 | 0 |
| Sablefish (Trawl) | 2,002 | 2,244 | 242 | 89 | 0 |
| EASTERN GULF | | | | | |
| Atka Mackerel | 0 | 5 | 5 | 0 | 0 |
| Arrowtooth Flounder | 823 | 5,000 | 4,177 | 16 | 0 |
| Deep Water Flatfish | 1,459 | 3,120 | 1,661 | 47 | 1 |
| Shallow Water Flatfish | 12 | 1,180 | 1,168 | 1 | 0 |
| Flathead Sole | 13 | 3,000 | 2,987 | 0 | 0 |
| Rex Sole | 84 | 1,840 | 1,756 | 5 | 0 |
| Pacific Ocean Perch | 767 | 1,265 | 498 | 61 | 0 |
| Shortraker/Rougheye | 594 | 570 | -24 | 104 | 0 |
| Other Rockfish | 796 | 1,048 | 252 | 76 | 0 |
| Pelagic Shelf Rockfish | 997 | 1,310 | 313 | 76 | 0 |
| Pacific Cod - Inshore | 1,684 | 2,268 | 584 | 74 | 1 |
| Pacific Cod - Offshore | 25 | 252 | 227 | 10 | 0 |
| Pollock | 6,864 | 7,300 | 436 | 94 | 0 |
| Northern Rockfish | 55 | 40 | -15 | 138 | 0 |
| WEST YAKUTAT | | | | | |
| Sablefish (Hook & Line) | 4,246 | 4,608 | 362 | 92 | 0 |
| Sablefish (Trawl) | 272 | 242 | -30 | 112 | 0 |
| SOUTHEAST | | | | | |
| Demersal Shelf Rockfish | 536 | 960 | 424 | 56 | 1 |
| Sablefish (Hook & Line) | 6,727 | 6,783 | 56 | 99 | 0 |

| | | | | | |
|---|---|---|---|---|---|
| Sablefish (Trawl) | 74 | 357 | 283 | 21 | 0 |
| **ENTIRE GULF OF ALASKA** | | | | | |
| Thornyhead | 1,211 | 1,180 | -31 | 103 | 0 |
| Other Species | 3,480 | 14,505 | 11,025 | 24 | 4 |
| TOTALS: | 241,602 | 304,595 | 62,993 | 79 | 36 |

National Marine Fisheries Service
P.O. Box 21668
Juneau, Alaska 99802-1668

Prepared: 05/04/94 at 4:07 PM
NMFS/AKR Fish Management
(907) 586-7229

1993 GULF OF ALASKA APPORTIONMENTS TO DOMESTIC
ANNUAL PROCESSING (DAP) AND PRELIMINARY CATCH IN ROUND METRIC TONS
Data are from Weekly Production and Observer Reports through 12/31/93
DAP Apportionments are initial TACs based on Final Specifications

| | TOTAL CATCH | DAP APPORT. | REMAINING FOR DAP | % TAKEN | LAST WK CATCH |
|---|---|---|---|---|---|
| WEST,CENT PLCK | | | | | |
| Pollock 610 | 21,204 | 24,087 | 2,883 | 88 | 0 |
| Pollock 620 | 23,788 | 25,974 | 2,186 | 92 | 0 |
| Pollock 630 | 62,936 | 60,939 | -1,997 | 103 | 0 |
| WESTERN GULF | | | | | |
| Arrowtooth Flounder | 1,789 | 5,000 | 3,211 | 36 | 0 |
| Deep Water Flatfish | 371 | 1,740 | 1,369 | 21 | 0 |
| Shallow Water Flatfish | 378 | 4,500 | 4,122 | 8 | 0 |
| Flathead Sole | 581 | 2,000 | 1,419 | 29 | 0 |
| Pacific Ocean Perch | 477 | 341 | -136 | 140 | 0 |
| Shortraker/Rougheye | 85 | 90 | 5 | 94 | 0 |
| Other Rockfish | 342 | 214 | -128 | 160 | 0 |
| Pacific Cod - Inshore | 17,770 | 16,830 | -940 | 106 | 0 |
| Pacific Cod - Offshore | 672 | 1,870 | 1,198 | 36 | 0 |
| Pelagic Shelf Rockfish | 238 | 1,010 | 772 | 24 | 0 |
| Sablefish (Hook & Line) | 687 | 1,624 | 937 | 42 | 0 |
| Sablefish (Trawl) | 52 | 406 | 354 | 13 | 0 |
| Northern rockfish | 902 | 1,000 | 98 | 90 | 0 |
| Other Species | 5,423 | 3,053 | -2,370 | 178 | 0 |
| CENTRAL GULF | | | | | |
| Arrowtooth Flounder | 16,507 | 20,000 | 3,493 | 83 | 0 |
| Deep Water Flatfish | 6,222 | 15,000 | 8,778 | 41 | 0 |
| Shallow Water Flatfish | 8,729 | 10,000 | 1,271 | 87 | 0 |
| Flathead Sole | 2,242 | 5,000 | 2,758 | 45 | 0 |
| Pacific Ocean Perch | 1,140 | 949 | -191 | 120 | 0 |
| Shortraker/Rougheye | 1,197 | 1,161 | -36 | 103 | 0 |
| Other Rockfish | 2,423 | 1,064 | -1,359 | 228 | 0 |
| Pacific Cod - Inshore | 34,454 | 31,680 | -2,774 | 109 | 0 |
| Pacific Cod - Offshore | 1,406 | 3,520 | 2,114 | 40 | 0 |
| Pelagic Shelf Rockfish | 2,061 | 4,450 | 2,389 | 46 | 0 |
| Sablefish (Hook & Line) | 9,988 | 7,688 | -2,300 | 130 | 0 |
| Sablefish (Trawl) | 1,967 | 1,922 | -45 | 102 | 0 |
| Northern rockfish | 3,778 | 4,720 | 942 | 80 | 0 |
| Other species | 5,905 | 9,721 | 3,816 | 61 | 0 |
| EASTERN GULF | | | | | |
| Arrowtooth Flounder | 913 | 5,000 | 4,087 | 18 | 0 |
| Deep Water Flatfish | 114 | 3,000 | 2,886 | 4 | 0 |
| Shallow Water Flatfish | 6 | 1,740 | 1,734 | 0 | 0 |
| Flathead Sole | 1 | 3,000 | 2,999 | 0 | 0 |
| Pacific Ocean Perch | 443 | 1,270 | 827 | 35 | 0 |
| Shortraker/Rougheye | 650 | 513 | -137 | 127 | 0 |
| Other Rockfish | 2,658 | 4,105 | 1,447 | 65 | 0 |
| Pelagic Shelf Rockfish | 894 | 1,280 | 386 | 70 | 0 |
| Pacific Cod - Inshore | 1,619 | 2,520 | 901 | 64 | 1 |
| Pacific Cod - Offshore | 73 | 280 | 207 | 26 | 0 |
| Pollock | 663 | 3,400 | 2,737 | 20 | 0 |
| Northern rockfish | 145 | 40 | -105 | 363 | 0 |
| Other species | 685 | 1,828 | 1,143 | 37 | 0 |
| WEST YAKUTAT | | | | | |
| Sablefish (Hook & Line) | 4,321 | 3,638 | -683 | 119 | 0 |
| Sablefish (Trawl) | 300 | 192 | -108 | 156 | 0 |
| SOUTHEAST | | | | | |
| Demersal Shelf Rockfish | 558 | 800 | 242 | 70 | 0 |
| Sablefish (Hook & Line) | 5,267 | 5,158 | -109 | 102 | 0 |
| Sablefish (Trawl) | 89 | 272 | 183 | 33 | 0 |
| ENTIRE GULF OF ALASKA | | | | | |
| Thornyhead | 1,369 | 1,062 | -307 | 129 | 0 |
| TOTALS: | 256,482 | 306,651 | 50,169 | 84 | 1 |

THE FOLLOWING PAGES MAY
NOT FILM LEGIBLY BECAUSE OF
THE POOR QUALITY OF THE ORIGINAL

JAY, THIS SHOULD HELP ANSWER YOUR QUESTIONS — HERMAN

2. A mothership or floating processing vessel which participates in the inshore component of the industry shall be limited to conducting processing operations on pollock and Pacific cod, respectively, to one location inside the territorial sea, but shall be allowed to process other species at locations of their choice

3. If during the course of the fishing year it becomes apparent that a component will not process the entire amount, the amount which will not be processed shall be released to the other components for that year. This shall have no impact upon the allocation formula.

4. Harvesting vessels can choose to deliver their catch to either or both markets (e.g. inshore and offshore processors); however, once an allocation of the total allowable catch (TAC) has been reached, the applicable processing operations will be closed for the remainder of the year unless a surplus reapportionment is made.

5. Allocations between the inshore and offshore components of the industry shall not impact the United Sates obligations under the General Agreement on Tariffs and Trade.

6. Processing of reasonable amounts of bycat[illegible]hall be allowed.

7. The Secretary of Commerce would be authorized to suspend the definitions of catcher/processor and shoreside to allow for full implementation of the Community Development Quota program as outlined in the main motion.

RECEIVED
MAR 09 1995
Ans'd_____

Allocations

The following allocations shall apply:

1. Gulf of Alaska

a. Pollock: One hundred percent of the pollock TAC is allocated to harvesting vessels which deliver their catch to the inshore component. Trawl catcher/processors will be able to take pollock incidentally as bycatch.

Pacific cod: Ninety percent of the TAC is allocated to harvesting vessels which deliver to the inshore component and to inshore catcher/processors; the remaining ten percent is allocated to offshore catcher/processors and harvesting vessels which deliver to the offshore component. The percentage allocations are made subarea by subarea.

2. Bering Sea/Aleutian Islands

a. Pollock: The Bering Sea/Aleutian Islands pollock TAC shall be allocated as follows:

| Years | Inshore | Offshore |
|---|---|---|
| 1993-1995 | 35.0% | 65.0% |

These percentage allocations apply to the TAC after subtraction of 7.5 percent of the TAC for the Western Alaska Community Development Quota program, previously approved by the Secretary for 1992-1995.



hla/dec

...jority of the voting members of the Council are selected by the Governor of Alaska and biased Amendment 18 to promote social interests rather than legitimate conservation and management goals.

*Response:* Although Councils recommend FMPs or FMP amendments, it is the Secretary that decides whether to approve or disapprove a Council's proposal and only the Secretary has the authority to implement an approved FMP or FMP amendment. The delegation of power from the Congress to the Secretary is within the authority of the Appointments Clause. Therefore, the Secretary's approval of this allocation does not violate the Appointments Clause of the U.S. Constitution.

### Classification

NOAA determined that revised Amendment 18 to the BSAI groundfish FMP, as approved, is necessary for the conservation and management of the groundfish fishery in this area. This final rule implementing revised Amendment 18 is published under section 305(a)(2) of the Magnuson Act, which requires the Secretary to publish regulations that are necessary to carry out a plan or plan amendment. The Under Secretary has determined that revised Amendment 18 as approved is consistent with the Magnuson Act and other applicable law.

NMFS finalized a supplemental environmental impact statement (FSEIS) for Amendments 18 and 23, which was reviewed under the requirements of the National Environmental Policy Act. A notice of availability of the FSEIS was published on March 20, 1992 (57 FR 9722). A copy of the FSEIS may be requested from the Council (see **ADDRESSES**). Since the impacts of revised Amendment 18 are within the scope of the FSEIS, this rule is categorically excluded from the requirement to prepare an environmental assessment under section 6.02.c.3(f) of NOAA Administrative Order 216–6.

NOAA determined that this rule is not a major rule requiring a regulatory impact analysis under Executive Order 12291. This determination is based on the RIR/FRFA prepared by the Council. A copy of the RIR/FRFA may be requested from the Council (see **ADDRESSES**).

The FRFA prepared by the Council describes the effects that revised Amendment 18 is expected to have on small entities. Based on this analysis, NOAA concluded that this rule implementing revised Amendment 18 will have a significant impact on a substantial number of small entities. A summary of this determination is contained in the proposed rule notice (57 FR 46133, October 7, 1992).

The existing collection-of-information requirement for check-in/check-out notices has been approved by the Office of Management and Budget under the Paperwork Reduction Act (PRA) (control number 0648–0213). This final rule does not contain a collection-of-information requirement for purposes of the PRA.

The Council determined that this rule will be implemented in a manner that is consistent to the maximum extent practicable with the approved coastal management program of Alaska. This determination was submitted for review by the responsible Alaska State agency under section 307 of the Coastal Zone Management Act. Consistency is automatically inferred because the appropriate State agency did not reply within the statutory time period.

This final rule does not contain policies with federalism implications sufficient to warrant preparation of a federalism assessment under Executive Order 12612.

A formal consultation on the original Amendment 18 under section 7 of the Endangered Species Act (ESA) was previously conducted by NMFS. The resulting biological opinion, dated March 4, 1992, concluded that the amendment was not likely to jeopardize the continued existence of any endangered or threatened species within the jurisdiction of NMFS. Since revised Amendment 18 is not expected to result in any effects to listed species that were not considered in the March 4 biological opinion, further consultation under section 7 is not required. NMFS will continue to evaluate the suitability of the existing management measures in the southeastern Bering Sea shelf to ensure adequate protection for Steller sea lions.

### List of Subjects in 50 CFR Parts 672 and 675

Fisheries, Reporting and recordkeeping requirements.

Dated: December 18, 1992.

William W. Fox, Jr.,

*Assistant Administrator for Fisheries, National Marine Fisheries Service*

For the reasons set out in the preamble, 50 CFR parts 672 and 675 are amended as follows:

## PART 672—GROUNDFISH OF THE GULF OF ALASKA

1. The authority citation for 50 CFR part 672 continues to read as follows:

Authority: 16 U.S.C. 1801 *et seq.*

2. In § 672.2, the existing definitions of "inshore component" is revised to read as follows:

**§ 672.2 Definitions.**

* * * * *

*Inshore component* (applicable through December 31, 1995) means that part of the U.S. groundfish fishery off Alaska that includes:

(1) All shoreside processing operations;

(2) All processor vessels that process, on a daily average during any weekly reporting period, less than 18 metric tons of Pacific cod harvested in the Gulf of Alaska and pollock in aggregate round weight equivalents, and are less than 125 feet (38.1 m) in length overall; and

(3) All processor vessels in Alaska State waters (waters adjacent to the State of Alaska and shoreward of the EEZ) that process, at a single geographic location during a fishing year, pollock harvested in a directed fishery for pollock, or Pacific cod harvested in a directed fishery for Pacific cod in the Gulf of Alaska, and that submit a check-in notice and weekly production report as required at § 672.5(c) of this part. For purposes of this definition, a single geographic location will be determined by the geographic coordinates reported on a check-in notice submitted by the vessel operator when that vessel engages in a directed fishery for Pacific cod in the Gulf of Alaska or pollock for the first time in a fishing year.

* * * * *

3. In § 672.7, paragraph (h) (1) and (2) are revised to read as follows:

**§ 672.7 Prohibitions.**

* * * * *

(h) * * *

(1) Operate any vessel in more than one of the three categories included in the definition of "inshore component," at § 672.2 of this part, during any fishing year.

(2) Operate any vessel to process pollock harvested in a Federal reporting area off Alaska in a directed fishery for pollock, or Pacific cod harvested in the Gulf of Alaska in a directed fishery for Pacific cod, under the "inshore component" and "offshore component" definitions at §§ 672.2 and 675.2 of this chapter during the same fishing year.

* * * * *

4. Section 672.20 is amended by removing paragraph (a)(2)(v)(C), and revising paragraphs (a)(2)(v) (A) and (B) to read as follows:

**§ 672.20 General limitations.**

(a) * * *

(2) * * *

(v) * * *

(A) The DAP apportionment of pollock in all regulatory areas and for each quarterly reporting period described in paragraph (a)(2)(iv) of this section will be allocated entirely to vessels catching pollock for processing by the inshore component after subtraction of an amount that is projected by the Regional Director to be caught by, or delivered to, the offshore component incidental to directed fishing for other groundfish species. The Regional Director may establish separate directed fishing allowances and prohibitions authorized under paragraph (c)(2) of this section for vessels catching pollock for processing by the inshore component and for vessels catching pollock for processing by the offshore component. If the Regional Director determines that the inshore component will not be able to process the entire amount of pollock allocated to vessels catching pollock for processing by the inshore component during a fishing year, then NMFS will publish a notice in the Federal Register that reallocates the projected unused amount of pollock to vessels catching pollock for processing by the offshore component.

