

SCOMM

95:6



BRISTOL BAY PERMIT BROKERAGE AND SALMON FISHING PERMIT PRESERVATION PROGRAM

Salmon are the lifeblood of the region, because of the continuing slide in salmon prices, many fishermen face serious economic hardship and possible seizure and sale of their limited entry fishing permits by the IRS. BBEDC provides intervention, tax counseling and financial management training. As an intermediary between the IRS, loan institutions and permit holders, BBEDC has been effective in stopping the loss of permits due to IRS seizures and loan defaults. The Bristol Bay Permit Brokerage, Inc. was formed in early March, 1994 and is currently conducting business. The Brokerage assists with buying, selling, leasing and transferring of commercial fishing permits. The Brokerage manager, Bernice Heyano, also assists Bristol Bay residents who need assistance and advice with IRS tax obligations, boat loans or permit payments. BBEDC's goal is to help people keep their Bristol Bay permits and ensure that these permits stay in the region. Since the limited entry salmon fishing permit system was established by the State of Alaska in 1975, the Bristol Bay region has lost nearly one quarter of the permits to fishermen who live outside the region. Most Bay fishermen who sold their permits did so because of immediate economic need and having few liquid assets. The Brokerage currently has the following commercial fishing permits available: Bristol Bay drift permits 16, Bristol Bay set net permits 1, 3 other district permits, 6 boats, 1 skiff, as well as 2 herring seine packages

PRESIDENTS VISION H.R. (Robin) Samuelsen, Sr., member North Pacific Fishery Management Council

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

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

Bristol Bay Economic Development Corporation



"In order to promote economic growth within the Bristol Bay Region, it is the purpose of the Bristol Bay Economic Development Corporation to return maximum social and economic benefits to participating communities, using the resources of the Bering Sea."



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the CDQ Program

BACKGROUND

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

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

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

JOBS

After two years of the program 144 people have been hired and 33 people have been promoted to better

positions and increased salaries on the Oceantrawl ships. A total of \$452,819.00 in factory trawl wages earned since 1992. An internship program has been established with Oceantrawl with 2 graduates. Those seeking employment in the region will find new opportunity's through the employment and internship programs. Oceantrawl and BBEDC have already exceeded their goal of employing 120 people by the end of 1995.

VOCATIONAL/TECHNICAL TRAINING

"To date, BBEDC has provided basic and advance vocational/technical training to 232 residents of the Bristol Bay area." Basic and Advanced vocational/technical training are major parts of the BBEDC program. The Basic training offers disadvantaged individuals improved job skills in oral and written communications and comprehension, analytical skills, job interview skills and employee responsibilities. A cultural bridging component is also offered. The Adult Basic Education (ABE) Program is available to any person who is in need of a High School Diploma, needs counseling to further their education, improves basic educational and life skills, family literacy and will make an effort to hire local village people as instructors/tutors in the villages.

SCHOLARSHIPS

BBEDC has also established a Scholarship Endowment using 10% of its CDQ revenues. Scholarships of up to \$10,000 are awarded annually on a competitive basis. These scholarships are awarded to full time Juniors, Seniors or Graduates in good standing at fully accredited universities. Applicants are not limited to specific fields of study, but those focusing on fields where employment is available in the region may be given preference. BBEDC granted \$60,000.00 in academic scholarships between 1992 and 1994. Between 1995 and 1996 BBEDC will grant another \$60,000.00 in academic scholarships.

ALASKA SEAFOOD INVESTMENT FUND

ASIMCo., Inc. is the company that was formed by BBEDC to manage and operate as a corporation to engage in profit making businesses. ASIMCo., Inc., stands for Alaska Seafood Investment Management Company, Inc. BBEDC owns 80% of ASIMCo. and 20% is owned by Oceantrawl. BBEDC is a limited partner and is protected from lawsuits and financial liability through this business arrangement. The purpose of ASIMCo. is to enter into fish related businesses to diversify BBEDC's income stream so that we are not totally dependent on CDQ pollock to support our community development program. ASIMCo.'s board is made up of three BBEDC board members and two from Oceantrawl. An outside director will be selected by both BBEDC and Oceantrawl. A manager has been hired to get ASIMCo. on its feet and start evaluating a range of business prospects for possible investments for the board to consider.

LOCAL FISHERIES DEVELOPMENT

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

HALIBUT/SABLEFISH CDQ

BBEDC has been awarded a CDQ for halibut and sablefish in the Bering Sea / Aleutian Islands. Starting in 1995, BBEDC area residents will have the opportunity to be trained, and to participate, in the offshore longline fisheries of Alaska. This opportunity will allow BBEDC region residents to learn new skills, be paid crew and harvest shares for successful fishing and create an avenue for residents to break into other fishing operations.

Going where work is

Villagers find jobs on ships *Anch. Daily News*

By DANIELLE STEVENS *1/11/95*
Daily News business reporter

Thomas Chikitgak of Alakanuk doesn't want to leave his girlfriend and young child for three months of work on a factory ship in the Bering Sea. But there's not much work back home, and he's eager to earn money to support his family.

So on Tuesday, Chikitgak was

FISH TALKS: rendez-vousing with some Halibut, bycatch issues on council agenda. **D-2**
western

Alaska villagers at the Anchorage International Airport to head for the start of the winter fishing season.

"I'm excited and homesick at the same time. It's hard going out, but we decided it was (for) the best for the three of us," Chikitgak said. "Hopefully, I will be able to make some money ... to buy a bigger bed — a really big bed for the three of us."

Traditionally, the factory trawler fleets have been manned by recruits from the Lower 48. But under a four-year old Community Development Quota program, more and more western Alaskans are taking to the sea. That program vested associations representing more than 60 western Alaska villages with 7.5 percent of the harvest rights to Bering Sea pollock, the nation's biggest

SEA: Villagers find work

Continued from Page D-1

tonnage fishery. Those associations are working in partnerships with various seafood companies.

The 44 recruits were headed for the ships of American Seafood Co. and Golden Alaska under a program organized with the Central Bering Sea Fishermen's Association and the Yukon Delta Fishery Development Association. It was the largest at-sea hiring of villagers yet, according to Donna Parker, a fisheries development official with the state.

The partnerships give people like Chikitgak an opportunity to work when jobs are scarce in many villages. After three months of work, Jacobs estimated the four dozen workers would collectively

make \$500,000.

The biggest recruiting success was in the village of Alakanuk, where about 20 percent of the village population signed up for ship work, said Ragnar Alstrom, a board member of the Yukon Delta association.

"People out there want to work," Alstrom said. "There was tremendous excitement in the village. One person almost cried because he wasn't in the first batch to go (to Anchorage). He was so afraid he'd miss this opportunity."

The North Pacific Fishery Management Council is considering proposals to extend the community development quota program to the late '90s at a meeting this week in Anchorage.

Please see Page D-2, SEA

The Nome Nugget

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CDQ starts UNK fish processing

By Thomas Bohn

A Unalakleet fish-processing plant is seeing real action for the first time in 14 years thanks to investments in the facility by Norton Sound Economic Development Corporation (NSEDC).

NSEDC is one of six Bering Strait region Community Development Quota (CDQ)-eligible corporations. The fish-processing plant, formerly used by Whitney Seafoods as a fish icing station, was upgraded to a processing facility by NSEDC to handle the harvests taken by an estimated 120 fishermen, 50 of whom are based in Unalakleet.