(B) The DAP apportionment of Pacific cod in all regulatory areas will be allocated 90 percent to vessels catching Pacific cod for processing by the inshore component and 10 percent to vessels catching Pacific cod for processing by the offshore component. The Regional Director may establish separate directed fishing allowances and prohibitions authorized under paragraph (c)(2) of this section for vessels catching Pacific cod for processing by the inshore component and for vessels catching Pacific cod for processing by the offshore component. If, during a fishing year, the Regional Director determines that either the inshore or offshore component will not be able to process the entire amount of Pacific cod allocated to vessels catching Pacific cod for processing by that component, then NMFS will publish a notice in the Federal Register that reallocates the projected unused amount of Pacific cod to vessels catching Pacific cod for processing by the other component.

* * * * *

## PART 675—GROUNDFISH OF THE BERING SEA AND ALEUTIAN ISLANDS AREA

5. The authority citation for 50 CFR part 675 continues to read as follows:

Authority: 16 U.S.C. 1801 *et seq.*

6. In § 675.2, the definitions of "inshore component" and "offshore component" are revised to read as follows:

**§ 675.2 Definitions.**

* * * * *

*Inshore component* (applicable through December 31, 1995) means that part of the U.S. groundfish fishery off Alaska that includes:

(1) All shoreside processing operations;

(2) All processor vessels that process, on a daily average during any weekly reporting period, less than 18 metric tons of Pacific cod harvested in the Gulf of Alaska and pollock in aggregate round weight equivalents, and are less than 125 feet (38.1 m) in length overall; and

(3) All processor vessels in Alaska State waters (waters adjacent to the State of Alaska and shoreward of the EEZ) that process, at a single geographic location during a fishing year, pollock harvested in a directed fishery for pollock, or Pacific cod harvested in a directed fishery for Pacific cod in the Gulf of Alaska, and that submit a check-in notice and weekly production report as required at § 672.5(c) of this part. For purposes of this definition, a single geographic location will be determined by the geographic coordinates reported on a check-in notice submitted by the vessel operator when that vessel engages in a directed fishery for Pacific cod in the Gulf of Alaska or pollock for the first time in a fishing year.

* * * * *

*Offshore component* (applicable through December 31, 1995) means all processor vessels in the U.S. groundfish fisheries off Alaska not included in the definition of "inshore component."

* * * * *

7. In § 675.7, (i) is revised to read as follows:

**§ 675.7 Prohibitions.**

* * * * *

(i) *Applicable through December 31, 1995.* (1) Operate any vessel in more than one of the three categories included in the definition of "inshore component," at § 675.2 of this part, during any fishing year.

(2) Operate any vessel to process pollock harvested in a Federal reporting area of Alaska in a directed fishery for pollock, or Pacific cod harvested in the Gulf of Alaska in a directed fishery for Pacific cod, under the "inshore component" and "offshore component" definitions at §§ 672.2 and 675.2 of this chapter during the same fishing year.

* * * * *

8. In § 675.20, paragraph (a)(2)(iii) introductory text is revised to read as follows:

**§ 675.20 General limitations.**

(a) * * *

(2) * * *

(iii) *Applicable through December 31, 1995.* The DAP apportionment of pollock in each subarea, and for each seasonal allowance defined in paragraph (a)(2)(ii), of this section, will be allocated 35 percent to vessels catching pollock for processing by the inshore component and 65 percent to vessels catching pollock for processing by the offshore component. The Regional Director may establish separate directed fishing allowances and prohibitions authorized under paragraphs (a)(6) and (a)(9) of this section for vessels catching pollock for processing by the inshore component and for vessels catching pollock for processing by the offshore component. If, during a fishing year, the Regional Director determines that either the inshore or offshore component will not be able to process the entire amount of pollock allocated to vessels catching pollock for processing by that component, then NMFS will publish a notice in the Federal Register that reallocates the projected unused amount of pollock to vessels catching pollock for processing by the other component.

* * * * *

9. In § 675.22, paragraph (g) is revised to read as follows:

**§ 675.22 Time and area closures.**

* * * * *

(g) *Catcher vessel operational area (applicable through December 31, 1995).* Processor vessels in the "offshore component," defined at § 675.2 of this part, may not catch pollock in excess of the directed fishing standard for pollock during the second seasonal allowance of pollock, defined in paragraph (a)(2)(ii) of this section, in the Bering Sea subarea south of 56°00′ N. latitude, and between 163°00′ and 168°00′ W. longitude. Processor vessels in the "offshore component" that do not catch groundfish but process pollock that is caught in a directed fishery for pollock by catcher vessels, may operate within this area to process the second seasonal allowance of pollock. Offshore processor vessels that catch or process groundfish in directed fisheries for species other than pollock may operate within this area.

[FR Doc. 92-31210 Filed 12-18-92; 5:09 pm]

BILLING CODE 3510-22-M

**Revised Draft Report**

# Economic Impacts of the Pollock Community Development Quota Program

Prepared by

**STATE OF ALASKA**
Anchorage, Alaska

APRIL 1995

## Table of Contents


Executive Summary

| | | |
|---|---|---|
| I. | Introduction | 1 |
| II. | The Western Alaska Region | 2 |
| III. | The Community Development Quota Program | 8 |
| IV. | Overview of the CDQ Group's Projects and Activities | 17 |
| V. | Development Impacts of the Community Development Quota Program | 31 |
| VI. | Potential Impacts of Discontinuation of the Community Development Quota Program | 36 |

# Executive Summary

This report examines the economic development impacts of the first twenty-five months of the Bering Sea pollock Community Development Quota (CDQ) program on the western Alaska region.

The CDQ program was designed by the North Pacific Fishery Management Council (Council) to allow residents of the economically depressed region of western Alaska access to the Bering Sea fisheries. The Bering Sea pollock fishery is one of the largest fisheries in the world with an annual harvest of approximately 2.9 billion pounds with an annual ex-vessel value in excess of $200 million. Because this is an extremely capital intensive fishery, the ability of western Alaskans to participate in the harvest of the resource at their doorstep has been severely limited.

Prior to implementation of the CDQ program, approximately 94% of the value of this fishery was accrued by non-Alaskans, virtually none of the value was captured by western Alaskans. By setting aside the 7.5% of the quota for harvest by those regions bordering the Bering Sea, the CDQ program has permitted participation of the utilization of this resource as a mechanism to spur economic development in this economically depressed region.

The economic development impacts of the CDQ program must be assessed in the context of life in western Alaska. There are 56 communities that meet the criteria for participation in the CDQ Program, representing a total population of 21,037. According to 1990 Census data, 77% are Alaska Natives. Poverty and unemployment are chronic, in 1990, more than 25% of the people in CDQ communities lived below the poverty level; twice the state rate. Unemployment rates ranged as high as 31%. In many of the CDQ communities, the average income is nearly half the median state level. Non-economic standards also portray the region's underdevelopment. Much of the housing available is substandard and utilities that most U.S. citizens take for granted such as water, sewer, and telephones are in short supply. In over half of the communities, five gallon buckets or outhouses remain the primary means of sewage disposal. Three quarters of the communities do not have piped water and sewer available to at least half the homes in the community. The result of these characteristics is poor health conditions, high rates of infectious diseases, and low living standards. It is this profound state of underdevelopment against which this report examines the economic development impacts of the CDQ program.

The best data available for describing the population and economy of western Alaska prior to implementation of the CDQ program including income, employment and other demographic information is contained in the 1990 US Census Report. For purposes of this report, those figures are used as a basis for comparison with quarterly and annual

audited reports to the State in helping to assess the economic impact of the CDQ program from the date of its implementation on November 18, 1992, through December 31, 1994. Comparison of this data demonstrates important impacts on employment, income, infrastructure development, investment, training and educational opportunities in the region.

By the simple measure of jobs and income, the CDQ program is contributing to the economic development of the region, providing private sector employment opportunities where few existed.

- In the first two years, the CDQ program's contribution to local jobs *doubled*
- Jobs created by the CDQ program represent 57% of all non-government related, "basic employment" job in the region
- During this time, CDQ wages and benefits represented a 2.4% increase in income for the region

A major goal of many of the CDQ groups was to develop infrastructure within the regional fisheries that would make possible greater participation in the fishery. Each of the infrastructure developments provide benefits to the region as a whole as well as the entire fishing industry. Major infrastructure projects which have been complete or are underway include:

- Dock facilities in Atka, Nelson Lagoon, False Pass and Nome
- Harbor improvements in St. George and St. Paul
- Ice delivery systems in Savoonga and Koyuk
- Gear storage facility in False Pass
- Processing facility improvements in Shaktoolik, Unalakleet, Nome, Atka, Bethel and Emmonak

Equally important as physical infrastructure is the development of human resource infrastructure which provides the skills and expertise necessary for the long-term sustainability of economic development in the region. Progress toward that end includes:

A total of 1141 training, internship and educational opportunities were made available by the CDQ program including 176 higher education scholarships, 38 vocational education programs and 927 technician training programs.

Another major goal of the CDQ program was to provide for increased participation by western Alaska residents in the fisheries of the Bering Sea. In the first two years of the program, five of the six CDQ groups have participated in fishery investments including:

- Joint venture investments in a factory trawler, a factory longliner/crabber, two shore-based facilities and one catcher vessel.
- Wholly-owned investments in one shore-based facility and approximately thirteen small catcher vessels.
- Three CDQ groups and their harvesting partners have invested considerable resources in the development of new salmon products and markets.

Because economic development is a complex process, it is difficult to measure. Generally, economic development must add jobs and income to the region, provide for local control and human resource development and generate benefits that are sustainable over the long term.

In sum, by all of these measures, the CDQ program is contributing towards the process of economic development within the western Alaska region. It is bringing about economic development a measured by jobs, local control and long term sustainability. This infusion of capital has not only created private sector jobs in the region where few existed, it has provided hope and opportunity which are integral components to building self-esteem and self-reliance in the region.

Despite these remarkable advances, the economic activity generated to date has not transformed the region economically -- nor is there any reason to expect that it should have in just two years. The CDQ program will require continued sustenance to survive its infancy

# I. INTRODUCTION

The Bering Sea pollock fishery is one of the largest fisheries in the world, with an annual harvest of about 2.9 billion pounds (1.3 million metric tons). Beginning in 1992, the Community Development Quota (CDQ) program set aside 7.5% of the Bering Sea pollock harvest (about 215 million pounds annually) for direct allocation to disadvantaged coastal communities in Western Alaska.

The 56 communities bordering the Bering Sea that received the quotas are in one of the most economically depressed regions of the United States. A major goal of the program is to allow these communities to accumulate sufficient capital so they can invest in the fishery, thus bringing sustainable economic development to the region.

This report examines the economic impacts of the first twenty five months of the Bering Sea pollock Community Development Quota (CDQ) program on the western Alaska region. The CDQ program regulations became effective on November 18, 1992 and CDQ fishing was permitted to begin on December 5, 1992. Therefore, most of the impacts of the first three years of the program actually occurred over a twenty-five month period.

## Organization of this Report

Chapter II of the report describes the western Alaska region. Chapter III describes the history and implementation of the CDQ program, and provides an overview of the program during the first twenty-five months. Chapter IV describes the types of projects proposed by the CDQ organizations and the activities undertaken during this period. Chapter V describes the broader development impacts of the program, including impacts on future employment and income. Finally, Chapter VI addresses the other impacts of the CDQ program on the region and the potential effects if the program were discontinued.

## Information Sources

The economic description of the western Alaska region in this report is based primarily on the 1990 U.S. Census. Information on the CDQ projects and their economic impacts is based primarily on material provided by the six CDQ groups. These include CDQ applications, quarterly reports and audited annual reports.

# II. THE WESTERN ALASKA REGION

## The Physical Setting

The Bering Sea is renowned for its marine productivity and fierce weather. The open ocean waters of the Bering Sea are home to some of the greatest fishery resources on earth. They contain vast schools of fish such as pollock and herring. The bottom is home to numerous commercially caught species of fish and crustaceans including Pacific cod and the famous, and large, king crab. The rivers emptying into the Bering Sea are visited yearly by millions of salmon migrating upstream to spawn. Feeding on all of this natural bounty are numerous species of marine mammals and sea birds.

The open waters of the Bering Sea annually freeze as far south as the Pribilof Islands and Bristol Bay, and even further south along the coast. Natural deep draft harbors are non-existent north of the Alaska Peninsula due to extreme tides, low terrain and silty bottom. The weather has been described as among the worst on earth, with hurricane force winds, mountainous waves, freezing spray, and a winter season of short days and long nights.

The Alaskan coast which borders the Bering Sea is barren and entirely treeless. It includes several thousand miles of coast from the uninhabited tip of the Aleutian Islands to the tiny community of Wales astride the Bering Straits. The landmass varies from volcanic along the Aleutian Islands to marshy delta at the mouth of the Yukon and Kuskokwim Rivers. Where the ground is not solid rock, it is often underlain by permanently frozen ground tens or even hundreds of feet deep.

## Natural Resources

There are limited mineral resources along the coast including deposits of gold, platinum, and tin. Due to the high expense of operating in the harsh environment, very little actual mining occurs. There is also the possibility of major petroleum reserves offshore from the region. Due to the engineering challenges, changing regulations, and high exploration and production costs these reserves have not been developed, although some exploration wells have been drilled.

The Bering Sea arc is barren in winter but lush in summer. At that time it possibly contains more mass of mosquitoes than all other species combined. Vast flocks of waterfowl migrate north to nest in the marshes and along the rivers and lakes. Seabirds nest in the millions in densely packed rookeries. Animals that have hibernated for much of the year take advantage of the few summer months to eat a years worth of food. Large animals such as caribou and whales migrate back and forth to the rich, productive summer grazing grounds. Also during the brief summer, millions of salmon return to their natal streams and herring to the coastline. These are followed by the numerous fish, mammals and birds that feed on them.

## The Western Alaska Economy

There are four main regional centers of commerce and population in the region: Dutch Harbor, King Salmon, Dillingham, and Nome. (Dutch Harbor is not one of the CDQ communities due to its pre-existing involvement in the Bering Sea fisheries.) Much of the economy in King Salmon and Dillingham is based on seasonal salmon fishing, whereas Nome was originally based on gold mining. All three function as commercial and transportation hubs. Residents from outlying communities visit to purchase goods and services not available locally and pass through on their way to Anchorage and beyond.

While several roads exist in the region, they link only a few of the communities. None of the roads that exist are connected to any outside of the region. Almost all of the towns and villages are totally isolated from each other. Access between them is limited to boats in the summer, snowmachines in the winter, and planes. The closest CDQ community to a continuous road system is about 300 air miles from Anchorage and the farthest over 1,200 miles.

The reliance on air transportation means that the price of many goods is greatly increased over other areas of the country. In addition, it is very expensive to travel to Anchorage or even between communities. Wages are commensurate with these higher costs and therefore costs of production with local labor are higher than elsewhere.

The remoteness and isolation of the western Alaska region limits employment opportunities for most residents to those which can be found within their communities. Commuting out of the region or even from smaller communities to regional centers on a regular basis is prohibitively expensive.

The wage economy of western Alaska is concentrated in only a few sectors. Relatively few locally consumed goods and services are provided in the region; most goods and services are imported. There is a high dependence on income from transfer programs such as the Alaska Permanent Fund Dividend Program and the Alaska Longevity Bonus Program, and Aid for Families with Dependent Children.

The majority of regional employment is with federal, state and local governments. Federal employees consist primarily of those managing federal lands, providing health care, airport operations, and military personnel. State personnel are employed primarily in schools, various state agencies, health care centers, and airport operations. Local governments employ administrators, school workers, utility operators and local public safety officers.

A typical small community has limited employment opportunities. These might include a school, post office, local utilities, retail store(s), local government, health aide, public safety officer, airport agent, National Guard, and local road and airport maintenance. Others employed locally such as school teachers and clerics are most often from outside the region. Larger communities have more services, retail centers, and government services and therefore more employment opportunities.

Jobs related to education account for 26% of all regional employment. Each community has its own school and often it is the main employer in the community. Many times this is accomplished by sharing one full time position between several households to ensure the maximum employment opportunities.

## U.S. Census Data for the Western Alaska Region

The best available data for describing the population and economy of western Alaska are from the 1990 U.S. Census, which occurred prior to the start of the CDQ program in 1992. As will be discussed in Chapter V, the CDQ program has provided significant new employment and income in some CDQ communities. In addition, economic changes not related to the CDQ program have occurred in the fishing industry as well as other parts of the economy. The 1990 census data are therefore somewhat out-of-date. However, they still provide a reasonable picture of general economic conditions in the region. No other detailed up-to-date data exist on the economy and population of western Alaska in 1995.

### Population

There are 56 communities in the CDQ region of western Alaska. As shown in Table II-1, these communities had a total population of 21,037 in 1990. The combined populations of the villages represented by individual CDQ groups ranged from as low as 397 for the Aleutian Pribilof Island Community Development Association to as high as 7621 for the Norton Sound Economic Development Corporation.

Seventy-seven percent of the residents of the CDQ area were Alaska Natives. All of the groups have a majority Alaska Native population. For three of the groups (APICDA, CVFC, and YDFDA) the Alaska Native population was over ninety percent of the total.

All of the CDQ groups have a relatively large share of their population under the age of sixteen; in the YDFDA more than 40% of the population is under sixteen. This indicates both a growing labor force which will require jobs in the future and the relatively larger magnitude of any employment increase relative to the working age population.

## Labor Force and Employment

Table II-2 shows labor force and employment characteristics of the CDQ group villages. The civilian labor force is only 59% of the population aged 16-65. Civilian labor force participation is limited by membership in the military and choice not to participate in the labor force.

The unemployment rate is defined as the number of persons working divided by the civilian labor force. At the time of the census all CDQ groups were experiencing relatively high levels of unemployment, ranging from 9% (BBEDC) to 31% (YDFDA). While these high unemployment rates partly reflect the seasonality of employment opportunities and the timing of the census in April, they also may show the effects of limited employment opportunities. Unemployment rates may significantly underestimate true unemployment if workers drop out of the labor force due to lack of employment opportunities: When people know there are no jobs available, they stop looking and are not counted as unemployed.

Table II-2 also shows the types of jobs held by the residents of the CDQ areas in 1989. What is most interesting about this table is the relatively low share of the resident population working in the industries and occupations associated with fishing. While almost fifteen percent of the employment in the Aleutian Pribilof and Central Bering Sea regions was in the fisheries industry, no other region had over five percent in this industry. Only the Central Bering Sea had a significant share of employment in manufacturing, which is almost entirely fish processing. While work in the transportation industry may also be fisheries-related, fishing industry employment was not significant in most of the CDQ group areas in 1990. In five of the groups Educational Services and Public Administration were the most important industries, indicating the importance of public sector/government jobs to these regions.

## Income

Table II-3 describes the income characteristics of the CDQ group communities in 1989. All of these regions had median incomes which were lower than the state median income of $41,408 in 1989. The median income in the Central Bering Sea area and the Bristol Bay area was less than ten percent below the state level, but in the Yukon Delta area and the Aleutian Pribilof area the median income was only slightly greater than half the state level. The relatively high cost of living in rural Alaska suggests that in real terms, comparing the median incomes may actually underestimate the economic well being of residents in these regions.

In 1989 the poverty rate for the state was almost seven percent. The poverty rates in all the CDQ areas except the Central Bering Sea area were at least twice the state rate.

## Social Conditions

In 1990, more than 25% of the people in the 56 CDQ communities lived below the poverty level. Most residents of western Alaska are Alaska Natives. Many older people speak English as a second language or not at all. Much of the housing available in the communities is substandard and utilities that most U.S. citizens take for granted such as water and phones are in short supply. In over half of the communities, five gallon buckets or outhouses remain the primary means of sewage disposal. In 1990, only thirteen communities (24%) had piped water and sewer available to at least half of the homes. The result is poor health conditions, high rates of infectious diseases, and low living standards.

| Characteristics of the 56 CDQ Communities in 1989 | |
|---|---|
| Total population | 21,429 |
| Average community population | 390 |
| Native Americans as % of the population | 78% |
| Houses with no plumbing | 37% |
| Houses with no phone | 29% |
| Persons below poverty level | 25% |

Source: 1990 U.S. Census

Western Alaskan communities in general have many of the social ills associated with poverty and isolation. Many of these communities experience considerable problems with drug and alcohol abuse. Young people suffer from high rates of teen pregnancy and suicide. Prevalent throughout many communities is a feeling of despair and hopelessness.

## Subsistence

Western Alaska residents derive a large part of their food from subsistence hunting, fishing, and gathering. Based on a subsample from the CDQ communities, the average subsistence harvest is 437 pounds per person. The majority of this harvest is fish. Per-capita subsistence harvests tend to be largest for residents of smaller communities which have fewer employment opportunities, very limited access to retail stores, and the highest percentage of Native inhabitants.

Subsistence harvests provide a large portion of the nutritional needs of western Alaska residents. At least as important is the cultural and emotional satisfaction that subsistence activities provide. It is not uncommon for western Alaskans to value subsistence harvest participation as a priority over wage labor. The result is often confusing to persons who do not understand this trade-off, as employees may take time off from wage employment to hunt and fish with their families whether or not such time is provided.

**Salmon and Herring Fisheries**

Salmon and herring fishing occurs in many parts of western Alaska. However, with the notable exception of the Bristol Bay salmon fishery, most local fisheries have a very low average catch and provide relatively low income to fishermen. Local participation in the larger regional fisheries has decreased over time and the necessity of a limited entry fishing permit--prohibitively expense in the more lucrative fisheries--has discouraged further entry. Over the past two decades about 25% of the most valuable salmon fishing permits have migrated out of the region.

In 1992 about 20% of the regional population owned fishing permits or were licensed crewmen while just over 2% of the people were employed in fish processing. Most fishermen and the vast majority of processors working in the region reside outside western Alaska. Many local fishermen have other jobs, often only part-time. Since most local residents have few assets, they lack the means of acquiring salmon fishing permits. Many locals rely on subsistence hunting and gathering They must choose between a short intense working season, often at relatively low wages, or harvesting salmon for winter food.

Some western Alaska salmon fisheries have declined in recent years and some have not opened. In 1993 even subsistence salmon fishing was closed in some areas.

**Table II-1: Selected 1990 U.S. Census Data for CDQ Communities: Population**

| | Aleutian Pribilof Island Community Development Association | Bristol Bay Economic Development Corporation | Central Bering Sea Fishermen's Association | Coastal Villages Fishing Cooperative | Norton Sound Economic Development Corporation | Yukon Delta Fisheries Development Association | Total, All CDQ Groups |
|---|---|---|---|---|---|---|---|
| Total Population | 397 | 4719 | 763 | 5781 | 7621 | 1756 | 21037 |
| Male | 201 | 2525 | 489 | 3051 | 4104 | 879 | 11249 |
| Female | 196 | 2194 | 274 | 2730 | 3517 | 877 | 9788 |
| Native | 364 | 2641 | 531 | 5521 | 5617 | 1603 | 16277 |
| Under 16 years | 120 | 1463 | 176 | 2256 | 2659 | 704 | 7378 |
| Ages 16-64 | 243 | 3061 | 562 | 3203 | 4568 | 971 | 12608 |
| 65 years and over | 34 | 195 | 25 | 322 | 394 | 81 | 1051 |
| Percentage of Population | | | | | | | |
| Male | 51% | 54% | 64% | 53% | 54% | 50% | 53% |
| Female | 49% | 46% | 36% | 47% | 46% | 50% | 47% |
| Native | 92% | 56% | 70% | 96% | 74% | 91% | 77% |
| Under 16 years | 30% | 31% | 23% | 39% | 35% | 40% | 35% |
| Ages 16-64 | 61% | 65% | 74% | 55% | 60% | 55% | 60% |
| 65 years and over | 9% | 4% | 3% | 6% | 5% | 5% | 5% |

Source: 1990 U.S. Census. Data provided by Institute of Social and Economic Research.

**Table II-2: Selected 1990 U.S. Census Data for CDQ Communities: Employment**

| | Aleutian Pribilof Island Community Development Association | Bristol Bay Economic Development Corporation | Central Bering Sea Fishermen's Association | Coastal Villages Fishing Cooperative | Norton Sound Economic Development Corporation | Yukon Delta Fisheries Development Association | Total, All CDQ Groups |
|---|---|---|---|---|---|---|---|
| Civilian labor force | 133 | 1786 | 370 | 1612 | 3048 | 549 | 7498 |
| As % of population 16-64 | 55% | 58% | 66% | 50% | 67% | 57% | 59% |
| Number of people employed | 117 | 1620 | 330 | 1296 | 2540 | 378 | 6281 |
| Number of people unemployed | 16 | 166 | 40 | 316 | 508 | 171 | 1217 |
| Unemployment rate | 12% | 9% | 11% | 20% | 17% | 31% | 16% |
| **Employment by Occupation** | | | | | | | |
| Executive, Administrative, and managerial occupations | 9% | 16% | 9% | 8% | 14% | 10% | 12% |
| Professional specialty occupations | 10% | 21% | 11% | 25% | 20% | 24% | 20% |
| Technicians and related support occupations | 0% | 5% | 4% | 1% | 5% | 3% | 4% |
| Sales Occupations | 8% | 6% | 1% | 8% | 7% | 10% | 7% |
| Administrative support occupations including clerical | 7% | 16% | 12% | 16% | 18% | 19% | 16% |
| Private household occupations | 0% | 0% | 0% | 1% | 0% | 0% | 0% |
| Protective service occupations | 2% | 2% | 6% | 3% | 2% | 3% | 2% |
| Service occupations, except protective and household | 22% | 11% | 10% | 18% | 16% | 16% | 14% |
| Farming, forestry, and fishing occupations | 13% | 2% | 10% | 1% | 1% | 0% | 1% |
| Precision production, craft, and repair occupations | 7% | 11% | 17% | 8% | 9% | 7% | 9% |
| Machine operators, assemblers and inspectors | 3% | 1% | 6% | 2% | 3% | 1% | 2% |
| Transportation and material moving occupations | 14% | 4% | 5% | 2% | 1% | 1% | 2% |
| Handlers, equipment cleaners, helpers, and laborers | 7% | 4% | 11% | 7% | 5% | 5% | 5% |
| **Employment by Industry** | | | | | | | |
| Agriculture, forestry and fisheries | 15% | 3% | 13% | 1% | 1% | 1% | 2% |
| Mining | 0% | 0% | 0% | 0% | 4% | 0% | 2% |
| Construction | 14% | 4% | 10% | 2% | 3% | 2% | 3% |
| Manufacturing, nondurable goods | 0% | 2% | 22% | 2% | 1% | 0% | 2% |
| Manufacturing, durable goods | 0% | 1% | 0% | 0% | 0% | 0% | 0% |
| Transportation | 10% | 11% | 4% | 5% | 8% | 7% | 8% |
| Communications and other public utilities | 2% | 5% | 5% | 5% | 3% | 6% | 0%<br>4% |
| Wholesale trade | 0% | 1% | 2% | 2% | 0% | 3% | 1% |
| Retail trade | 15% | 12% | 4% | 15% | 16% | 18% | 14% |
| Finance, insurance and real estate | 0% | 2% | 0% | 0% | 3% | 1% | 2% |
| Business and repair service | 2% | 3% | 1% | 2% | 2% | 1% | 2% |
| Personal services | 0% | 2% | 4% | 2% | 2% | 1% | 2% |
| Entertainment and recreation servi | 0% | 0% | 1% | 0% | 2% | 1% | 1% |
| Heath services | 7% | 10% | 6% | 4% | 9% | 5% | 8% |
| Educational services | 16% | 22% | 10% | 41% | 22% | 38% | 25% |
| Other professional and related services | 0%<br>7% | 0%<br>6% | 0%<br>8% | 0%<br>4% | 0%<br>7% | 0%<br>3% | 0%<br>5% |
| Public administration | 13% | 16% | 12% | 15% | 16% | 14% | 15% |

Source: 1990 U.S. Census. Data provided by Institute of Social and Economic Research.

## Table II-3: Selected 1990 U.S. Census Data for CDQ Communities: Income

| | Aleutian Pribilof Island Community Development Association | Bristol Bay Economic Development Corporation | Central Bering Sea Fishermen's Association | Coastal Villages Fishing Cooperative | Norton Sound Economic Development Corporation | Yukon Delta Fisheries Development Association | Total, All CDQ Groups |
|---|---|---|---|---|---|---|---|
| Total income | $4,583,225 | $77,039,021 | $11,532,745 | $30,048,288 | $84,455,823 | $12,049,776 | $219,708,878 |
| Per capita income | $11,545 | $16,325 | $15,115 | $5,198 | $11,082 | $6,862 | $10,444 |
| Total household income | $4,526,806 | $72,849,438 | $7,926,874 | $29,831,135 | $84,064,434 | $11,868,549 | $211,067,236 |
| Number of households | 135 | 1480 | 161 | 1361 | 2238 | 411 | 5786 |
| Average income per household | $33,532 | $49,223 | $49,235 | $21,919 | $37,562 | $28,877 | $36,479 |
| **Household income distribution** | | | | | | | |
| Less than $5,000 | 5.9% | 6.4% | 5.6% | 15.1% | 9.6% | 5.1% | 9.6% |
| $5,000 to $9,999 | 13.3% | 7.8% | 0.0% | 16.7% | 7.7% | 12.2% | 10.1% |
| $10,000 to $14,999 | 17.8% | 8.2% | 5.0% | 14.1% | 10.5% | 14.6% | 11.1% |
| $15,000 to $24,999 | 14.1% | 11.9% | 14.3% | 21.0% | 14.1% | 25.3% | 16.0% |
| $25,000 to $34,999 | 8.1% | 11.8% | 7.5% | 15.0% | 13.2% | 12.9% | 13.0% |
| $35,000 to $49,999 | 14.8% | 15.3% | 26.7% | 9.8% | 16.0% | 14.8% | 14.6% |
| $50,000 to $74,999 | 16.3% | 20.1% | 23.0% | 6.0% | 15.8% | 10.2% | 14.4% |
| $75,000 to $99,999 | 5.2% | 10.6% | 11.8% | 1.5% | 8.7% | 1.7% | 7.0% |
| $100,000 to $149,000 | 4.4% | 6.5% | 5.0% | 0.7% | 4.3% | 3.2% | 4.0% |
| $150,000 or more | 0.0% | 1.4% | 1.2% | 0.0% | 0.0% | 0.0% | 0.4% |
| Median household income (dollars) | $23,750 | $38,437 | $39,922 | $16,691 | $31,145 | $21,193 | |
| **Poverty Status in 1989** | | | | | | | |
| Number of families | 99 | 1063 | 132 | 1091 | 1641 | 327 | 4353 |
| Families in poverty | 14 | 148 | 5 | 418 | 305 | 79 | 969 |
| Percent of families in poverty | 14.1% | 13.9% | 3.8% | 38.3% | 18.6% | 24.2% | 22.3% |

Source: 1990 U.S. Census. Data provided by Institute of Social and Economic Research.

# III. THE COMMUNITY DEVELOPMENT QUOTA PROGRAM

People have harvested the resources of the Bering Sea since it was formed, sometime after the last ice age and after immigration to the Americas had begun. Until recently, this harvest occurred almost exclusively along the shores and on rivers. Native people ventured only a short distance from shore to fish and hunt marine mammals. During the late 1800s whalers plied the waters and some fishing vessels began making annual trips north shortly thereafter. It was not until the middle of this century that large boats, all foreign, began fishing far offshore.

With the passage of the Magnuson Act in 1976 the groundwork was laid for domestic participation in the fisheries. The Act prioritized access to the resource. Fully domestic harvesting and processing operations were given first priority, followed by joint ventures (American vessels fishing for foreign floating processors), and finally foreign vessels. It took a decade for the domestic fleet to develop to the point that it could play a significant part in the fishery.

Until the late 1970s, little of the harvest from the Bering Sea itself was by Americans. Instead, foreign fleets from Europe and Asia harvested the fish and processed it aboard large floating processors. In 1979, only 615 metric tons or .05% of the 1.2 million mt Bering Sea harvest was domestically caught and processed. By 1988, all of the harvest (2.0 million mt) was by domestic vessels and 34% of the processing was conducted domestically. Finally, beginning in 1991, all of the harvest from U.S. waters of the Bering Sea was also processed domestically. However, most of the fleet is from ports thousands of miles to the south.

The swift transition from foreign to domestic fisheries resulted in an overcapitalized fleet. By the early 1990's, fishing seasons that had previously lasted all year were measured in weeks or days. Vessels traveled north to the fishing grounds fully crewed and processing workers were typically imported from areas outside Alaska where wage rates are lower. The result was that most of the people living in the western Alaska communities on the shores of the Bering Sea had no viable means of participating in these fisheries.

## CDQ Program Development

The concept of CDQ's for western Alaskan communities began to be discussed in the mid-1980s. An unsuccessful attempt was made to inject a generic CDQ concept into federal fishery regulations in 1989. Prior to that, beginning in 1988, the North Pacific Fishery Management Council, established by Congress to develop management plans, considered CDQ's for sablefish longline fisheries. As part of that plan, an idea of allocating part of the total allowable catch directly to communities was developed. This would allow the community members access to the

resource at their doorstep. It would also remove them from any race for fish and allow them to participate in the fishery at their own pace.

By 1989, it was apparent that there were too many vessels harvesting pollock. Therefore, responding to a need to better manage the fishery, the Council began investigations into allocating pollock harvests between vessels delivering to shorebased processors and those processing at-sea.