The converted processing plant is now employing 70 persons working three shifts on a production line where 10,000 pounds of fish are processed every hour.

"We've brought workers in from villages throughout the region," said Frank Johnson, managing director of the plant's operations. "NSEDC is renting a building from the local

Native corporation to house the workers we've brought in from as far away as Stebbins, Shaktoolik and St. Michael. It's an old bunk house... and we've even hired a couple of cooks to provide meals for the out-of-towners.

"We can't handle the rate of fish that are coming in, here, so some of our fish get shipped to Anchorage for custom processing. We're also working with a Japanese buyer for high-quality salmon roe.

"The CDQ program has really been a blessing to this region because before, no company was willing to invest in processing locally. So a lot went to waste. The facility we are now using served as an icing station for fish that were shipped to Anchorage.

"Unless the fish were shipped out, they had no value, and of course, that takes the money out of the community."

But with the money earned on harvests allotted to NSEDC through the

CDQ program, the local situation is beginning to change. As of last Friday 350,000 pounds of silver salmon had been processed in the Unalakleet plant.

Similar efforts are being pursued at NSEDC's Shaktoolik plant. The Shaktoolik facility is currently being expanded and prepared for fish-processing capability.

"The NSEDC approach is different than some of the other CDQ groups," said Eugene Asicksik, NSEDC's Shaktoolik project development manager. "Rather than just supply the fishermen with boats and equipment, we're attempting to provide them with self-drive by giving them

as many opportunities as possible.

"On the pink salmon season alone... June 27 - July 23, 77 participating fishermen caught 2,188,842 pink salmon, all of which were sold to the market NSEDC provided, Glacier Fish. That whole fishing

operation brought over \$400,000 to local economies in under one month."

Asicksik pointed out that everybody benefited from the purchasing power and coordination derived from NSEDC's organization.

NSEDC not only provides the fishermen with a market for their catch, they provide other services as well, opening up opportunities for small businesses.

"For example, I work with bulk
Continued on page 3

•CDQ

Continued from page 1

purchasing for the fishermen so that everybody benefits. Take netting as one example of bulk purchasing: I shop around with, say, seven or eight suppliers until I find the best quality netting at the cheapest price and I order it in bulk... I then deliver that bulk netting to local net hangers. They hang the nets and get to maintain service on those nets and the local fishermen have the opportunity, if they don't like the way the

net's been hung or if there's some defect or if they want some sort of customizing... they can go directly to those net hangers instead of having to work through the postal service.

"And if you calculate things out, by getting together and buying in bulk, we're cutting the price of netting to the fisherman almost in half and, at the same time, we're opening up new, localized economic opportunities."

said Nome Joint Utility System Manager Joe Murphy. "Five Council members were present, as well as the whole Utility Board, so the proposal was accented unanimously and the

for approval.

Handeland also indicated that Operating Engineers Local 302 has been presented with a revised proposal and negotiations have been



Pollock quota pays for fishing school

Young villagers from the Yukon delta learn to jig for rockfish in a program fueled by Community Development Quota money.

By Joel Gay
Field Editor

Doug Horn sits quietly at the tiny galley table as skipper Sean Rhodes fixes dinner: boiled spaghetti, sauce from a jar, buttered bread, garlic salt. After two months at "fishing school" in Seward, Alaska — 600 miles and a world away from his home on the Yukon River delta — no doubt Horn, who is a Yup'ik Eskimo, would love a bit of dried whitefish and seal oil.

Outside, the aurora borealis has burned a green stripe across the evening sky. We brush our teeth on the deck of the 32' Arctic Chinook, weary from jigging for rockfish on the rim of the Gulf of Alaska. No one says much of a goodnight.

The next morning Horn says nothing as he ties spare jigging setups and stows lines. He's quiet when we set the gear, and he doesn't emit a single whoop when we get into fish so thick they rise to the surface like hungry trout, snapping at our hooks.

For three days Horn says almost nothing, though not surprisingly. The Yup'ik people are known for their taciturnity. It's hard to imagine Horn yelling and almost impossible to see him as a skipper. Yet that's what he's here for — to learn how to run a modern, small-boat fishing operation on the Bering Sea.

He and a dozen other Yukon delta village residents spent five weeks last winter at the Alaska Vocational-Technical Center (AVTEC) in Seward learning the basics of longlining and jigging. They also studied boat safety and navigation, how to use lorans and echo depth sounders, gear repair and more.

And last spring they were doing their internships: hunting for the wily rockfish, driving and docking the boat, learning about ocean currents and marine weather, filling out forms for the National Marine Fisheries Service. No doubt they have memorized Rhodes' famous spaghetti dinner recipe. And though it's not on the curriculum, perhaps someone will teach Horn to yell.

The classes and fishing are part of an innovative program launched by the Com-



An aluminum 32-footer set up with DNG jigging machines is the on-site classroom. The setting is pristine Resurrection Bay, near Seward.

munity Development Quota (see box, p. 17). "The consensus in our region was to form a fishing company and get our guys fishing," says Ed Gloifely, executive director of one of the Yukon Delta Fisheries Development Association (YDFDA).

YDFDA bought or leased three boats last year and started fishing them immediately, plowing the proceeds back into the association for additional community development work. Over the winter, the group bought six specially designed 32-footers from Kvichak Marine (see NF, June '94, p. 36), including the Arctic Chinook.

But it takes skilled workers on shore to keep a fleet going, and YDFDA ordered two more Kvichak "Bering Sea 32s" in kit form, to be built by village students in AVTEC's welding classes. In addition to learning welding, they will help install all the mechanical, hydraulic and electrical systems. The class has also built a Yukon River skiff, and plans are underway to build a small repair shop in the delta region.

Fishing class graduates become deckhands on the Arctic Chinook and other YDFDA vessels, and eventually the deckhands can become skippers. This fall, Gloifely said,

the students with the most promise can start buying the Kvichak boats from YDFDA.

Idyllic 'Classroom'

Driving out of Seward on a bright spring afternoon, it's hard to imagine a more idyllic classroom. Resurrection Bay is flat calm, and whales' spouts punctuate the scenery. Glaciers pour around the sharp peaks of the Harding Icefield west of us like beer foaming through a broken bottle. This coastline is so staggeringly beautiful that it is now Kenai Fjords National Park, and tourists pay \$50 apiece for a half-day visit on tour boats.

But where mountains drop precipitously into the sea is also rockfish territory. Our target, black rockfish (*Sebastes melanops*), cluster in 20 to 30 fathoms along the submerged ridges and rubble that extend off the mainland and around numerous islands. A mile away the water can be 200 fathoms deep.

It's almost sundown by the time we reach No-Name Island, a 150' high boulder frozen as it leaps from the sea. Rhodes slows the boat to an idle, and Horn sets up the gear. The boat was rigged with four electric DNG C-5000i machines mounted on davits, but we can fish only three or we tangle ferociously.

A jig set-up consists of a 4-lb. cylindrical lead weight attached by swivel to a leader of 150-lb.-test monofilament. Every fathom or so along the leader, Horn ties a "jigging knot," which works like a bowline on a bight. He ties six of them, leaving the loops 6" to 8" long, onto which he threads a commercial jig hook. The set-up attaches by swivel to 300-lb.-test mono or woven Kevlar line on the reel, so that when we hang up in the rocks — which happens all too often — the line breaks somewhere along the leader rather than at the spool.