Finally, the Council decided that CDQ's could be a viable means of spurring economic development in nearby economically depressed coastal communities without greatly impacting the existing fishing industry. Pollock CDQ's were added to the pollock allocation process. Large shorebased and offshore trawl vessels, capable of fishing far from land, are needed to harvest pollock. None of the people along the Bering Sea coast owned such vessels and only a few communities had port facilities sufficient to handle them. Taken together with the generally poor economic conditions found throughout the region, the likelihood of local residents being able to participate in the pollock fishery without assistance seemed negligible. The opportunity to provide a diversified and stabilizing source of income to local residents and communities was appealing to many, including the State of Alaska. The debates and decisions necessary to reach a viable pollock allocation were intense. The CDQ program became an integral component of a compromise management strategy.

The Secretary of Commerce approved the pollock allocations in early 1992 but the final regulations implementing CDQ's were not published until late that year. The allocation to CDQ groups was set at 7.5% of the overall pollock total allowable catch for the Bering Sea and Aleutian Islands management areas. This would allow the groups the privilege of harvesting a specific tonnage of fish annually, at any time of their choosing.

The allocations were for two years, 1992 and 1993, with reallocations made for the 1994 and 1995 seasons. The regulations became effective on November 18, 1992 and were published in final form on November 23, 1992, at 50 CFR part 675. Corresponding State of Alaska emergency regulations were also published in late 1992.

One of the valuable attributes of CDQ's is the ability to fish for pollock when the open fisheries are closed allowing fishing to occur at virtually anytime during the year. Vessels used to harvest the CDQ allocations may continue to operate when they otherwise would be unable to earn income from the pollock fishery. It also allows the Alaska fishing industry the ability to provide pollock to the marketplace throughout the year which has a positive affect on marketshare especially in the domestic marketplace.

**Implementation of the CDQ Program**

The Secretary of Commerce delegated much of the implementation of the CDQ program to the Governor of Alaska using a frameworked application and review process. The State was charged with full review of CDQ proposals and making allocation recommendations to the

Secretary. The Secretary retained overall allocation decision authority, including the authority to modify an allocation at any time.

As part of the Community Development Quota program application process the Governor's designees as identified in AS §6 AAC 93.915 establish a schedule for the receipt of the applications, initial application evaluation, public hearings and final application review. Within a reasonable time before the beginning of the application period, the designees also publish a notice of the CDP application schedule in at least one newspaper of general circulation in Western Alaska and one newspaper of general circulation in the state. The state also mails a copy of the notice to eligible communities. The application period will be a minimum of 14 days except as provided for in AS §6 AAC 93.075 which states the governor can, at his discretion, relax or reduce the notice requirements if the governor determines that a shortened or less expensive method of public notice is reasonably designed to reach all interested persons.

The CDQ application is required to contain a description of the goals and objectives of the Community Development Plan (CDP), the allocation requested, the length of time necessary to achieve these goals as well as the number of individuals expected to be employed and a description of vocational and educational training programs the CDP will generate. The CDP should also include a description of the existing fishery related infrastructure and how the CDP would use or enhance existing harvesting or processing capabilities, support facilities and human resources. The CDP is also required to include a description of how new capital or equity will be generated for the applicants fishing or processing operations; a plan and schedule for transition from reliance on the CDQ to self-sufficiency in fisheries; and a description of the short and long-term benefits to the applicant from the allocation.

Upon receipt of the CDP applications the governor's designees perform an initial evaluation of the CDP to determine if it is complete and has the necessary information required under §6AAC 93.025. The designees, staff members of the Departments of Community and Regional Affairs, Fish and Game, and Commerce and Economic Development, schedule a public hearing in accordance with federal regulations. The governor's designees then take into consideration the CDP application and public testimony and select those applications that they believe best satisfy the objectives, requirements, and criteria of the CDQ program and recommend those applications to the governor, who in turn evaluates and makes the final recommendation to the Secretary of Commerce for approval.

The initial application process in 1992 occurred during an extremely short time frame. The ability of the eligible villages to organize into CDQ groups, develop a Community Development Plan and form industry partnerships is a testimony to the determination the people of western Alaska to gain the greatest possible benefit from the CDQ program.

During the last half of 1992, communities and fishermen's groups along the Bering Sea coast began to organize in response to the pending CDQ regulations. In order to qualify for a

CDQ allocation, an organization and its member communities had to meet several criteria. The major criteria for community qualification consisted of:

Location within 50 nautical miles of the Bering Sea.
Native village as defined by the Alaska Native Land Claims Settlement Act
Residents conduct over 50% of their current subsistence and commercial fishing effort in the waters of the Bering Sea.
No previously developed harvesting or processing capacity sufficient to support substantial groundfish fisheries participation

A total of 56 communities were eligible and all held meetings to select fishermen representatives. As the summer drew to a close, the communities coalesced into six different applicant organizations. The groupings were self-determined and were based primarily on geographical proximity and cultural boundaries.

| Community Development Quota Groups | |
|---|---|
| Aleutian Pribilof Island Community Development Association (APICDA) | 5 communities |
| Bristol Bay Economic Development Corporation (BBEDC) | 13 communities |
| Central Bering Sea Fishermen's Association (CBSFA) | 1 community |
| Coastal Villages Fishing Cooperative (CVFC) | 17 communities |
| Norton Sound Economic Development Corporation (NSEDC) | 15 communities |
| Yukon Delta Fisheries Development Association (YDFDA) | 4 communities |

List of CDQ Communities by Group

| | |
|---|---|
| APICDA | Atka, False Pass, Nelson Lagoon, Nikolski, St. George |
| BBEDC | Aleknagik, Clark's Point, Dillingham, Egegik, Ekuk, Manokotak, Naknek, King Salmon/Savonoski, Pilot Point/Ugashik, Port Heiden, South Naknek, Togiak, Twin Hills |
| CBSFA | St. Paul |
| CVFC | Cherfornak, Chevak, Eek, Goodnews Bay, Hooper Bay, Kipnuk, Konigianak, Kwigillingok, Mekoryuk, Newtok, Nightmute, Platinum, Quinhagak, Scammon Bay, Tooksok Bay, Tuntutuliak, Tununak |
| NSEDC | Brevig Mission, Diomede/Inalik, Elim, Gambell, Golovin, Koyuk, Nome, Savoonga, Shaktoolik, St. Michael, Stebbins, Teller, Unalakleet, Wales, White Mountain |
| YDFDA | Alakanuk, Emmonak, Kotlik, Sheldon Point |

Membership of each CDQ group is composed of a representative of each member community. An appropriate governing body from each community joining a CDQ group had to elect a representative from the community to the CDQ organization's Board of Directors. Three-quarters of the members of each Board were required to be either commercial or subsistence fishermen.

In order to qualify for a pollock allotment, each CDQ group had to prepare a comprehensive Community Development Plan (CDP) application for presentation to the Governor of Alaska and the Secretary of Commerce. The application had to describe the communities and their economies and lay out the group's specific goals and objectives. The plans had to request specific amounts of pollock, and to describe specifically how the pollock proceeds would be utilized, including describing specific fishery development projects that would be pursued along with measurable milestones. Finally, the plans had to demonstrate that the CDQ group itself would be able to continue as a viable business entity after the CDQ program had ended.

| Application Requirements: |
| --- |
| The CDQ group's goals and objectives |
| Employment to be created |
| Existing fishing related infrastructure |
| Business plans |
| Business and loan relationships |
| Presentation of a budget |
| Sufficient management and technical experience |

**Industry Partners**

A large part of the 1992/93 application process for CDQ groups involved locating and contracting with an industry partner and developing programs to utilize anticipated CDQ revenues. Each CDQ group found it necessary to contract with an established seafood company to make sure that the pollock would be harvested and processed in an economically efficient manner. The concept of partnerships with industry participants was perceived as an excellent vehicle for joint venture investments. It also would facilitate an important transfer of skills and expertise in the seafood industry to the CDQ groups. It was hoped that the industry partners would contribute greatly to the entry of CDQ communities as successful participants in the Bering Sea fishing industry.

When pollock CDQs were imminent, a number of major pollock harvesters and processors investigated partnerships with potential CDQ recipients. A request for proposals process ensued in which each CDQ group chose from a variety of offers. Each industry proposal contained a different mix of payments, training, employment opportunities, and assistance with other regional fishing business ventures. Existing pollock harvesters and processors were interested in the CDQ program because it gave them an opportunity to continue to operate their vessels at a time when they might otherwise be idle.

The industry partners were chosen by the CDQ groups based on the mix of which most closely fit the development goals of that group. Each of the six groups agreed to a specific price per metric ton for the use of CDQ pollock or a base price plus some form of profit sharing.

By the time the 1994/95 application process occurred, a steep decline in pollock prices had demonstrated the volatility of the pollock market. Several of the groups switched from a fixed fee to a base price and profit sharing. This was done both to provide a higher potential price to the CDQ groups and to protect the industry partners in the event of a continued pollock market collapse.

**CDQ organizations and their industry partners (1992 - 1995):**

| | |
|---|---|
| Aleutian Pribilof Community Development Association | Trident Seafoods, Inc. |
| Bristol Bay Economic Development Corporation | Oceantrawl, Inc. |
| Central Bering Sea Fishermen's Association | American Seafoods Company, Inc. |
| Coastal Villages Fishing Cooperative | Golden Age Fisheries |
| Norton Sound Economic Development Corporation | Glacier Fish Company |
| Yukon Delta Fisheries Development Association | Golden Alaska Seafoods, Inc. |

## CDQ Allocations

The pollock allocations for 1992 and 1993 were made in late 1992. Different amounts were given to each group based on the number of communities they represented, their expressed needs, and the soundness of their plans.

| Approved CDQ Allocations | 1992/93 | 1994/95 |
|---|---|---|
| APICDA | 18% | 18% |
| BBEDC | 20% | 20% |
| CBSFA | 10% | 8% |
| CVFC | 27% | 27% |
| NSEDC | 20% | 20% |
| YDFDA | 5% | 7% |

The 1994 and 1995 allocation process began in early 1993 and the Secretary made final allocations late in the year. As indicated in the above chart, changes were made to the 1994 and 1995 allocations.

As stated earlier, the allocation decisions are based on the CDQ organization's Community Development Plan(CDP) and their ability to implement and fulfill their goals. The allocation process is of a competitive nature with each group preparing a CDP that would provide substantial gain to their communities. This was done to ensure the greatest benefit to the residents of the region.

## CDQ Groups' Goals & Objectives

Each CDQ group proposed to use its funds to create more local development opportunities. To this end, all are using funds for training and education, jobs, and infrastructure development. Because of their different geographical locations, existing economic conditions, and other local employment opportunities, each group developed a different program philosophy. The result has been a blend of investing, training, and infrastructure development all aimed at developing and improving the regional fisheries and overall economies.

All but one of the groups declared itself a non-profit corporation. The one group which formed a for-profit company entered into a partnership in a factory-trawler. Most of the groups have since formed auxiliary for-profit corporations to participate in business projects and activities. These include YDFDA's small boat fleet, APICDA's Management Company, NSEDC's Norton Sound Fish Co., and CVFC's salmon processor. More for-profit ventures such as these are being developed as more development plans are implemented.

By declaring themselves to be non-profit corporations, each group had to seek a ruling from the Internal Revenue Service as to whether or not these activities and corporate structures would qualify. The wait for the IRS ruling resulted in an important-side benefit: each group was required by the State to keep 40% of their revenues in a dedicated tax liability fund. Consequently, during the first year of the CDQ program the groups were subject to enforced savings. This allowed them to grow and refine their development plans without over-spending on initial projects. The expenditure and savings patterns of the groups for 1992/93 reflect this.

**CDQ Group Primary Development Philosophies**

Due to the regional idiosyncratic nature of the CDQ groups, each CDQ organization developed goals and objectives to meet the both the long and short-term needs of their communities. As reported earlier, each group has commonalties such as high unemployment, low living standards and limited economic development opportunities. How each region decides to address these issues is entirely self-determined. The list of development philosophies below is an indication of the differing objectives of each group.

**APICDA -**
Create income and infrastructure generating business opportunities for the CDQ group in local communities and businesses.

**BBEDC -**
Create an investment fund with which to invest in the seafood industry outside local, highly capitalized fisheries.

**CBSFA -**
Use CDQ income to leverage local infrastructure development.

**CVFC -**
Invest in ownership of offshore processor and use vertical integration and CDQ allocations to generate local employment.

**NSEDC -**
Increase participation and profitability by residents in regional fisheries and invest in the seafood industry.

**YDFDA -**
Train community residents as fishermen and finance vessel and gear loans and infrastructure development

## CDQ Program Monitoring

The CDQ program requires both federal and state oversight. The federal and state governments have each added staff to respond to monitoring needs. Approximately the equivalent of one federal and three state full-time positions are dedicated to the CDQ administration as well as part-time assistance on policy-making decisions by staff from several agencies.

The federal monitoring agency is the National Marine Fisheries Service. Federal responsibilities include daily monitoring of catch, debriefing of fishery observers, writing regulations, and review of the overall program. As is the case in the open-access fishery, federal funds support the fishery management and allocation decision making process.

The State is responsible for the ongoing monitoring of each CDQ group's performance, ensuring compliance with CDQ plans and regulations, providing professional assistance, reviewing quarterly and annual reports, and participating in the allocation decision making process. State agencies involved in this process include the Departments of Community and Regional Affairs, Fish and Game, and Commerce and Economic Development. The State requires quarterly reports, conducts several meetings with each group annually, requires annual audit and compliance reports, and retains the right to conduct an internal audit and review of any CDQ group's accounts at any time.

## CDQ Fisheries Monitoring

All at-sea processors in the open access pollock fisheries are required to carry a single authorized government observer. However, with the necessity of accurate accounting for all harvests to the pound, new methods were required. The CDQ organizations were attuned to this especially in terms of bycatch of species such as salmon and herring. These species are important to western Alaskans for both commercial and subsistence fishing. Therefore, the industry partners and CDQ groups voluntarily instituted new monitoring systems. They began using two observers on each processing vessel so that the trawls could be observed around the clock. Also, they began implementing methods to volumetrically measure all harvest. The methods determined by the North Pacific Fishery Management Council may be used as a basis for monitoring programs currently under consideration for the rest of the industry.

# IV. OVERVIEW OF CDQ GROUPS AND ACTIVITIES

This chapter provides a brief overview of each CDQ group and the activities that it has undertaken to date.

Table IV-1 provides an overview of all activities of the six CDQ groups. Activities listed in bold type are actually underway. Activities listed in italics are in a development or planning stage. Activities listed in parentheses are potential projects which have been suggested by the CDQ groups in their Community Development Plans or other documents.

Table IV-1

| CDQ Organizations | | APICDA | BBEDC | CBSFA | CVFC | NSEDC | YDFDA |
|---|---|---|---|---|---|---|---|
| | | | | | | | |
| *PROJECT TYPE* | | | | | | | |
| | | | | | | | |
| **Administration** | | x | x | x | x | x | x |
| | | | | | | | |
| **Business Development** | | | | | | | |
| **Alaska Seafood Investment Fund** | | | x | | | | |
| **Salmon & Herring Marketing** | | | | | | x | |
| (Coastal Village Investment Fund) | | | | | x | | |
| (Cattle Ranch -revoked) | | x | | | | | |
| (Nikolski Tourism - revoked) | | x | | | | | |
| (Vessel Haul Out/Storage) | | | | x | | | |
| (Seafood Waste Conversion) | | | | x | | | |
| (Entrepreneurship Program) | | | x | | | | |
| | | | | | | | |
| **Employment** | | | | | | | |
| **Resident Employment Program** | | x | x | x | x | x | x |
| | | | | | | | |
| **Equity Investments** | | | | | | | |
| **APICDA Management Co.** | | x | | | | | |
| **APICDA Joint Ventures** | | x | | | | | |
| **Imarpiqamiut Partnership** | | | | | x | | |
| **Longline Partnership** | | | | x | | x | |
| **Norton Sound Fish Co.** | | | | | | x | |
| **Yukon Delta Fisheries, Inc.** | | | | | | | x |
| *J/V Floating Processor* | | | | | | | x |
| (Longline Vessel) | | | | | | | x |
| | | | | | | | |
| **Fishery Development** | | | | | | | |
| **Salmon Restoration Program** | | | | | | x | |
| **Exploratory Fishing Research** | | | | x | x | | x |
| **Product Diversification Program** | | x | | | x | x | |
| **St. Lawrence Halibut Fishery** | | | | | | x | |
| ( Fishery Development Grants) | | | x | | | | |

| ORGANIZATION | | APICDA | BBEDC | CBSFA | CVFC | NSEDC | YDFDA |
|---|---|---|---|---|---|---|---|
| **IFQ/Limited Purchase** | | | | | | | |
| IFQ Fund | | x | | | | | |
| Permit Brokerage | | | x | | | | |
| *IFQ/Permit Fund* | | | | | | x | x |
| **Infrastructure** | | | | | | | |
| Atka Dock Facility | | x | | | | | |
| St. George Harbor | | x | | | | | |
| False Pass Gear Storage | | x | | | | | |
| Nelson Lagoon Dock | | x | | | | | |
| False Pass Dock Improvement | | x | | | | | |
| Nome Dock | | | | | | x | |
| Savoonga Ice Delivery System | | | | | | x | |
| Koyuk Ice Machine | | | | | | x | |
| St. Paul Harbor | | | | x | | | |
| *St. Paul Dock* | | | | x | | | |
| *Nikolski Boat Ramp* | | x | | | | | |
| *Moses Pt. Buying Station* | | | | | | x | |
| *Golovin Buying Station* | | | | | | x | |
| (Infrastructure Fund) | | | x | | | | |
| **Loan Program** | | | | | | | |
| Small Business | | x | | | | | x |
| Boat & Gear | | x | x | x | (x) | x | x |
| **Processing Plant** | | | | | | | |
| Atka Pride Seafoods J/V | | x | | | | | |
| Unalakleet Fish Plant | | | | | | x | |
| Coastal Villages Fisheries | | | | | x | | |
| Emmonak Cooperative | | | | | | | x |
| Norton Sound Crab Co. | | | | | | x | |
| Shaktoolik Plant | | | | | | x | |
| *Mekoryuk Plant* | | | | | x | | |
| *Nelson Lagoon Plant* | | x | | | | | |
| (J/V Shoreside Plant) | | | | x | | | |
| **Scholarship** | | | | | | | |
| Scholarship Program | | x | x | x | x | x | x |
| **Training** | | | | | | | |
| Shoreside Training Program | | x | | | | | |
| Vocational Training & Education | | x | x | x | x | x | x |
| (Salmon Roe University) | | | | | x | | |
| (Observer Training Program) | | | x | | | | |
| **Other** | | | | | | | |
| Impact Fund | | | | x | | | |

Activities are listed in thirteen different categories. All groups are involved in some categories, including administration, training, employment and scholarship programs. In contrast, only some groups are involved in IFQ purchases, infrastructure development, fisheries development and equity investments.