Over the setups go, but carefully. Six sharp hooks attached to stiff, 150-lb. mono line make an unruly pile, and Horn drops each hook in sequence.

"There's lots of circling, looking for fish, trying to figure out where you are," Rhodes says as he stares intently into his depth sounder. We vector across a submerged ridge, pushed by wind and tide, and our 18 hooks slide through what the sounder says is a school of rockfish. The machines stay quiet, however.

Top-of-the-line jigging machines, whether hydraulic or electric, spool out until the sinker hits bottom, then reel in a set amount and begin jigging automatically. The operator can adjust all parameters, such as how far off the bottom to jig and the height of the jigging motion itself. These DNGs whirl and hum and beep as they go through their paces.

The machines also sense when a fish hits, and when enough fish are hooked, they retract automatically, beeping all the way. Those are the sounds Horn and Rhodes want to hear — the soft, mechanical beep of fish hitting the hooks, the whisper of line spooling onto the reel. But on this first drift they remain as quiet as Horn himself. Rhodes



How the CDQ program works

To coastal residents of the Bering Sea, the Magnuson Act seemed to make little difference. For decades, huge and hungry factory vessels had taken what they wanted and whether they hailed from Seattle or Vladivostok mattered not a whit to the people of Emmonak, Elim and Eek.

But in fact, Magnuson was a turning point even for villagers in Eek because after 1976 the North Pacific fisheries were managed out of Anchorage. It didn't take long before Bering Sea residents were at every council meeting, demanding a share of the richest fishery in the world.

Last year they got what they wanted. The Community Development Quota (CDQ) program gives coastal villages 7.5% of the Bering Sea pollock quota — about 100,000 m.t. worth \$200 million a year.

The CDQs are part of the highly controversial amendment giving shoreside processors a fixed percentage of the Bering Sea pollock quota. The entire amendment was approved as a stop-gap measure while the North Pacific Fishery Management Council adopts a broad new management regime. Both the shoreside allocation and the CDQ program expire after 1995, but advocates are hoping pollock CDQs extend into the future and that

the program expands to include other species.

The quota is set aside for 60-odd Bering Sea villages, which coalesced into six regional groups and wrote their own plans for economic development. Some regions have used their pollock quota directly,

putting village residents on board factory trawlers and bringing home their wages. Others have sold their quota and built processing plants or boats. One has talked about starting a cattle ranch and slaughterhouse on the Aleutian Chain to feed meat-hungry processing hands in Dutch Harbor. Their plans require prior approval of the state and federal governments and the projects are audited annually.

The program has made a palpable difference in western Alaska, says Henry Mitchell, director of the Bering Sea Fishermen's Association and an architect of the CDQ plan. The region has historically suffered from poverty, suicide and alcohol abuse, "a real malaise because there was no opportunity," he says. "In my 14 years working with these people I've never seen the amount of excitement that occurred" when the CDQ programs began. "There's a whole new spirit out there."

— J.G.

CDQs give coastal villages 7.5% of the Bering Sea pollock quota — worth \$200 million a year.

Type: \$20 million a year

YDFDA jigging boat, the 48' Hoquiam seiner Nakat. On board are hired skipper Robert Hanson and two more students from the Yukon delta, Ted Hamilton and Richard Weaver. There is friendly competition between the boats, but also cooperation, and Rhodes and Hanson radio frequently to share information.

Fishing is spotty. Sometimes the hooks come up blank, sometimes full. But every now and again the fish go nuts, filling every hook and then following the set-up to the surface. After shaking the fish off the hooks we return the gear to the water and hand-jig momentarily, enticing fish we can see.

"C'mon, come on," Rhodes implores, "take it, take it!" And sure enough another fish or two bite. Horn is no less excited, just quieter, as if conserving his energy for something more useful.

The bite ends as quickly as it began, and soon we reel up and start over. A good drift might yield 50 fish, but by mid-morning we're down to six or eight. We decide to explore while the Nakat stays put. We're treated to spectacular views of glaciers and dramatic islands, but the Nakat catches more fish.

The Arctic Chinook is a spartan boat, built for no more than three. But it's new and comfortable — a little too new, perhaps. It lacks the touches of a lived-in boat, like a drying rack and clothes pins over the oil stove, a collection of beat-up magazines and mismatched silverware.

Kvichak Marine designed this boat for the Bering Sea coast, with a deeper V, thicker keel, and different deck layout than its Bristol Bay boats. It packs 15,000 lbs. and is piped for refrigeration and, with a 350-h.p. Luger 6108, has plenty of power. Rhodes likes the feel and the steering and looks forward to May, when he and Hanson will drive the Arctic Chinook and the Nakat from Seward to Dutch Harbor. That marks the start of graduate school for the fledgling fishermen from the Yukon River delta.

There they will meet the rest of the Kvichak Marine fleet, barged up from Seat-



In operation, the jigging machines spool out line until the sinker hits bottom, then begin jigging automatically. The Arctic Chinook is one of several 32-footers built for the Yukon Delta Fisheries Development Association by Kvichak Marine in Seattle.

tle. First they will jig for Pacific cod, thanks to a new jig-only allocation made recently by the North Pacific Fishery Management Council. It's not part of the CDQ program, but rather a response to the high halibut bycatch of cod longliners and trawlers. Jiggers will get 2% of the Bering Sea total, about 3,800 m.t.

Next comes the early June halibut opening, which requires longline gear. By July 1, the YDFDA fleet will be in Norton Sound for the opening of a small red king crab fishery. State "superexclusive registration" virtually prohibits the big Bering Sea boats from participating, which leaves about 350,000 lbs. for coastal fishermen. After that, more cod and halibut, and then start planning for the following spring.

"It's going to be a busy summer," says Hanson. "But that's the way it's gotta be if these boats are going to make money."

Horn nods in agreement. □

finally breaks the lull: "OK, reel 'em in."

The machines aren't infallible, however, and four black rockfish, often but incorrectly known as black seabass, come over the rail. Averaging 4 lbs. apiece, they are dark gray on top, lighter on the bottom, with big black eyes rimmed in gold and heavily spined — a noble-looking fish but for the pink air bladders popping out of their mouths.

For two hours we circle and drift, and by the time we quit in the failing darkness we have 45 fish iced in the hold, including one gorgeous 10-lb. red rockfish (*S. ruberrimus*), with a huge mouth and skin the color of cooked lobster.

Rockfish, of which there are more than 50 species in the North Pacific, are generally a slow-growing, long-lived fish. Fearing that high prices and the increasing popularity of jigging machines could wipe out the stocks around individual underwater pillars and ridges, the Alaska Department of Fish and Game put a 4,000-lb. trip limit on rockfish in the central Gulf region.

Figure 4 lbs. apiece and that's 1,000 fish we must catch before we return home. Only 955 to go. We'll get 40¢/lb., regardless of the species.