The remainder of this chapter provides a more detailed description of the goals and activities of each group.

## ALEUTIAN PRIBILOF ISLAND COMMUNITY DEVELOPMENT ASSOCIATION

The Aleutian Pribilof Island Community Development Association (APICDA) represents the five communities of Atka, False Pass, Nelson Lagoon, Nikolski and St. George. Their industry partner is Trident Seafoods, Inc. APICDA received 18% of the total CDQ pollock allocation in 1992 - 1995.

### Goals

According to the Community Development Plan submitted by APICDA, the major goals of APICDA are as follows:

1. **Provide capital for construction and investment to facilitate community participation in Bering Sea/Aleutian Islands fisheries**. APICDA plans to acquire and conserve capital to avail itself of investment opportunities while at the same time be aware of the overcapitalization of the fishing industry. When making investments, APICDA must review a variety of factors to properly gauge the value of the opportunity.

2. **Provide and promote employment and educational opportunities for local residents in all aspects of the Bering Sea/Aleutian islands fisheries.** APICDA member communities are strategically located in the Aleutian Island/Bering Sea region. As the economic health of the industry deteriorates, and fishing seasons become shorter and shorter, the location of support services becomes more and more important to the industry. Local infrastructure such as harbors and docks are necessary to provide support services. APICDA will strive to provide infrastructure development to all member communities.

3. **To become a self-sustaining entity that will foster continued development, participation and stability for the regions communities and their residents.** In the APICDA communities, there is no more valuable right than access to the right to fish commercially. To the extent that local residents do not receive IFQs, and/or to the extent that the accompanying CDQ programs for halibut and sablefish are insufficient to meet the harvest needs of local residents, APICDA plans to participate in programs designed to assist local residents in acquiring IFQs.

**CDQ Group Management/Administration**

APICDA's board of directors employs the firm of Pacific Associates for the daily management of the organization. Pacific Associates offices are located in Juneau, Alaska. APICDA also employs community liaison officers to disseminate information throughout their communities. Management and policy decisions are made by the Board and carried out by Pacific Associates, their harvesting partner and subsidiary corporations.

**Other CDQ Activities**

**Offshore Employment** - Trident/Starbound offers a preferential hire program for residents of the APICDA area. They also provide training when needed and are investigating the establishment of a shoreside training program.

**Training and Educational Program** - APICDA's training program strives to provide meaningful employment and training opportunities by ensuring that all residents of APICDA communities fully understand the program. APICDA does this through employment of community liaison officers in each community.

**Product Diversification Program** - The product diversification program constitutes a major commitment to work with Trident and Starbound to develop new and expanded product forms from salmon.

**APICDA Joint Ventures - Atka Pride Seafoods** - APICDA formed a joint venture partnership with Atka Fishermen's Association to upgrade the existing processing facility and operate the processing plant as Atka Pride Seafoods.

**APICDA Management Corporation - AMC holds all wholly owned subsidiaries of APICDA. - Atka Floating Dock** - APICDA has constructed a small floating dock to serve the needs of the community until a larger, permanent dock can be constructed. AMC also owns three 32' longline vessels which are operated by local residents.

**False Pass Dock Improvement** - APICDA allocated funds to install sewer and water services to the dock.

**St. George Dredge** - APICDA provided $1.2 million to match the $3.3 million of state funds to dredge the St. George Harbor. APICDA views this as an economic investment since APICDA will participate in subsequent economic activity.

**St. George Dock** - APICDA has allocated almost a million dollars during 1995 for the design and construction of a dock in St. George. This facility will be owned by

APICDA Management Corporation and will be located on land APICDA leased from the City of St. George as a quid pro quo exchange for APICDA's earlier contribution toward the completion of the Zapadni Bay dredging project.

**Loan Guarantee Program** - APICDA has plans to provide an IFQ loan guarantee program to assist local residents in purchasing halibut and sablefish quota shares.

**Nelson Lagoon Dock** - The Nelson Lagoon Dock project continues on schedule, construction is expected to begin in the spring of 1995.

## BRISTOL BAY ECONOMIC DEVELOPMENT CORPORATION

Bristol Bay Economic Development Corporation (BBEDC) represents the thirteen communities of Aleknagik, Clark's Point, Dillingham, Egegik, Ekuk, Manokotak, Naknek, King Salmon, South Naknek, Togiak, Twin Hills, Pilot Point, Ugashik and Port Heiden. Their industry partner is Oceantrawl, Inc. BBEDC received 20% of the total CDQ pollock allocation in 1992-1995.

According to the Community Development Plan submitted by BBEDC, the major goals of BBEDC are as follows:

***Long range goals:***

1. Increase and improve the quality of employment opportunities.

2. Develop long term employment opportunities and job diversification by funding vocational and academic scholarships.

3. Strengthen and expand the region's fisheries industry.

***Specific Goals***

A1 Provide a self-sustaining basis for community development and employment.

A2 Employment for the region's residents.

A3 Provide training and education to residents appropriate to developing new employment opportunities.

A4 Develop a regional fishery's development plan that anticipates changes in North Pacific fisheries.

A5 Provide for infrastructure development based on new economic development.

A6 Develop a timely method for getting information about the corporation and its programs out to the region and interested public.

A7 Develop and maintain an efficient and cost effective staff and internal administrative and management procedures.

A8 Maintain an effective and efficient Board of Directors.

**CDQ Group Management/Administration**

The Bristol Bay Economic Development Corporation offices are located in Dillingham, Alaska. Employment at BBEDC consists of an executive director, an office manager and secretary. Various consultant services are contracted as needed.

**Other CDQ Activities**

**Offshore Employment Program** - BBEDC works closely with their industry partner, Oceantrawl, to place their people on factory trawlers as entry level workers and encourages upward mobility.

**Permit Stabilization Program** - BBEDC has developed a permit brokerage business as an independent broker with Permit Masters. Permit Masters, Ltd. in Seattle is an established and reputable broker of fishing permits. The objective is to retain limited entry permits within the community when an individual is forced to sell his/her permit for various reasons.

**Training and Scholarship Program** - The training program has altered from the original 1993 CDP. Factory trawler training at a vocational school has decreased due to the fact that Oceantrawl prefers to do their own training. BBEDC is concentrating on basic vocational training to develop human resources in a broad and diverse context. BBEDC is also working with industry and government to develop an observer training program for the region.

**Alaska Seafood Investment Fund** - BBEDC has established the Alaska Seafood Investment Fund (ASIF) to make investments in Alaskan seafood businesses. These investments will be made outside of Bristol Bay's fully developed sockeye salmon and herring fisheries.

## CENTRAL BERING SEA FISHERMEN'S ASSOCIATION

Central Bering Sea Fishermen's Association (CBSFA) represents the community of St. Paul. CBSFA was allocated 10% of the total pollock CDQ allocation for the 1992/93 season and 8% for the 1994/95 season.

According to the goals of CBSFA's Community Development Plan, the major development goals are as follows:

1. Develop for St. Paul Island a stable, self-sufficient, enduring and diversified economy not based on the harvest of furs seals, as directed by the Fur Seal Act Amendment of 1983.

2. Develop an appropriate locally based, locally owned, Bering Sea fishing fleet, to contribute community economic benefits and stability, key participation in local fishery business infrastructure, and safe and efficient harvest of local commercially valuable species.

3. Establish and maintain local access to Bering Sea resources as a key component in establishment and maintenance of an economy for St. Paul Island.

4. Establish Aleut participation and CBSFA participation in management and preservation of a Bering Sea ecosystem that supports rational use of renewable Bering Sea resources for the benefit of all persons.

5. Convert and merge a successful community fishery development plan and CDQ quota with the NPFMC fishery rationalization plan.

### CDQ Group Management/Administration

Central Bering Sea Fishermen's Association is managed by the President of the board of directors who acts as the executive director of CBSFA. CBSFA's main office is located in Anchorage, with another office in St. Paul. CBSFA staff is mainly comprised of St. Paul residents, with consultants contracted on a part-time basis.

### Other CDQ Activities

**St. Paul Harbor Dredge** - CBSFA along with the State of Alaska has committed funds for the dredge of the St. Paul Harbor. This project has an expected completion date of Spring 1995.

**Temporary Marine Facilities** - A small dock will be constructed upon completion of the harbor dredge. The dock has been designed and materials purchased, however construction is on hold pending completion of the dredge.

**Scholarship Program** - CBSFA has dedicated funds to a scholarship fund for St. Paul Island students accepted to institutions of higher education.

**Vocational Training** - CBSFA makes funds available for St. Paul Island Aleuts to obtain vocational or technical training in any field related to development of a fishery economy on St. Paul Island.

**Fishery Employment** - CBSFA will provide meaningful employment for the Aleut population of St. Paul Island. Jobs will be generated in commercial fishing operations, seafood processing, resource management and other fishery management and service related employment opportunities.

**Vessel Loan Program** - CBSFA loans up to 1/3 of the value of a vessel at reduced interest rates for locally qualified applicants who are successful in obtaining traditional financing for the remaining 2/3.

**Gear Loan Program** - CBSFA provides 100% financing for local fishermen at reduced interest rates to finance fishing gear for locally owned fishing vessels.

**Test Fishery Project** - CBSFA chartered a Bering Sea fishing vessel to test fish waters around St. Paul Island using a variety of small vessel pot gear to determine future fishery development.

**Equity Investment in Longline Vessel** - CBSFA has purchased ownership interest in the F/V Zolotoi.

**Impact Fund** - CBSFA has established an impact fund available for social, recreational and cultural impacts.

## COASTAL VILLAGES FISHING COOPERATIVE

The Coastal Villages Fishing Cooperative (CVFC) represents the communities of Cherfornak, Chevak, Eek, Goodnews Bay, Hooper Bay, Kipnuk, Konigianak, Kwigillingok, Mekoryuk, Newtok, Nightmute, Platinum, Quinhagak, Scammon Bay, Tooksok Bay, Tuntutuliak, and Tununak. CVFC received 27% of the total pollock CDQ allocation during 1992 - 1995.

The Community Development Plan submitted by CVFC identifies the following major development goals:

1. Through the CDQ program, to develop a self-sustaining, self-sufficient fisheries economy in the CVFC region.

2. Develop the technical and managerial potential of CVFC members to own and operate a diversified fishing company through a "career track" program.

3. Provide jobs and expand employment opportunities for the residents of CVFC member villages.

4. Accumulate capital for Coastal Village region fisheries infrastructure development through:
   - Profit distributions from CVFC/Golden Age Fisheries(GAF) owned vessels
   - Employment on CVFC/GAF owned vessels in the CDQ fisheries or others
   - Employment on all other GAF owned vessels in all fisheries
   - Identification and development of new local fisheries resulting from nearshore trawl survey
   - Increase employment in local fisheries
   - Increased ownership of local fisheries
   - Expanded markets for local fisheries
   - Higher prices for products from the local fisheries through competition improved quality control and product development
   - Higher prices for products through sales and marketing which emphasize the superior quality of CVFC region products

5. Invest capital in new ventures to further develop the Coastal Villages region.

6. Establish CVFC ownership in onshore processing facilities (for value-added production) and off-shore harvesting and processing capacity (factory trawlers, longliner, crab and processing vessels) capable of fishing in nearshore and offshore fisheries.

7. Provide markets for local salmon and herring fisheries.

**CDQ Group Management/Administration**

The Coastal Villages Fishing Cooperative, organized as a ***for-profit*** cooperative corporation, made a conscious decision to remain relatively small and lean during it early development. The cooperative employs four individuals: one each located at offices in Chevak, Bethel, Tooksok Bay and the executive director in Juneau.

**Other CDQ Activities**

**Resident Employment Program** - CVFC has an employment coordinator who actively recruits CVFC residents for employment and internship opportunities especially with Golden Alaska Fisheries ventures.

**Scholarship Fund** - CVFC and GAF created the Coastal Villages Scholarship Fund through the contribution by CVFC and GAF joint ventures of 5% of their profits. The fund has been incorporated as a non-profit corporation under the State of Alaska and awards scholarship grants or loans.

**Coastal Village Fisheries** - CVF is the first major locally owned salmon operation on the Kuskokwim river. This venture became operational in 1993. Due to poor salmon returns, CVF did not operate in 1994.

**Imarpiqamiut Partnership** - A fundamental part of CVFC's CDP is the 50% ownership in the F/T Brown's Point with its partner, Golden Age Fisheries. This vessel provides CVFC with direct access to the Bering Sea groundfish resources as well as a platform for processing value-added salmon products. This also allows for training of CVFC residents aboard their own vessel.

## NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION

The Norton Sound Economic Development Corporation (NSEDC) represents the villages of Brevig Mission, Diomede/Inalik, Elim, Gambell, Golovin, Koyuk, Nome, Savoonga, Shaktoolik, St. Michael, Stebbins, Teller, Unalakleet, Wales and White Mountain. NSEDC was allocated 20% of the total CDQ pollock allocation in 1992 - 1995.

According to the Community Development Plan submitted by NSEDC, the major goals of NSEDC are as follows:

1. Employment continues to be the top priority for the 94/95 program for the Bering Strait region. Increased employment and the resulting income are the prime objectives behind each of the programs described in the CDP. Whether the employment is jobs in shoreside fish plants, on floating processors, on fishing boats in existing or new fisheries, in office work etc., NSEDC is committed to this program.

2. Self-Sustaining Fisheries Development.
Another priority is that NSEDC's activities and programs be able to stand alone. NSEDC was established as a permanent regional economic development force for the future.

3. Education and Training
One of the biggest components of the NSEDC CDP continues to be education and training. These goals are addressed through NSEDC's training, education and employment program, and the endowment fund.

4. Retention/Addition of Locally Held Permits
The ability to participate in many nearshore fisheries has traditionally depended on who owns the limited-entry permits. One of the disadvantages of the transferable permits is that the ownership of the right to fish in regional waters may be sold or awarded to a party outside of the community, meaning that some of the economic value of the fishery is not captured locally. NSEDC will provide local fishermen with loan funds to purchase limited entry permits and IFQ's.

5. Fisheries Rehabilitation and Enhancement
NSEDC intends to increase economic returns by rehabilitating or enhancing salmon runs in the Bering Strait region.

6. Provision of Value to State and Local Government
NSEDC believes that as in shore-based fisheries, CDQ operations should help pay for state costs related to establishing and implementing the CDQ program. The passage of a state landing tax by the Alaska legislature in 1993 accomplished this goal.

**CDQ Management/Administration**

The Norton Sound Economic Development Corporation is organized as a tax-exempt not-for-profit corporation. NSEDC manages their CDQ program with an executive director, located in their Elim headquarters, and local staff personnel in various locations. NSEDC has five advisory committees which hold periodic meetings to review CDQ program activities. Consultants are contracted as needed.

**Other CDQ Activities**

**Resident Employment Program** - NSEDC has set near-term goals for hiring local people to work in the Bering Sea fishing industry in jobs that will directly result from CDQ fishing operations. GFC hires residents of the Bering Strait region on a preferential basis for CDQ operations and any other fisheries related to GFC and NSEDC.

**Education Endowment Fund** - NSEDC provides scholarships to qualified students in the region to obtain advanced or continuing, technical and vocational, and/or a college education. GAF contributes to the scholarship fund to assist residents attending college to obtain an education in a fisheries related field.

**Revolving Loan Program** - NSEDC has established a revolving loan program to provide capital at reasonable interest rates to fishermen throughout the region to help support commercial fishing activities. This includes: 1) vessel upgrade loans, 2) herring and salmon gear loans, 3) crab and halibut gear loans, and 4) permit loans.

**Norton Sound Crab Company** - The Norton Sound Crab Company operates as a crab, salmon and bait processing facility in Nome. Recently, a smoker was installed to process a value-added product as part of their long-term diversification strategy.

**Norton Sound Fish Company** - NSEDC made an equity investment in a joint venture with Glacier Fish Company (GFC) to acquire and operate a freezer/longliner vessel. The F/V Norton Sound became fully operational in 1995.

**Unalakleet Processing Plant** - The Village Council of Unalakleet received a grant to revitalize the fish processing plant in Unalakleet.

**Salmon and Herring Marketing Program** - NSEDC has organized salmon and herring buying/processing operations and will conduct additional market research for various products from the Norton Sound fisheries.

**Koyuk Ice Delivery System** - In 1993, NSEDC allocated funds to purchase and ship an ice machine to Koyuk as part of a project to develop an ice delivery system to support Norton Bay salmon fisheries.

**Savoonga Ice Delivery System** - The City of Savoonga received funds from NSEDC to build an ice delivery system to support the developing commercial halibut fishery.

**Shaktoolik Processing Plant** - The City of Shaktoolik was allocated funds to make repairs to their fish plant to support the salmon fishery.

**Salmon Rehabilitation and Enhancement Program** - The salmon restoration and enhancement program includes three components: 1) comprehensive planning with substantial local involvement, 2) resource inventory and 3) a development fund to finance future site-specific projects.

**St. Lawrence Island Halibut Fishery** - In 1993, NSEDC established a commercial halibut fishery at St. Lawrence Island. This work included successful efforts to change International Pacific Halibut Commission (IPHC) regulations to establish an experimental fishery in area 4D.

## YUKON DELTA FISHERIES DEVELOPMENT ASSOCIATION

Yukon Delta Fisheries Development Association (YDFDA) represents the communities of Alakanuk, Emmonak, Kotlik and Sheldon Point. YDFDA received 5% of the CDQ pollock allocation in 1992-1993 and 7% of the total pollock CDQ allocation in 1994-1995.

According to the Community Development Plan submitted by YDFDA, the major development goals are as follows:

1. Stabilize, enhance, and diversify the economy of the Lower Yukon River Delta region by participating in the Bering Sea goundfish industry.

2. Maximize the social and economic benefits to the lower Yukon River Delta region from the harvesting and processing of Bering Sea fisheries.

3. Safeguard the benefits achieved in Objective 1 and 2 through responsible participation in a range of Bering Sea resource management institutions.

## CDQ Management/Administration

The Yukon Delta Fishermen's Association is organized as a not-for-profit corporation created expressly to develop the economy of the Yukon Delta region. YDFDA currently has their main office in Seattle, with Golden Alaska Seafoods, and employs an executive director, office manager and accountant. YDFDA also maintains an office in Seward to be near the Alaska Vocational and Technical Education Center, which is conducting much of their industry and boat building training.

## Other CDQ Activities

**Fishery Employment Program** - The employment objectives of the employment program are to provide on-the-job training and experience in offshore fisheries to community residents and provide immediate employment and income-earning opportunities to these residents.

**Comprehensive Training Program** - YDFDA will strive to assure that 1) an appropriately skilled native workforce is available for all opportunities created in the CDQ enterprises and 2) provide technical knowledge to the native workforce to assure that qualifications are developed to enable them to move into high paying senior positions.

**Exploratory Fishing Research** - The exploratory fishing research program conducts research on the distribution, appropriate gear, and preferred fishing methods suitable for community-based commercial fishing in the eastern Bering Sea.

**Yukon Delta Fish Marketing Cooperative** - YDFDA loaned funds to the Yukon Delta Fish Marketing Cooperative to provide matching funds for a federal Economic Development Assistance grant of $680,000. The money will be used to upgrade and expand existing processing facilities Emmonak.

**Yukon Delta Fisheries, Inc.** - The major component to YDFDA's CDP is the establishment of a small-multi fishery boat fleet. YDFDA currently has six, thirty-two foot aluminum boats and two larger vessels fishing several species, and two more 32' boats are being built at AVTEC in Seward.

# V. ECONOMIC IMPACTS OF THE CDQ PROGRAM

This chapter examines the economic impacts of the CDQ program, narrowly defined as changes in employment and income attributable to the CDQ program. The following chapter will look at the broader and more difficult question of the contribution of the CDQ program to "economic development."

## Direct Employment and Income Impacts of the CDQ Program

Table V-1 summarizes the "Number Working," "Total Wages" and "Work Hours" information reported for all CDQ group reported in the quarterly reports. The table shows the information reported for each quarter as well as annual average "Number Working" (the total for the four quarters divided by four) and total annual wages. In the discussion below, we use the term "jobs" in place of "number working." The annual average number working on CDQ group projects was 173 in 1993 and 387 in 1994. The highest quarterly number working was 213 in the third quarter of 1993 and 761 in the third quarter of 1994.

Total wages for all CDQ jobs were $2.5 million in 1993 and $4.2 million in 1994. Total wages divided by the number working (a rough measure of average annual income per CDQ job) was $14.5 thousand in 1993 and $13.4 thousand in 1994.

As shown in Figure V-1, in 1994 CDQ management and administration accounted for 10 percent of 1994 jobs and 19 percent of wages. Pollock harvesting and processing accounted for 18 percent of jobs and 26 percent of wages. Salmon, herring and halibut fisheries accounted for 32 percent of jobs and 19 percent of wages. Other employment accounted for 40 percent of jobs and 36 percent of wages.

## Table V-1: CDQ Employment and Wages: All CDQ Groups

| | Quarter | | | | | | | | Annual Average/Total* | |
|---|---|---|---|---|---|---|---|---|---|---|
| Employment by Quarter | 93-1 | 93-2 | 93-3 | 93-4 | 94-1 | 94-2 | 94-3 | 94-4 | 1993 | 1994 |
| **Number Working** | | | | | | | | | | |
| Management/Administrative | 21 | 23 | 23 | 28 | 36 | 41 | 41 | 43 | 24 | 40 |
| CDQ Pollock-Related | 120 | 44 | 50 | 67 | 117 | 53 | 90 | 24 | 70 | 71 |
| Salmon, Herring & Halibut-Related | 0 | 110 | 122 | 0 | 0 | 217 | 276 | 0 | 58 | 123 |
| Other Employment | 13 | 21 | 18 | 31 | 63 | 133 | 354 | 58 | 21 | 152 |
| Total | 154 | 198 | 213 | 126 | 216 | 444 | 761 | 125 | 173 | 387 |
| **Total Wages inc. Benefits ($)** | | | | | | | | | | |
| Management/Administrative | 105,730 | 139,670 | 142,871 | 205,235 | 220,500 | 285,516 | 259,052 | 240,748 | 593,506 | 1,005,816 |
| CDQ Pollock-Related | 647,057 | 132,190 | 245,933 | 316,140 | 682,576 | 168,754 | 351,269 | 152,549 | 1,341,320 | 1,355,148 |
| Salmon, Herring & Halibut-Related | 0 | 26,447 | 15,477 | 0 | 0 | 210,898 | 789,205 | 0 | 41,924 | 1,000,103 |
| Other Employment | 150,648 | 51,779 | 60,709 | 267,604 | 243,062 | 277,883 | 769,369 | 521,085 | 530,740 | 1,811,399 |
| Total | 903,435 | 350,086 | 464,990 | 788,979 | 1,146,138 | 943,051 | 2,168,895 | 914,382 | 2,507,490 | 5,172,466 |
| **Total Wages/Number Working** | | | | | | | | | | |
| Management/Administrative | 5035 | 6073 | 6212 | 7330 | 6125 | 6964 | 6318 | 5599 | 24,990 | 24,989 |
| CDQ Pollock-Related | 5392 | 3004 | 4919 | 4719 | 5834 | 3184 | 3903 | 6356 | 19,094 | 19,087 |
| Salmon, Herring & Halibut-Related | | 240 | 127 | | | 972 | 2859 | | 723 | 8,114 |
| Other Employment | 11588 | 2466 | 3373 | 8632 | 3858 | 2089 | 2173 | 8984 | 25,578 | 11,917 |
| Total | 5866 | 1768 | 2183 | 6262 | 5306 | 2124 | 2850 | 7315 | 14,515 | 13,383 |

*Annual average number working; total annual wages. Blanks indicate that data were not available. Source: CDQ Group Quarterly Reports.

## Relative Employment and Income Impacts of the CDQ Program

An overview of the relative impacts of the CDQ program may be gained by comparing employment and income generated by the CDQ program with employment and income reported by the 1990 U.S. Census on data from 1989. Note that the census measures employment at the time the census was taken (April 1990) rather than annual average employment. Thus the census employment data are not necessarily representative of annual average employment in 1989. However, the census does provide a measure of total annual income in 1989.

## Relative Employment Impacts

The top two rows of Table V-2 show two different measures of employment in April 1989: total employment and "basic employment." "Basic" employment refers to employment in the following private sector basic industries:

| Table V-2: CDQ Employment & Income Compared with 1989 Employment & Income Reported by 1990 U.S. Census | Total, All CDQ Groups |
|---|---|
| Employment in 1989 (from census) | 6281 |
| "Basic" employment in 1989 | 679 |
| CDQ employment | |
| 1993 average | 173 |
| 1994 average | 387 |
| 1993 highest quarter | 213 |
| 1994 highest quarter | 761 |
| CDQ employment as % of 1989 emp. | |
| 1993 average | 3% |
| 1994 average | 6% |
| 1993 highest quarter | 3% |
| 1994 highest quarter | 12% |
| CDQ employment as % of "basic" emp. | |
| 1993 average | 25% |
| 1994 average | 57% |
| 1993 highest quarter | 31% |
| 1994 highest quarter | 112% |
| Total income in 1989 (from census) | $219,708,878 |
| CDQ wages | |
| 1993 total | $2,507,490 |
| 1994 total | $5,172,466 |
| CDQ wages as % of 1989 | |
| 1993 wages as % of 1989 | 1.1% |
| 1994 wages as % of 1989 | 2.4% |

Agriculture, forestry and fisheries
Mining
Construction
Manufacturing, nondurable goods
Manufacturing, durable goods

Basic industries usually produce goods or services for sale outside a region, and usually represent the foundation of a region's economy. Other industries, such as transportation, communications, trade, and services are usually considered "support" industries, in that they provide goods or services for sale within a region and are driven by income produced in the basic industries. In rural Alaska, government often provides much of the foundation that basic industries might provide in other, more developed regions.

As can be seen in Table V-2, basic employment tends to be much lower than total employment in most CDQ regions--although the census may have understated basic employment because fishing and mining activities are concentrated during the summer months.

The middle rows of Table V-2 compare these census employment data with four measures of CDQ employment:

1993 average number employed
1994 average number employed
1993 highest quarter for number employed
1994 highest quarter for number employed

Average 1993 CDQ jobs were 3% of 1989 employment, and average 1994 CDQ jobs were 6% of 1989 employment. CDQ jobs in the highest quarter (the third quarter) of 1993 were 6% of 1989 employment, and CDQ jobs in the highest quarter (the third quarter) of 1994 were 12% of CDQ employment.

CDQ jobs were much higher as a percentage of 1989 "basic employment." For example, average CDQ jobs in 1994 were 57 percent of total "basic" employment in 1989. For some CDQ groups the CDQ program represented more than a doubling of total "basic" employment compared with that reported in the 1989 census. Put differently, although CDQ jobs appear to represent a relatively small share of *total* jobs in the CDQ region, they represent a very substantial increase in "basic" employment.

**Relative Income Impacts**

The bottom rows of Table V-2 compare CDQ wages with total annual income in 1989 for each of the CDQ group areas. For the CDQ region as a whole, 1993 CDQ wages and benefits represented a 1.1% increase in income compared with 1989, while 1994 CDQ wages and benefits represented a 2.4% increase in income.

## Indirect Employment and Income Effects

Some of the income earned in CDQ jobs, as well as spending for supplies and services in support of CDQ projects, passes through local merchants, service providers, and others before the money "leaks" out of the region for imports. The additional employment and income generated in this way is referred to as "indirect" economic impacts. In an area such as western Alaska, where very few goods and services are provided locally, money leaks out of the region relatively quickly. For example, a 1987 report by the University of Alaska's Institute of Social and Economic Research estimated that each dollar of income generated in commercial fishing in southwest Alaska generates an additional 24 cents of income within the region.[1]

It is impossible to estimate precisely the indirect employment and income impacts of the CDQ region, but it is reasonable to assume that they are smaller than the direct impacts--probably about half the magnitude or less. Nevertheless, every extra contribution to jobs and income helps, and these additional impacts of the CDQ program should not be overlooked.

[1]Matthew Berman and Teresa Hull, *The Commercial Fishing Industry in Alaska's Economy,* Institute of Social and Economic Research, March 1987, page 44.

## Data Sources

The CDQ employment and income data are derived from quarterly reports provided by the six CDQ groups to the Alaska Department of Community and Regional Affairs (DCRA). For each of the eight quarters in 1993 and 1994, each of the six groups has prepared a Quarterly Activity Report for DCRA. Among other information, the quarterly activity reports include summary employment tables providing information on four kinds of employment:

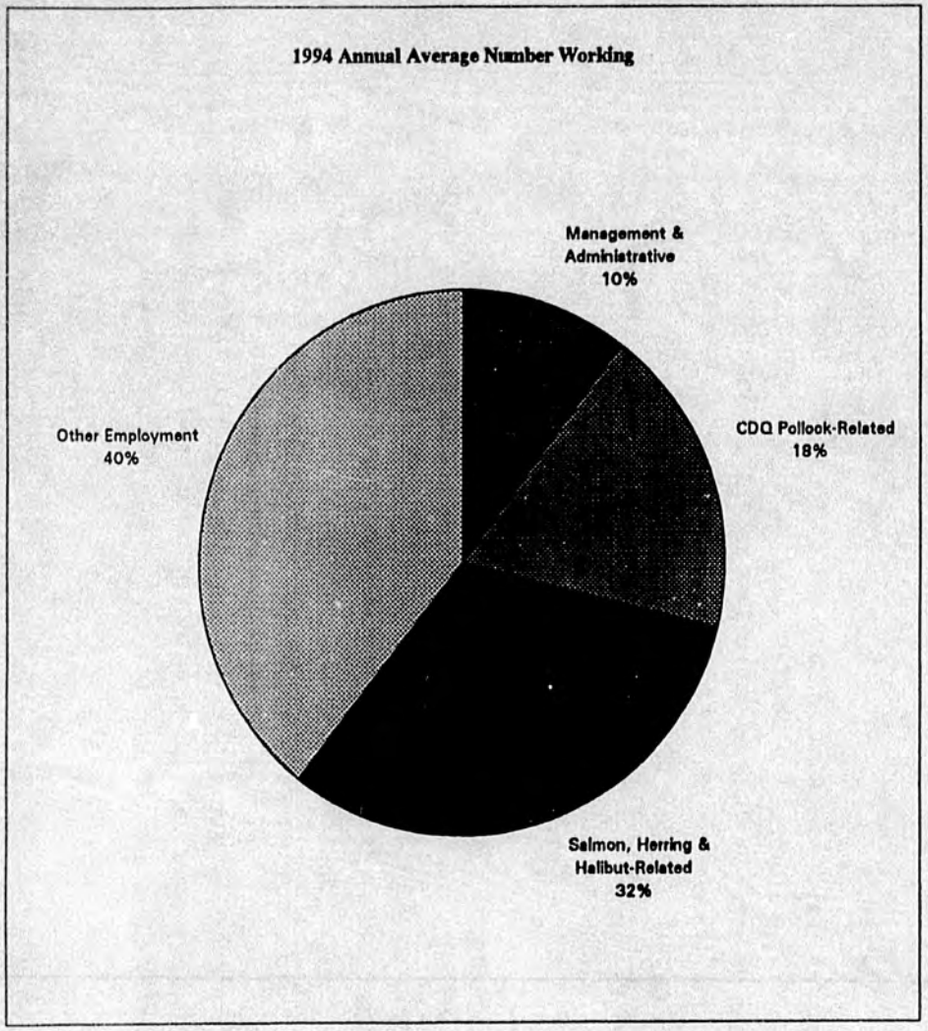
Management/Administration Employment
CDQ Pollock-Related Employment
Salmon, Herring, and Halibut Fishing/Processing Employment
Other Employment