In the morning, after Cap'n Crunch, Pop Tarts and tea, we drive farther offshore, to the Chiswell Islands, and join another

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Alaska Fisherman's Journal
June, 1994

POLLOCK MONEY BUYS BERING FUTURES

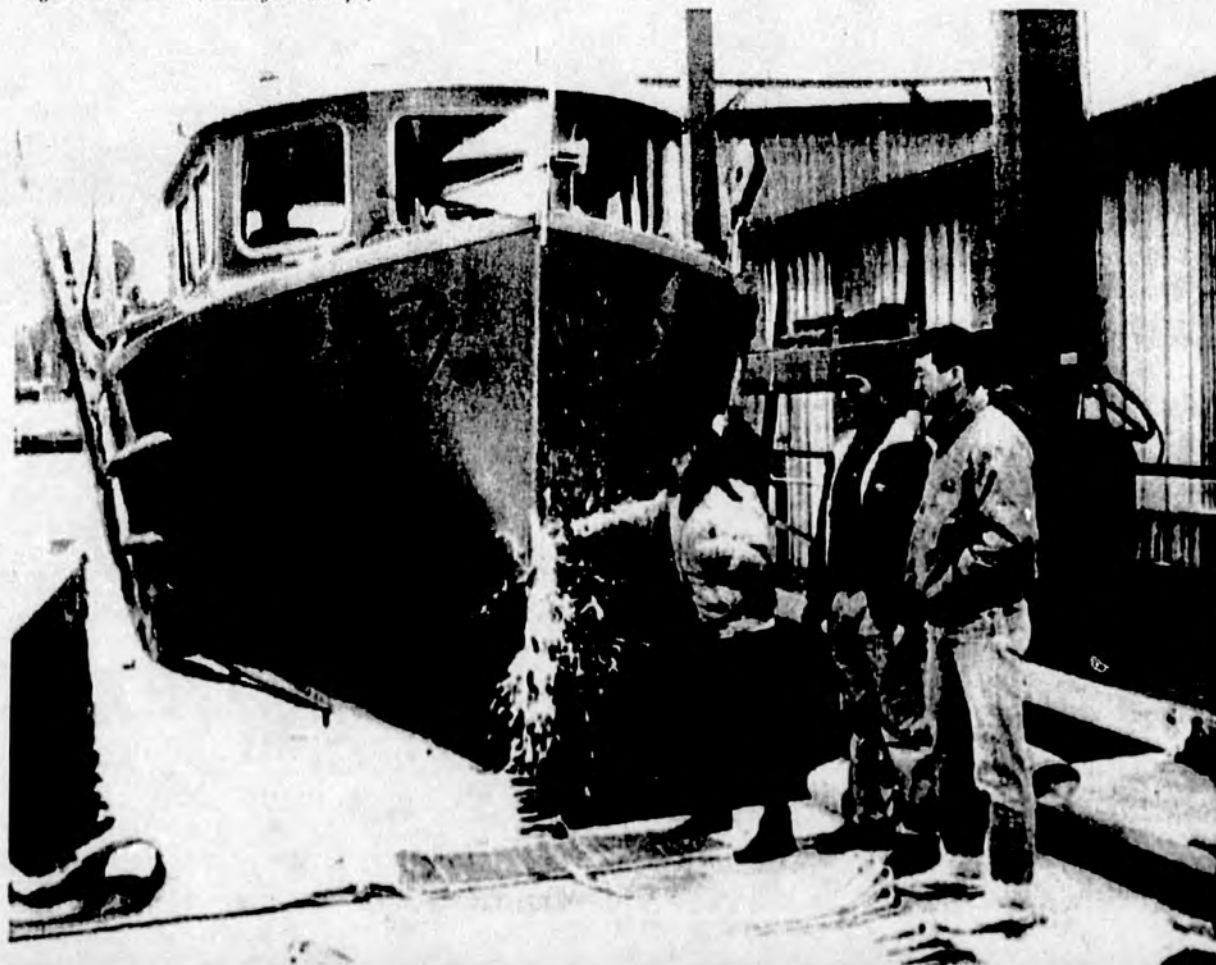
A new fleet starts up

The Seattle weatherman was predicting snow for the launching party but that didn't bother the folks milling around the travelift where a brand new aluminum 32-footer sat in the straps. Most of the audience had grown up along the Bering Sea and were getting a kick out of Seattle's media madness over the prospect of a few inches of February snow.

The mood was upbeat as the group gathered for the christening.

Laurie Murphy does the honors while Bill Charles and Ragnar Alstrom look on. (Photos by Bill Rudolph.)

continued on page 42



CDQ



Tony Redfox spent the winter learning boatbuilding at Kvichak.

"It's good for everybody," said an ebullient Ed Glotfelty, turning up his collar against the wind. Glotfelty heads the Yukon Delta Fisheries Development Association, sponsor and coordinator of the project. The boats were built from funds set aside by large-scale Bering Sea harvesters to be used by various village groups to expand their local economies.

Keith Whittemore, president of Kvichak Marine look pleased, too. His company was building five boats for Glotfelty's group. Kvichak stirred interest at last year's Fish Expo, when it

showcased its new model, the first of three boats built for the Aleutian Pribilof Community Development Association.

Three young men from the Yukon Delta group spent the winter at Kvichak's Seattle yard, where they learned boatbuilding and impressed Kvichak personnel with their good humor and quickness. Twelve more students will be putting together kit versions of the 32-footer at the Alaska Vocational Technical Training Center in Seward.

The Yupik Eskimo CDQ group will soon have a small, versatile fleet to work their waters—shaking herring, potfishing for crab, longlining halibut, jigging for cod.

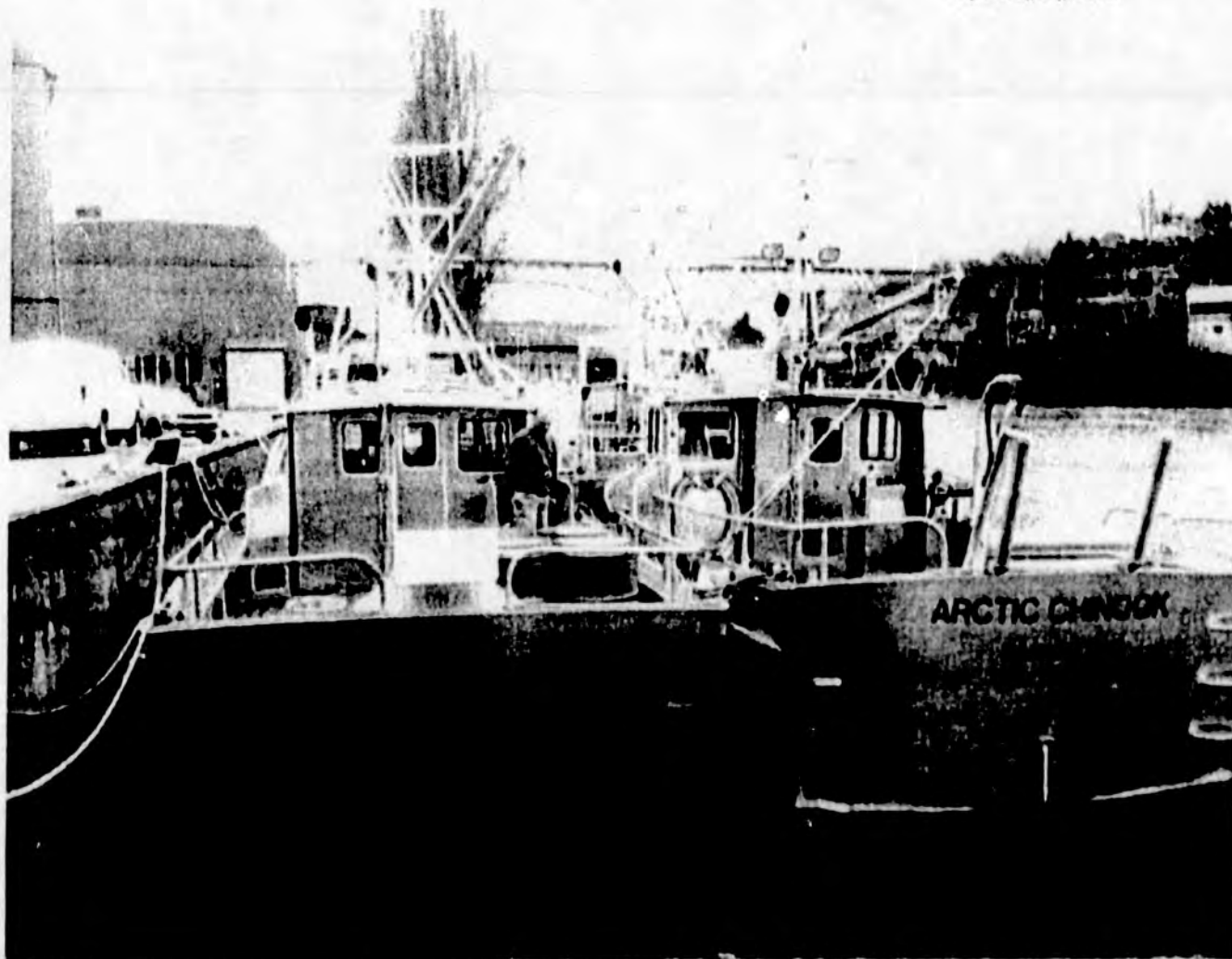
With three bunks in the forecabin and a wider pilothouse than the

version built for the Bering Sea CDQ group, the Arctic Chinook will roam from the cod grounds off Seward to Norton Sound. It's powered by a 350 hp. Lugger 6108 through a Twin Disc gear.

Laurie Murphy smashed a bottle across the bow and the gleaming vessel was lowered into the water. After a few minutes at the dock to check for leaks, the boat was spinning doughnuts around the canal with a deckload of enthusiastic Alaskans.

—Bill Rudolph

New 32-footers get the finishing touches before being barged north.



Atka changing, striving for economic stability

By Vera Obeso

Fisherman staff

Dutch Harbor Fishermen

6/9/94

Two brand new 32-foot longliners passed through Unalaska last week on their way to Atka, the westernmost fishing community in Alaska's Aleutian Islands. They will be tying up alongside a brand new floating dock and delivering to a processing plant operated by Atka Pride Seafoods, a joint venture corporation formed just last week.

The tiny community of Atka is changing rapidly as it struggles to achieve economic stability.

The Aleutian Pribilof Island Community Development Association purchased three of

the little aluminum boats as part of an ambitious community development project revived by Community Development Quota dollars. The vessels were developed by Alvin Merculief, an APICDA board member from St. George Island, and built by Kvichak Marine in Seattle. The boats are very versatile and can be used to longline for halibut, jig for cod, gillnet for herring, and pot fish for crab.

Total cost for the three vessels, including electronics, gear, and transport from Seattle to Atka, was about \$500,000. Two of the boats will be operated by Atkans Ronald Snigaroff and Nick Dirks. The third vessel, which arrived at the island earlier this spring, will

be run by Ronald Dushkin from Nikolski.

APICDA is one of six regional groups formed as a result of the CDQs, which were created to ensure that Western Alaska Natives benefit from fisheries resources in the Bering Sea. The CDQ groups formed partnerships with established fishing vessels and seafood plants to harvest their allocated share of the Bering Sea pollock quota, which amounted to 7.5 percent in 1993. APICDA represents the communities of Atka, Akutan, False Pass, Nelson Lagoon, Nikolski, St. George and Unalaska.

APICDA also provided Atka with \$200,000 to purchase a floating dock for the harbor near the village. The dock began ser-

vice a little over a month ago and will allow fishermen to deliver their catches without having to beach their fishing vessels.

"It's an ingenious dock," said Larry Cotter of Pacific Associates, a Juneau-based consulting firm which provides professional services to APICDA. "Each section can also be separated and used as a barge to transport goods."

Cotter says that each of the three sections, measuring about 21 feet by 12 feet, have already transported much freight from cargo trampers to shore in preparation for the halibut season. They can also be hauled up onto the beaches during the winter.

The floating dock is actually only a tem-

See Atka, page 3

Atka ...

From page 1

porary solution for Atka fishermen. A permanent multipurpose dock at Nazan Bay has been number one on the city's list of economic development projects for 10 years. But it was not until recently that the city began to seriously look for funds to construct the facility, which is expected to cost more than \$3 million.

Atka City Administrator Mary Schultheis said that the steel and concrete dock will provide marine access for the villagers of Atka as well as support services, such as water, fuel, and crew change facilities, for the western Aleutian fishing fleet. She hopes dock construction will start in 1995 and is working hard to raise enough funds to make the project a reality. "For Atka, credibility is a real issue," she said. "It's a small community. People question our ability to raise money."

The city received a \$50,000 municipal grant from the state for dock design in 1992, said Snigaroff. He has asked the state to

provide them with an additional \$300,000 this year for dock construction. APICDA set aside \$500,000 for the project earlier this year.

The city is also hoping to receive \$25,000 from the state for the engineering and design of a water system for the dock. "After the dock is constructed, we hope to develop water service and provide fueling for the small boats," said Schultheis.

Either dock gives fishermen easier access to the small processing facility on the island, which is also undergoing many changes. A \$400,000 grant from the Economic Development Authority helped the newly formed Atka Fisherman's Association construct the plant in 1989, said Cotter. Atka Pride Seafoods, which incorporated just this week, will be operating the plant this summer. "The idea is to provide a stable economic base in Atka," said Cotter.

Last year, said Cotter, the Atka plant processed about 22,000 pounds of halibut, which amounts to two full trips for the diminutive new aluminum longliners. With the restructuring of the halibut fishery for 1994, Cotter hopes that the boats will be able to bring in about

200,000 to 300,000 pounds of halibut this summer. To encourage a local fishery, the International Pacific Halibut Commission has set aside 15 percent of the area 4B quota for 12-hour openings each day. The openings have a trip limit of 10,000.

In 1995, said Cotter, when the halibut and sablefish CDQ begins, Atkans will have about 450,000 pounds available for harvest in area 4B, 20 percent of the area's harvest limit.

According to Michael Snigaroff, Mayor of Atka, the city "suffers from chronic under and unemployment and exceedingly low household income compared to other communities in the Aleutian/Pribilof Region." He says that the only full-time jobs are associated with the school. Fisheries provide villagers with a source of income but are seasonal.

"Without a new dock and new employment and business opportunities, there is a very real danger that Atka will cease to exist as a community in the long run as young people leave the village to seek opportunities elsewhere," he wrote in a letter to Sen. George Jacko asking for State support.

School of fish Salmon Roe University in the works

By Charlie Eas
For the Tundra Drum

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

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

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

See SRU, page A4

SRU ...

From page A1

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

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

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

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

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

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

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

Even harder to market is nishiki, which is whole skin of salted chum salmon roe. Often, nishiki is marketed on the reputation of the local roe technician alone.

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

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

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

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

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

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

That puts SRU and the Japanese in a unfortunate, it adds program, according to Sue Simonson, one of the program's creators.

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

Trying to process roe without that information would be futile in the scheme of the Japanese market. Ikura brought from the Kamikoban and Valdez rivers makes up only 20% of the 4,000 metric tons consumed annually. The rest comes from Japan's own Hokkaido chum fishery.