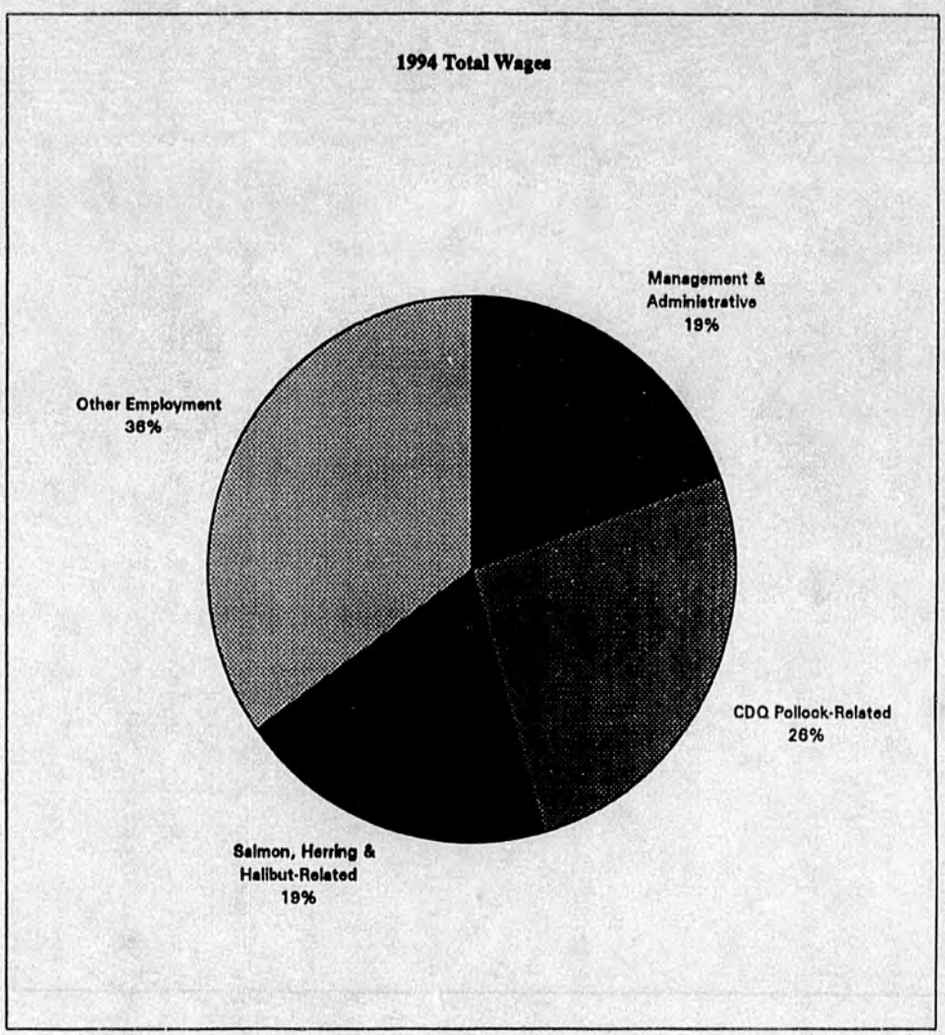
For each of these kinds of employment, the following information is provided:

Number of CDQ region residents working
Total wages and benefits earned by CDQ region residents
Total work days worked by CDQ region residents (not reported by some CDQ groups)

The data reported by the CDQ groups are not necessarily perfect for assessing the precise contribution of the CDQ program to employment and income in western Alaska. For example, some jobs are part-time or seasonal, or involve matching funds or joint ventures with non-CDQ organizations. However, the data represent the only detailed source of information on employment and income generated by the CDQ program. As long as the limitations described above are kept in mind, and it is recognized that actual employment and income impacts may be somewhat lower or higher than reported, it is reasonable to use these data to gain a general sense of the economic impacts of the CDQ program to date.

FIGURE V-1


1994 Annual Average Number Working
Management & Administrative 10%
CDQ Pollock-Related 18%
Salmon, Herring & Halibut-Related 32%
Other Employment 40%


1994 Total Wages
Management & Administrative 19%
CDQ Pollock-Related 26%
Salmon, Herring & Halibut-Related 19%
Other Employment 36%

# VI. OTHER IMPACTS OF THE COMMUNITY DEVELOPMENT PROGRAM

## Infrastructure Development

A major goal of many of the CDQ groups was to develop infrastructure within the region that would make possible greater participation in the fishing industry. Substantial progress has been made towards this goal. Major infrastructure projects which have been completed or are underway include:

1) Dock facilities in Atka, Nelson Lagoon, False Pass and Nome;
2) Harbor improvements in St. George and St. Paul;
3) Ice Delivery Systems in Savoonga and Koyuk;
4) Gear Storage facilities in False Pass.

Each of these infrastructure developments provide benefits to the region as a whole as well as the entire fishing industry. However, the exact economic impacts are difficult to measure at this time. Additional infrastructure is needed in many communities and there are several projects in the development stage:

1) Dock and small boat harbor in St. Paul
2) Boat ramp in Nikolski
3) Large dock facility in Atka
4) Additional buying stations in Golovin and Moses Pt.

Without additional CDQ funds from the continuation of the pollock CDQ program, the future of these projects is uncertain. The level of infrastructure development in Western Alaska is minimal, thus one of the reasons for the CDQ program. It is unreasonable to expect two years worth of activity sufficient to bring an area as large and diverse as the western coastal region up to current development standards. The gains to date represent 61% of the projects identified in the Community Development Plans as necessary to achieve the identified goals. This is remarkable given the short time frame involved.

Several other projects have been identified as necessary infrastructure for the development of even a limited fishing economy. However with the future of the pollock CDQ program unpredictable, it is difficult to draft a development strategy. A complete list of proposed infrastructure development projects was presented in chapter four.

Apart from the physical infrastructure needs of the community, equally important is the business infrastructure such as developed markets and management expertise necessary for the successful operation of a business. The Community Development Quota program has invested heavily in this type of infrastructure development through the technology transfers which exists between the CDQ groups and their industry partners.

The CDQ organizations work closely with their pollock partners in several aspects of the fishing industry. Several organizations have interns within their offices as well as providing expertise to the CDQ organizations staff and board members when needed. It is through this process that the knowledge necessary for the successful participation within the Bering Sea fishery is gained.

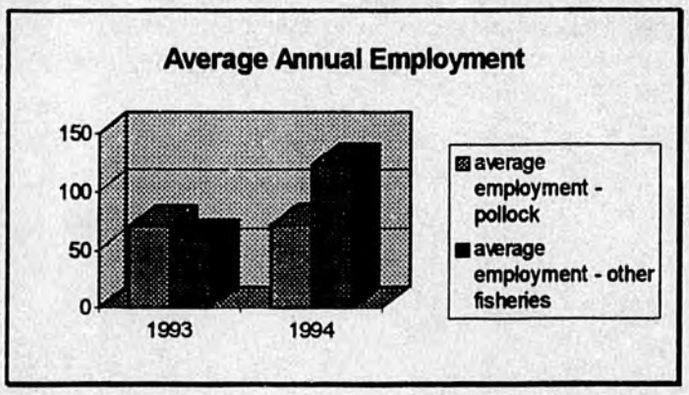
Another major contribution of the CDQ program has been the investment of resources and the assumption of risk in the development of new salmon products. Three CDQ groups and their harvesting partners have spearheaded industry efforts to produce boneless, skinless frozen salmon product forms at a time when the Alaska salmon industry needs to expand their product lines.

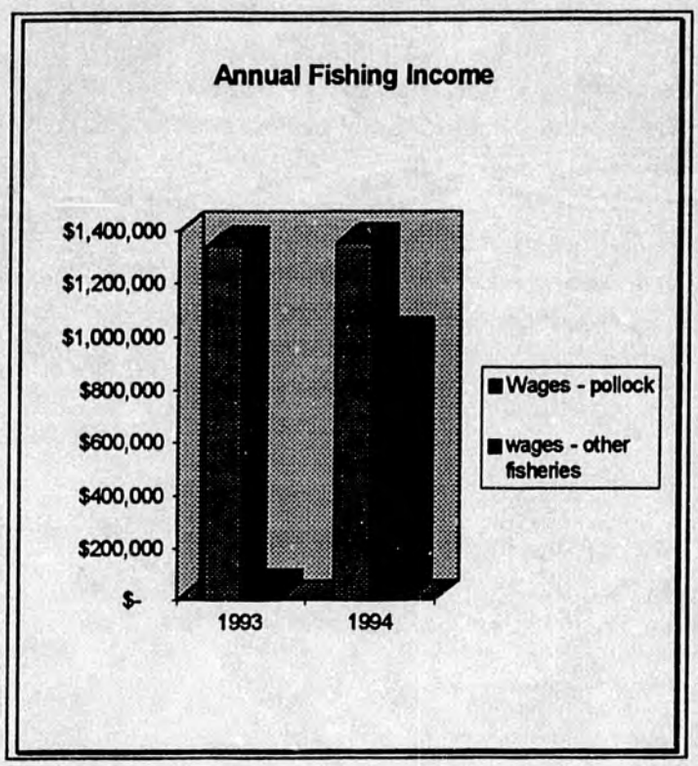
## Fisheries Participation

Another major goal of the CDQ program was to provide for increased participation by western Alaska residents in the fisheries of the Bering Sea, including both the pollock fishery as well as other fisheries. Progress has been made towards this goal, but much remains to be achieved.

As discussed in chapter five, employment within the fisheries has increased dramatically for residents of western Alaska, not only on factory trawlers but on smaller vessels, and shoreside processing plants as well. Many CDQ groups have purchased interest in longliners, a factory trawler, or have begun to develop a small multi-fishery fleet. The establishment of loan programs has also facilitated increased involvement in the fisheries of the Bering Sea. Several fishermen are now able to purchase small vessels and/or gear where previously, conventional financing was not available.

The following graphs shows the level of employment and wages in the pollock and other Bering Sea fisheries:





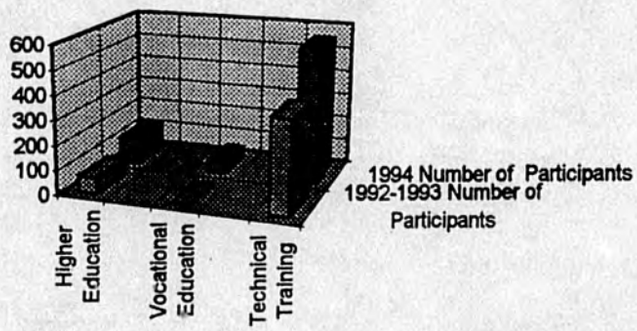

An important issue is whether future fisheries participation by western Alaska residents is dependent on continuation of the CDQ program. The State believes that most of the gains which have been made to date might be lost if the CDQ program were to end in 1995. For example, investments made by CDQ groups in fishing vessels and processing plants might not be viable if guaranteed access to pollock resources were not continued. Also, many of the projects which are in the development stage may not be completed if CDQ revenues cease.

With the exception of one, all of the CDQ groups now have access to the resources of the Bering Sea through their investments in a variety of fishing vessels. Although the investments are often limited to a minority position in a single vessel, the fact remains that the CDQ organizations are gaining entry. The amount of capital required to gain entry is enormous, and these efforts are the beginning of a localized fleet.

However, other gains are clearly permanent. For example, the small multi-fishery fleet built by the Yukon Delta Fishermen's Association participates in the halibut and sablefish, other bottom fish and crab fisheries. Their fleet operates from Norton Sound to Unalaska. The residents of the YDFDA region are quickly gaining skills that will prove useful for years to come.

## Training and Education

Training and education of residents is an important goal for all of the CDQ groups and the training opportunities for the residents in the region are substantial. The chart below is indicative of the increased training opportunities to the residents of western Alaska. A total of 176 scholarship participants, 927 technical participants and 38 vocational students have benefited from the variety of educational opportunities available during the period late 1992 through Dec. 1994.




The importance of appropriate educational training at all levels cannot be overlooked. For any society to build sustainable development and improve the standard of living of their community, an educated populace is necessary. The CDQ groups provide training for their residents based not only on the needs of the individual, but the needs of the community overall.

The following table describes some the type of training and number of participant for the CDQ groups as a whole:

Table VI-1

| | 1992-1993 Participants | 1994 Participants | Totals |
|---|---|---|---|
| **Higher Education** Includes University and College | 64 | 112 | 176 |
| **Vocational Education** | | | |
| Aluninum Boat Fabrication | 0 | 18 | 18 |
| Auto and Diesel Technology | 0 | 4 | 4 |
| Biomedics Electronic Technician | 0 | 1 | 1 |
| Business Management | 0 | 8 | 8 |
| Carpenter | 0 | 1 | 1 |
| Paralegal | 0 | 2 | 2 |
| Power Plant Operation | 0 | 1 | 1 |
| Seafood Industry Management | 0 | 2 | 2 |
| Travel Specialist | 0 | 1 | 1 |
| | 0 | 38 | 38 |
| **Technical Training** | | | |
| Processing Workers | 161 | 44 | 205 |
| Vessel Safety | 49 | 92 | 141 |
| Fishing Training | 47 | 90 | 137 |
| Computer Applications | 30 | 151 | 181 |
| Electronic Navigation | 26 | 65 | 91 |
| Equipment Operation | 23 | 28 | 51 |
| Mechanics/Welding | 14 | 51 | 65 |
| Grants Management | 12 | 12 | 24 |
| Clerical | 6 | 15 | 21 |
| EMS | 5 | 0 | 5 |
| HAZWOP | 1 | 0 | 1 |
| Baker | 1 | 0 | 1 |
| Marine Firefighting | 0 | 1 | 1 |
| Industrial Refrigeration | 0 | 1 | 1 |
| HVAC | 0 | 2 | 2 |
| | 375 | 552 | 927 |

This table represents 1141 training opportunities for the residents of western Alaska during a twenty four month period. These training and educational opportunities

will enhance the ability of the residents to gain employment in all aspects of the fishing industry. When these numbers are compared with the figures in table II-2, which shows a total number of people unemployed in all CDQ regions of 1217, the impact of the CDQ group's training programs is enormous.

## CDQ Financial Reporting

The CDQ groups are required to provide financial information on a quarterly basis and annual audited financial statements to the State of Alaska. The specific financial data for each group is confidential. Therefore, a report on the financial status of each CDQ group is not possible. However, overall the CDQ groups are taking a conservative approach in their investment decisions.

Several CDQ groups have advisory board members from the financial community who are non-voting board members. Due to the complexity of the fishing industry, these members are able to give insight from a financial perspective that may not otherwise be available.

The CDQ groups have received approximately $53 million in royalties during the 1992-1994 period. The groups used these royalties to fund several infrastructure and product development projects, training and education programs, assist residents in gaining employment aboard factory trawlers as well as made investments in the fishing industry that will provide continued access to the Bering Sea.

## Development Impacts

One of the goals of the Community Development Quota Program is to encourage "economic development" in the participating communities. An assessment of the program's success must have some way of recognizing the economic development consequences of the program. In this section we discuss what is generally accepted as the definition of economic development and suggest some ways to indicate the effect of the CDQ program on the economic development of the region.

Defining and measuring economic development is not easy. There are many potential dimensions to economic development. Development typically occurs over a period of time measured in decades rather than years, accompanied by other social, cultural and political changes. We should not expect to be able to measure progress towards "economic development" definitively after only two years. Much of the development has only been initiated through this initial infusion of capital. The CDQ program will require continued sustenance to survive its infancy.

## Defining Economic Development

Definitions of economic development have evolved over time. The evolution of these definitions reflects the postwar development experience. Historically, economic development was perceived as synonymous with economic growth, and was measured in terms of the expansion of a region's output. In recent decades, however, economic development has increasingly been perceived as a process of complex structural changes in the economy and the society (Todaro, 1981).

According to currently accepted concepts of economic development, three characteristics help to define economic development in a region. First, when development occurs growth or at least expanded output becomes the norm. Put differently, short-term, one-time expansion of regional output is *not* economic development. In rural Alaska, the physical or economic exhaustion of a resource may end an economic boom, and leave a region no better off than it was prior to the boom. In contrast, economic development structure changes ensure higher levels of output which, once achieved, may be maintained or expanded.