"You can see what makes contributions to the fishery is just money," Simonson said.

Although the program's actual production has been delayed, Parker said SRU will begin about continuously as a pilot project.

Julie Tarron, SRU's curriculum specialist, has been recruiting a program to fit that pilot project. The new focus, she said, is to recruit four to 12 members from the local villages and train them to work within the facilities at Central Fisheries. Likely they would earn \$7 to \$10 per hour.

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

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

BATTLES: Change in Alaska fisheries has only just begun

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Quota battles just starting

0-610-00000-0 \$29.95

Table 1. Demographic characteristics of patients

Book Review

154

Services to Southwest China is the Pacific Pacific, and not in the American National National terms of the United States. The big ships of the Pacific fleet and the Navy are standing up in greenish and connecting to land and to sea. But in land during this week, the Pacific nation will be taking place for the first time (during peace).

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There are certain basic concepts and there are just too many facts presenting the full picture. I think that you could take some sort of the same sort of line picture to show a line that is too long or short or wrong or correct in a few minutes. The same is true — great as much as you can do but in the end — much to the surprise, indifference and unbecomingly beautiful outcome, which is to be a lot of better in the corner from some other fitting indicator group.

The differences and amounts of the South Pacific Income tax, the amount of the South Pacific Income tax and the amount

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of the United States. He
served before, the latter was
not.

The council, a mix of its elected, state and federal officials, is trying to come up with a final release plan for the full, week-long tour that is about to commence.

Know that it's time the council is looking for the to-day, tomorrow is fighting it out to make sure that come out all right in the first place. That it's not like the situation that's existing in the battle. Communalism and increasingly terrorism are the main thing. 50 million people of that in Africa. That the first lesson must come.

The Finance Minister (Mr. Lawrence) is striving to get the country to consider a plan that would keep the reform on double taxation. Unlike last year's proposals, which had excluded double and the immediate cutting of agricultural duties from the plan, he now believes that he can combine with some of the more important proposals. From the Finance Minister's point of view, double taxation is the only way to get the country to consider a plan that would keep the reform on double taxation. From the Finance Minister's point of view, double taxation is the only way to get the country to consider a plan that would keep the reform on double taxation.

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The authors have gotten few more citations, they insist, to corroborate their view on the impact of crime on the economy. But they also have been cited by many other researchers, and their work has been widely cited in the media. The authors have also been cited in the media.

The area is extremely dry in winter and might not have sufficient rainfall to grow crops. The water is not good for drinking and is not good for irrigation. The water is not good for drinking and is not good for irrigation. The water is not good for drinking and is not good for irrigation.

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¹² 'The fact on the other side, I mean, is that we both have the number of ideas that we have got to fitting', wrote David Thomson, master of the yacht *Diogenes*, to a letter to the council.¹³ 'I look at my time spent from home and my contribution to the *Diogenes* as my investment.'

The interviewee have pointed the approach of different countries in economic, price levels which had the response in stock market and it is expected for the transition. Financial transfer transition is a tough process and involves many of the interest & business.

The Section's transfer mechanism was to be used with market-based instruments. The clean system would eventually consist of procuring permits with fixed supply, equivalent to the facility's baseline emissions reductions. It would be the Section's dirty facility or the Section's transfer as such, which would then decide whether to decommission the plant.

Travis is further well equipped to see how even the most obvious of these systems is far from obvious. Travis has good reason to conclude that any such system is bound to be limited in its ability to "solve" systems to which the relevant governments cannot easily be brought to the governing agents. The best system — which would have a rather interesting if not total failure to have even a small amount of the relevant material information.

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On 10/10/1964, the following information was received from the Bureau of the Federal Bureau of Investigation, Washington, D.C. regarding the activities of the Central Intelligence Agency (CIA) in the United States. The information was obtained from a confidential source who has provided reliable information in the past. The source has provided information regarding the activities of the CIA in the United States, including the following:

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Villages take quota projects to the bank

The Associated Press

In remote Tokelau Bay, where more than one in four villagers are unemployed and steady jobs are rare, 30-year-old David Bill is back to work on projects every day.

That's why he left his hometown for Tokelau, the booming bottom-fish town at the western end of the Pacific. There, there he's getting paid while he learns the job as a fish-processing workman on the docks of Dutch Harbor.

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

Bill is one of hundreds of villagers in western Alaska participating in an experiment known as community development quotas. The program is getting people to work in a region where few jobs have unemployment and a limited cash economy.

With 125,000 of mostly Native village residents, a 7.2 percent share of the Bering Sea bottom zone, worth an estimated \$5 million a year, the village has formed the regional organization, which applied to the state for a share of the quota.

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

the fish are allocated and for revenue and audits of each group's performance.

After the federal government approved the quota in 1986, some village and village had joined forces with the federal fisheries that's been fighting for much over common interests.

Concern over the politics of fishing remains, but so too does the quota project has accomplished one goal: Using fish to create jobs.

"An amount of time much they have achieved," said Thomas Parker, a fisheries specialist with the state Department of Commerce.

Now all that the quota program is a trouble. No jobs around limited people working and hundreds of thousands of dollars going to those groups and regions.

There were set up as part of a fish harvesting fish business, which was approved by the state in 1986. The program, established for a first-quarter deadline by the state in August, promises fisheries-related development in a region that had the problems from the multi-million dollar fishing industry operating out of there.

A review by the North Pacific Fisheries Management Council in 1991 will decide if the quota can

be continued.

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

One of the five things they targeted for work jobs.

About 12 people from Bill's area worked the first quarter. It was not enough to bring \$10,000 back to their village, said Thomas Parker, manager of the Coastal Village Fishing Cooperative.

In the north, members of the North Sound Community Development Corp. were \$10,000 in sales earned by selling Clam Bay fish company for a share of the fish catch.

A third group, the Bristol Bay Development Corp., said it works on average to bring from state-owned to 100,000 lb., with \$10,000 in their quota.

All three groups said their participation will result in a 10 percent gain in future output.

Producers were concerned that quotas might not be passed for the 1991 season. They are worried because, as in other fisheries, Bering Sea fish have been catching programs to fisheries would be producers with subsistence life.

Bill started working on a bottom trawl and that's the job, as he took the subsistence job in Dutch Harbor. But the subsistence rate for the bottom trawl and others is comparable with industry-wide rates, Cohen said.

In Dutch Harbor, Cohen's employment coordinator, said the larger problem is getting the work out and convincing villagers to work.

But getting jobs on factory trawlers is only one way to boost work opportunities. Long-term plans call for developing fisheries as jobs close to home.

Cohen said the 125,000 fish to produce an income is too much with 125,000 fish. The for-profit venture is starting two new projects to bring jobs to the Bering Sea region.

The company bought a large-scale processor that will purchase bottom trawl fish from 10 villages. It will work on the processor. Fisheries will have a market for their fish and everyone will split the profits if the operation succeeds, said Cohen's other Bristol Bay manager.

A second project will train people to be bottom trawl fishermen, Cohen said. Toward summer the companies need their own employees to work the egg boats in

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

In Dutch Harbor, fisheries who for years struggled to sell their catches to processors who were committed elsewhere now have a steady market with Cohen's fish.

The two companies have signed a deal that will see Cohen's fish buying and selling from the North Sound fisheries.