A second characteristic of economic development is that the growth of output is shared. Regional economic development implies that the residents of the region share broadly in the gains in income created by economic growth. Regional economic development includes development of the people of the region as well as the surrounding and supporting infrastructure.

A final characteristic which is sometimes added to the definition of economic development is local control. This usually means that economic development also increases the importance of locally made economic decisions. Local residents can participate in economic growth as resource owners and entrepreneurs as well as employees.

## Measuring Development Impacts of the CDQ Program

Because economic development is a complex process, it is difficult to measure. Attempting to assess the development consequences of the CDQ program is especially difficult because it has been in existence for only two years. Three questions can be asked which may serve as indicators of progress towards and potential for economic development resulting from the CDQ program.

***Economic Growth*** *How many jobs and how much income has the CDQ program created? How do these jobs compare with the kinds of jobs which existed previously in the region?* By the simple measures of contribution to jobs and income, the CDQ program appears to be contributing to economic development. Clearly, the contribution varies between different CDQ groups. Clearly, the economic activity generated to date has not transformed the region economically--but there is no reason to expect that it

would have. But it has generated many new "basic" jobs and new income in a region where there is very little economic base other than government.

***Local control:*** *Are local residents in control of the new economic activities which are being created in the region? Has the program has worked to expand local decision making?. Are there more local entrepreneurs? Are more resources locally owned?* The CDQ program provides for direct local control of a portion of the Bering Sea pollock resource--although this control is exercised in cooperation with industry partners. The additional activities being carried out using the revenues generated from the pollock resource are clearly under local control and the skills to sustain long-term economic development remain a high priority of the CDQ program.

***Sustainability:*** *Are the benefits generated by the CDQ program sustainable? Would they continue even if the CDQ program were to end? Have the CDQ group done things which will most likely result in continue growth or at least the maintenance of higher levels of income?* Obviously some of the activities generated by the CDQ program to date would come to an end if the CDQ program were to end. However, the program has also brought about significant investment in the region's physical and human capital--investments which would continue to contribute to future growth even if the program were to end. Infrastructure projects contribute to the viability of new economic activities. Training and education programs are providing residents with skills which can be used within the region or in other places. The program is also helping to develop business and entrepreneurial skills within the region.

In sum, by all of these measures, the CDQ program is contributing towards the process of economic development within the western Alaska region. It is bringing about economic development, as measured by jobs, local control, and long-term sustainability. Another aspect that should be considered is that it provides opportunities to work where few existed before, especially during the long winters when jobs are scarce. Not everyone chooses to fish, however the hope and opportunities created are an invaluable addition to the collective self-esteem of the region's people. However, there should be no expectation that the program could or should transform the region within a few years.

# FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. HJR 23

Revision Date:
Title: Community Development Fishing Quotas
Dept. Affected: Fish and Game
BRU: Commercial Fishing Management and De
Component: Fisheries Management
Sponsor: Rep. Austerman
Requester: House Fisheries
COMPONENT SERIAL NO. 1941

Expenditures/Revenues (Thousands of Dollars)

| OPERATING EXPENDITURES | FY 96 | FY 97 | FY 98 | FY 99 | FY 00 | FY 01 |
|---|---|---|---|---|---|---|
| PERSONAL SERVICES | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TRAVEL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| CONTRACTUAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| SUPPLIES | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EQUIPMENT | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| LAND & STRUCTURES | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| GRANTS, CLAIMS | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| MISCELLANEOUS | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TOTAL OPERATING | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| CAPITAL EXPENDITURES | | | | | | |
| CHANGE IN REVENUES ( ) | | | | | | |

FUND SOURCE (Thousands of Dollars)

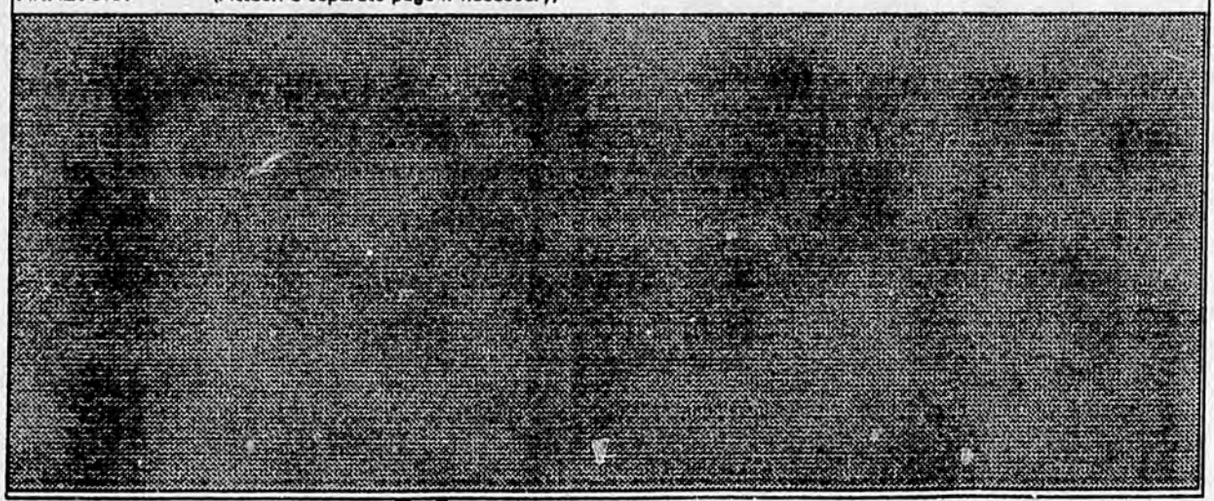
| | | | | | | |
|---|---|---|---|---|---|---|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | | | | | | |
| 1005 GF/Program Receipts | | | | | | |
| 1006 GF/MHTIA | | | | | | |
| Other | | | | | | |
| TOTAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimate of any current year (FY95) cost: $ 0.0

POSITIONS

| | | | | | | |
|---|---|---|---|---|---|---|
| FULL-TIME | | | | | | |
| PART-TIME | | | | | | |
| TEMPORARY | | | | | | |

ANALYSIS: (Attach a separate page if necessary)



Prepared by: Geron Bruce GB
Phone: 465-6143
Division: Commissioner's Office
Date: 2/5/95
Approved by Commissioner:
Date: 2·6·95
Agency: Fish and Game

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information, call the Governor's Legislative Office

STATE OF ALASKA
DEPARTMENT OF FISH AND GAME
OFFICE OF THE COMMISSIONER

TONY KNOWLES, GOVERNOR

P.O. BOX 25526
JUNEAU, ALASKA 99802-5526
PHONE: (907) 465-4100

Comments of the Alaska Department of Fish and Game on HJR 23

The CDQ allocation was instituted when the North Pacific Fishery Management Council (NPFMC) approved a four-year Inshore/offshore allocation of pollock. Pollock CDQ fishing began in December 1992, but is scheduled to sunset at the end of 1995, unless the NPFMC rolls the program over for a three-year extension while they complete work on a groundfish and crab limited entry program.

A smaller, permanent CDQ program for Bering Sea halibut and sablefish was also passed by NPFMC as part of an IFQ program for those two species. Most of the CDQ halibut will be caught by local skiff fishermen beginning April 1. The halibut program also provides an example of the non-economic benefits that may be associated with CDQ programs when the resource involved is of cultural significance.

The State of Alaska is the main monitoring agency for the CDQ programs. Three departments share responsibility of ensuring the groups follow state and federal regulations. The state also is responsible for allocating portions of the CDQ quota between the established CDQ groups which represent 56 western Alaska communities historically reliant on the Bering Sea resources.

The Bering Sea groundfish and crab fisheries are extremely capital intensive-industrial fisheries. The Council has began a program of Comprehensive Rationalization to end the open access nature of these fisheries. The main qualifying criteria being considered by the council relies on previous catch history or participation in the Bering Sea fisheries.

This criterion eliminates Western Alaskans, who have not had the opportunity to participate. CDQ communities have historically not had access to the capital necessary to participate in these industrial fisheries in their own back yard. Additionally, the quantities of fish caught and processed are immense, and the price paid per pound only becomes profitable when huge volumes are landed. Thus making it impossible for local small boat owners to have participated and gained catch history.

The inclusion of a CDQ allocation under the council's comprehensive rationalization program will (1) allow the council to move forward with limitation and reduction of the industrial sectors; and (2) provide opportunities to residents who are proximate to, and historically reliant upon the Bering Sea resources, but have been

functionally excluded from commercial participation.

To date, the six pollock CDQ groups have benefitted tremendously from the program. Harbors, docks, vessels and other facilities have been built by CDQ groups which benefit the whole Bering Sea fishing industry. Large numbers of villagers have found work on factory trawlers and processing plants. More have been trained to become fishers and are catching cod, halibut, sablefish and crab from CDQ boats. These investments in human and physical capital have already provided enormous benefits to residents of Western Alaska, but the initial emphasis on infrastructure development is not complete. When this infrastructure is harnessed to sustain long-term participation in the fisheries off Alaska, the benefits will be even greater. Therefore, CDQs should be continued and expanded to include more species.

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

DIVISION OF ECONOMIC DEVELOPMENT

P.O. BOX 110804
JUNEAU, ALASKA 99811-0804
PHONE: (907) 465-2017

# DCED COMMENTS ON HJR 23

## BACKGROUND

The pollock Community Development Quota (CDQ) program is a federal allocation of approximately 100,000 metric tons of pollock annually to 56 Alaska communities that border the Bering Sea. It was implemented in December of 1992 and is scheduled to sunset in December of 1995 unless extended by the North Pacific Fishery Management Council (Council) and approved by the Secretary of Commerce. It is worth approximately $20 million annually in revenues generated by lease of those harvesting rights to seafood industry partners. By the time the program sunsets later this year, it will have generated more than $80 million in payments to the region and created more than 600 jobs.

The halibut and sablefish CDQ program is also a federal allocation of fishery resource to eligible communities. That allocation was made as part of the halibut and sablefish IFQ program and will **not** sunset. It is a much smaller allocation, worth approximately $3 million annually.

The 56 eligible communities have grouped themselves into six organizations that vary in size from one to 17 villages.

The intent of the CDQ program is to provide these remote Alaskan villages, which have historically been reliant on the fishery resources of the Bering Sea, an "entry ticket" into the capital intensive fisheries of the North Pacific. For that reason, the goal of the CDQ program is to attain economic self-sufficiency for these regions through successful investment in fishing industry businesses and infrastructure in the North Pacific seafood industry.

One of the most unique features of the CDQ program is that it fosters accomplishments of ambitious Community Development Plans (CDP) because of the competitive nature of the allocation process. These plans, which include employment, training and investment milestones are actively monitored by the state. If a group fails to meet scheduled milestones, it could hurt their ability to secure desired allocation levels during the next allocation cycle. While CDPs can be amended, good cause must be demonstrated to win approval from the state and federal government.

While this is a federal program, it is the state's responsibility to oversee its implementation and assure compliance with state and federal regulations. The state also provides assistance to CDQ participants to help facilitate the success of their projects and programs. The three agencies which share equally in the management of the CDQ program are the Department of Community and Regional Affairs (DCRA), Alaska Department of Fish & Game (ADF&G), and Department of Commerce and Economic Development (DCED). The National Marine Fisheries Service (NMFS) provides federal oversight.



printed on recycled paper by CF

Since the CDQ program was implemented, two pollock allocations and one halibut and sablefish allocation have been made. To date, all recommendations made by the state have been approved at the federal level.

## PROGRAM EFFECTS

The most important work ahead of us is to extend the pollock CDQ program beyond 1995 and expand it to additional species. It has been the policy of the state that it will seek a CDQ allocation whenever a limited access scheme is proposed for any species under federal jurisdiction. That policy has been implemented as part of efforts by the state to roll-over separate onshore and offshore allocations of groundfish and to develop a Comprehensive Rationalization Plan (CRP) to change federal fishery management in the North Pacific.

Currently, extension of the CDQ program is being moved forward for consideration in four separate platforms:

1. extension of the onshore/offshore allocation program
2. the state's proposed license limitation program
3. the state's proposed phased-in quota program
4. reauthorization of the Magnuson Act

Extension of the CDQ program, as proposed in this resolution, should continue to receive high priority by the state for several reasons:

1. It uses private sector money to spur significant economic development and jobs in Western Alaska and has decreased reliance on state and federal programs.
2. All CDQ programs are developed at the local level and reflect the unique needs of these diverse communities.
3. The partnership formed between the CDQ groups and their harvesting partners has forged a transference of knowledge and expertise that is unequaled in the public sector.
4. It has provided a strong incentive for joint venture seafood investments by the CDQ groups and their partners that will increase the likelihood of successful investment participation by CDQ groups in the North Pacific seafood industry.
5. It has benefited the entire fishing industry by providing venture capital to the CDQ groups to complete port infrastructure development in the region and to help finance development of new salmon products.
6. It is the most effective way to significantly increase Alaskan ownership in the North Pacific fishing industry.

# 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



RECEIVED
FEB 10 1995
Ans'd.....


February 7, 1995

The Honorable Alan Austerman
Chairman – Special Committee on Fisheries
Alaska House of Representatives
State Capitol
Juneau, Alaska 99801-1182

Dear Representative Austerman:

The members of the Western Alaska Fisheries Development Association wish to thank you for your introduction of House Joint Resolution No. 23, "Relating to the Western Alaska Community Development Quota Program and the North Pacific Fishery Management Council Comprehensive Rationalization Program."

HJR 23 accurately presents all the relevant information and encourages the North Pacific Fishery Management Council to take action – the continuation of a innovative fisheries development program – that benefits the entire State of Alaska. WAFDA, comprised of four of the six regional groups that participate in CDQ program, strongly endorses this resolution.

WAFDA is an active participant in the NPFMC's ongoing efforts to develop a comprehensive rationalization plan, which would establish an allocation system for all North Pacific groundfish and shellfish species. To date, the council has included CDQ allocations for all species in its working documents for staff analysis.

Under the current CDQ program, the federal government allocates 7.5 percent of the harvestable Bering Sea pollock (approximately 100,000 metric tons annually) to economically disadvantaged communities that are located within 50 miles of the Bering Sea coast. The communities use this allocation to open up new opportunities for employment and to generate revenues for investment in job-creating fisheries development projects. The program has created over 700 jobs for western Alaskans and now comprises over 18 percent of the private sector economy in this part of the state.

For this reason, there is great interest in western Alaska in making pollock CDQs a permanent program and providing an opportunity for CDQs to diversify into additional Bering Sea species. These goals could be accomplished through the comprehensive rationalization plan.

HJR 23 is an affirmative statement that encourages the council, as it continues with comprehensive rationalization, to include CDQs in the final allocation plan.

Again, thank you for introducing HJR 23. We appreciate your broad outlook on fisheries issues and your initiative in supporting a program with both regional and statewide impact. Please do not hesitate to contact our office if we can provide you with more information.

Yours truly,

Karl Ohls

Karl Ohls
Executive Director

# Alaska State Legislature

House of Representatives
Special Committee on Fisheries

SPONSOR STATEMENT

HJR 23 - "COMMUNITY DEVELOPMENT QUOTAS AND THE NORTH PACIFIC FISHERIES MANAGEMENT COUNCIL COMPREHENSIVE RATIONALIZATION PLAN"

by Rep. Alan Austerman

House Joint Resolution 23 asks the North Pacific Fishery Management Council (NPFMC) to allocate groundfish and crab to the Western Alaska Community Development Quota Groups. Options under consideration by the NPFMC for groundfish and crab allocations for CDQs include a variety of percentage variations.

Currently, the NPFMC is developing a comprehensive rationalization plan which would involve a license limitation program for groundfish and crab. This action by the Council does not abandon the Individual Fishing Quota (IFQ) option as a potential management solution in the future.

HJR 23 respectfully asks the NPFMC to equitably allocate to the CDQ groups as a vital part of the fishing economy in western Alaska. The successes of the CDQ groups to date have set an example for economic development in western Alaska. Adding groundfish and crab to their economic activities should assist the coastal communities they represent in an even greater measure and ensure measurable returns to the state.

Room 434, State Capitol, Juneau, Alaska 99801-1182 (907) 465-4230 or 465-2487

9-LS0372\C.1
Utermohle
2/8/95

# AMENDMENT #

OFFERED IN THE HOUSE

TO: HJR 23

Page 2, line 13, after "area;"

Insert "and

**WHEREAS** the Congress is considering reauthorization of the Magnuson Fishery Conservation and Management Act and has the opportunity during the reauthorization process to permanently establish the CDQ program as part of the Magnuson Fishery Conservation and Management Act;"

Page 2, line 17, after "prepares":

Insert "; and be it

**FURTHER RESOLVED** that the Alaska State Legislature supports inclusion of the Community Development Quota program in legislation (S.39 and H.R.39) being considered by the Congress to reauthorize the Magnuson Fishery Conservation and Management Act"