"It's the first time in the past seven years I've bought fish in Dutch Harbor," Cohen said.

Some of North Sound's quota catch is being turned to local fisheries as they can't fit their boats and buy gear, he said.

In Bristol Bay, some of the world's largest walleye without limits, the 125,000 group's quota is made up of catches of Alaska's bottom trawl fishing business.

The group is working to help other valuable bottom permits in the region and is training commercial fishermen for jobs on bottom trawl boats, he said.

The state will provide a formal report next in 1992 in August before it considers applications for the second two-year phase. Parker said his department is proceeding cautiously, but didn't expect about the experiment.

FISHERIES: Villages head toward independence

Continued from Page F-1

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

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

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

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

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

7th class 92.83

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

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

villagers attended a two-week fish processing safety and training course at the Seward Alaska Vocational Technical Center. More than 200 villagers signed on for at least one 30-day stint aboard an industry vessel, according to Dewey Halverson, executive director of the Bering Sea Fisheries Development Foundation, a group that helped organize training and placement.

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

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

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

"Our people have made over \$300,000 this summer in fishing ventures with factory trawlers and other boats," said Ed Gurdzky, a former Eumek city manager who now is executive director of the group.

The group also are trying to develop fishery skills that will propel villagers beyond dock-hand and jobs on factory trawlers. Much long, monotonous hours and other hard working conditions, people in these jobs burn out fast.

The Central Villages Fishing Cooperative, has seven vessels in a management training program. It also is

developing a "salmon for university" to teach villagers to supervise the processing of this Asian delicacy. Overall wages paid in its 15 village region total \$260,000, according to the group's executive report.

DIFFERENT TACTICS

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

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

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

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

They have pledged \$1 million of pollock royalty money earned during the past year to help finance a harbor dredging operation. And they expect other commitments from the city, state and seafood industry for more than \$10 million in improvements to wharf, dock, waste disposal and other facilities. The goal is to work with their partner Indian Seafoods and American Seafoods to develop a

major new processing center.

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

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

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

Meanwhile, the Norton Sound group, representing about 2,700 people in 15 villages, is working with its joint venture partner, Glacier Fishing Co., to develop small regional fisheries. Local salmon fishermen, for example, haven't had a market for pinks since the late '80s, when a Japanese buyer suddenly showed up in Norton Sound.

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

This past year, Glacier Fishing Co. sent a vessel to Norton Sound and purchased \$125,000 worth of salmon, most of which were pinks. Overall, the group reports helping to bring \$1.4 million into the region's economy through new wages, fishing gear and fish purchases from villagers.

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

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

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

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

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

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

WHAT NEXT?

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

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

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

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

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

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

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

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

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

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

Yukon Pollock

CDQs on the big river

ALASKA FISHERMAN'S JOURNAL

OCTOBER, 1993

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

Ed Gladfelter is executive director of the Yukon Delta Fisheries Development Association, one of six CDQ cooperatives that split 7.5 percent of the Bering Sea pollock quota in 1990 and 1991. To say he's committed to the CDQ concept is an understatement.



Ed Gladfelter and Billy Chavira.

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

Gladfelter has been involved in the villages and fisheries of northwest Alaska since 1987 when he went to Nome to take on the job of city manager. Since that time, he has split his career between managing northern villages and fishing for king crab and halibut on his own vessel.

YFPA represents four villages on the Yukon River Delta—Emmonak, Akloboak, Kotik and Sheldene Point. Under the CDQ allocations for 1990 and 1991, the association was granted 1,857 metric tons of pollock annually. They, in turn, turned their pollock allocation to Golden Alaska Seafoods of Seattle, who caught the product and processed it aboard their 277-foot mother ship.

In exchange for the exclusive pollock quota, Golden Alaska funded and participated in various YFPA projects including the training of 31 villagers both in catching and processing groundfish. More than 60 residents have worked aboard the Golden Alaska. Others have served longshore and visiting apprenticeships aboard four smaller vessels owned or leased by YFPA. Two more

have served internships at the company offices in Seattle.

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

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

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

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

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

"The state has criticized itself and our group nothing. 'Well, why don't they go to banks, CFAS and other established institutions to get the money?' Well, they've tried that and been unsuccessful. We think this is an opportunity."

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

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

"We're looking to make this a revolving fund to reinvest in younger fishermen," Gladfelter says. "It's a one-shot deal, but hopefully a

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

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

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

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

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

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

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

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

"They need to be able to



CDQ fishermen packing king crab near Nome. (Photos by John van Ameringen.)

sell," Gladfelter says. "Some of it was processed while-coked and was banded and made a beautiful whole-crab pack like Dungeness."

If future CDQ allocations can provide the funding, Gladfelter proposes that YFPA enter into a partnership in a crab processing vessel.

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

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

—John van Ameringen

Day, Russell Drumm,
nes, Ken Kelley,
on, Joe Upton

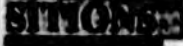
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There were other unexpected effects, as well. "It changes the way people do business," reports Ed MacLeod, who assessed the plan for his former employer, the National Marine Fisheries Service. "I don't think the people who design the plans foresee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

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

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

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



CDQs are about more than money

National Fisherman By Brad Matsen. Pacific Editor March, 1993

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

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

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

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

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

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

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

National Fisherman
March, 1993

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

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

The program quickly gained the support

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

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

tion of the resource through IFQs.

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

Hour of the Middleman

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

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

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

Community Development Quota (CDQ) Details

Name of CDQ association or corporation	Number of communities/population	Name of harvesting/processing partner(s) tonnage	Percent of the quota(1992)	Projects to be funded by CDQs
Aleutian Pribilof Island Community Development Association	5 villages, 449 people	Starbound Partners (F/T) Trident Seafoods (shoreside)	18% 18,260.1 mt	Employment training; educational endowment; infrastructure: docks, water, dredging, slaughterhouse.
Bristol Bay Economic Development Corporation	14 villages, 3,406 people (over 16 yrs. old)	Oceantrawl (F/T)	20% 20,289 mt	Seafood investment fund (70%); employment training; infrastructure; community development.
Central Bering Sea Fishermen's Association	1 village (St. Paul), 763 people	American Seafoods (F/T) Icicle Seafoods (shoreside)	10% 10,144.5 mt	Community infrastructure (70%), including utility corridor, water supply, sewage disposal, electrical upgrade; new processing capacity; vessel acquisition & fisheries training (30%).
Coastal Villages Fishing Cooperative	17 villages, 5,786 people	Golden Age Fisheries (F/T)	27% 27,390.15 mt	Purchase F/T Browns Pt., purchase F/V Barbara Lee; training & employment programs; scholarship programs.
Norton Sound Fisheries Development Association	15 villages, 8,752 people	Glacier Fish Co. (F/T)	20% 20,289 mt	Increase salmon & herring processing; loan program; tendering vessel purchase; processor vessel remodel; training.
Yukon Delta Fisheries Development Association	4 villages, 1,756 people	Golden Alaska Seafoods (F/T)	5% 5,072.25 mt	Purchase 75% ownership in 180' vessel & another similar vessel; employment programs; fish surveys; permit to catch small boat finance; finance small ice processors & marine supply businesses.

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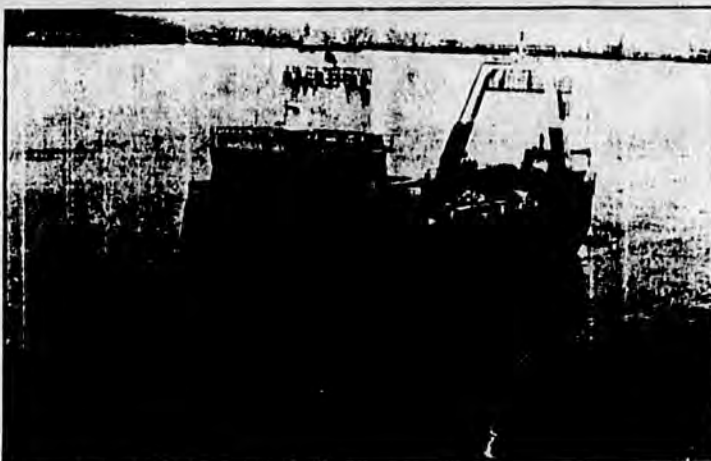
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CDQ of the 1992 TAC totalled 101,445 m.t., available from the 15% reserves held until the last quarter of each year as a cushion against management errors in the general fishery. By August, the governor's office had proposals from more than a dozen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

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

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



COURTESY OF GOLDEN AGE FISHERIES

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

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

A Century in the Making

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

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

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

"The precedent has us concerned," Gutting says.

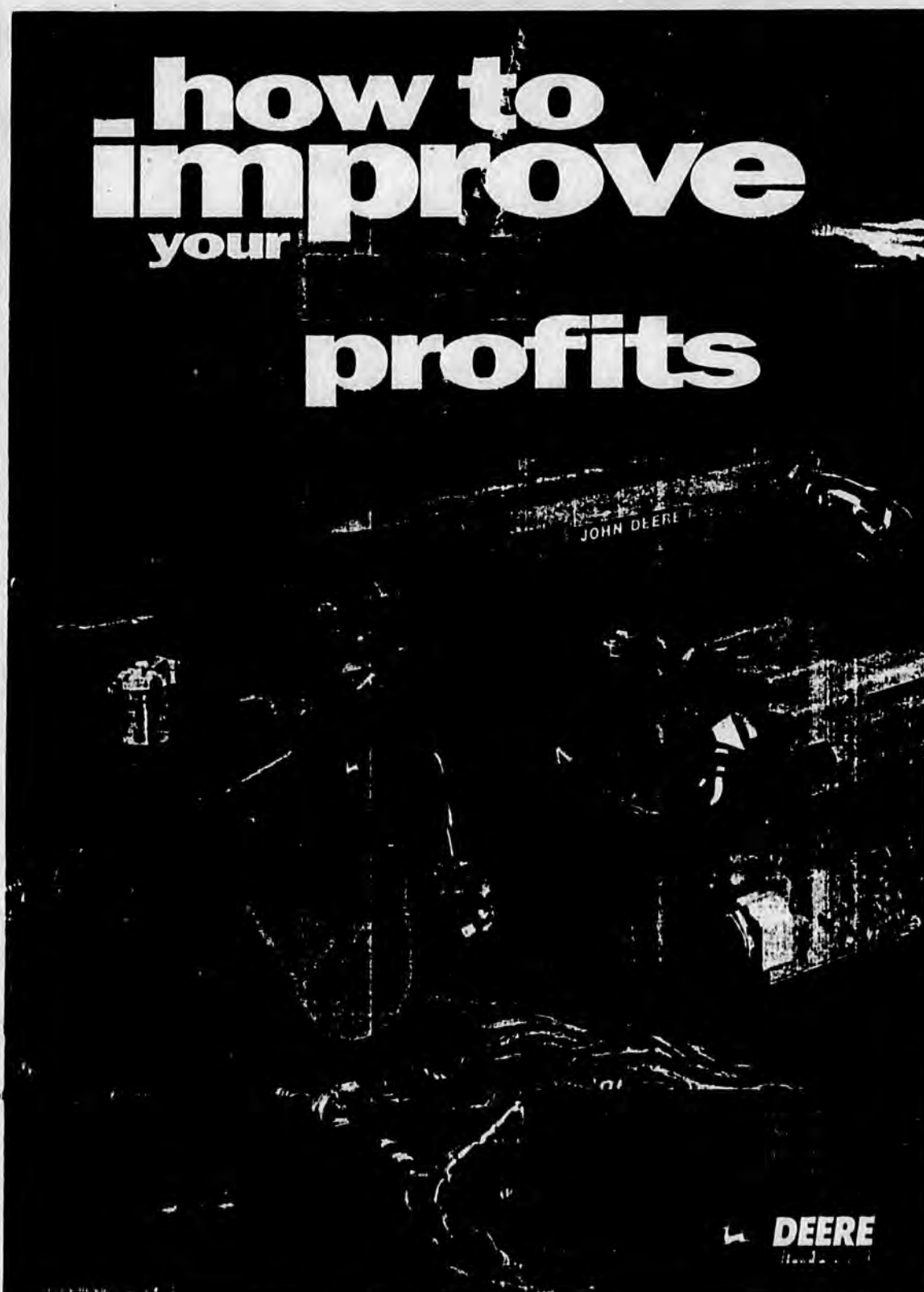
Others are asking questions, quietly considering the stakes, including: "Do Native villages have a legal claim to those fish? Why were CDQs never broken out of the plan for analysis. Are the national standards met by CDQs? And what about distinctions based on race and geography?"

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

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

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

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ALASKA FEDERATION OF NATIVES

1994 ANNUAL CONVENTION

RESOLUTION 94-81

TITLE: INCLUSION OF THE CDQ PROGRAM INTO THE MAGNUSON
FISHERY CONSERVATION AND MANAGEMENT ACT

WHEREAS: the CDQ program has been of tremendous benefit to
rural Alaskan economies; and

WHEREAS: the CDQ program for pollock expires at the end of
1995, and is subject to re-authorization by the
North Pacific Fisheries Management Council; and

WHEREAS: inclusion of the CDQ program into the Magnuson
Fishery Conservation and Management Act would
permanently establish this program, and

WHEREAS: the CDQ program should remain separate from the IFQ
program,

NOW, THEREFORE, BE IT RESOLVED by the delegates of the 1994
Annual Convention of the Alaska Federation of
Natives, Inc. that AFN endorses amendments to the
Magnuson Fishery Conservation and Management Act to
establish the CDQ program into that Act, and

BE IT FURTHER RESOLVED that with the inclusion of the CDQ
program into the Magnuson Act, it remain distinctly
separate from the IFQ program, and

BE IT FINALLY RESOLVED that AFN endorses and will work to
increase the CDQ to 15 percent as recommended in the
Final Report of the Alaska Natives Commission.

SUBMITTED BY: Kawerak, Inc.

COMMITTEE RECOMMENDATIONS: DO PASS

CONVENTION ACTION: PASSED



Southwest Alaska Municipal Conference

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Resolution 94-17

A RESOLUTION URGING SPECIFIC PROVISIONS IN THE REAUTHORIZATION OF THE FEDERAL MAGNUSON FISHERIES CONSERVATION AND MANAGEMENT ACT

Whereas, communities in Southwest Alaska lie adjacent to, and depend upon, groundfish resources of the federally-managed exclusive economic zone (EEZ) of the Bering Sea/Aleutian Islands and the Gulf of Alaska; and

Whereas, the U.S. Congress is currently involved with reauthorizing the Magnuson Fisheries Conservation and Management Act which proscribes management of those groundfish resources through the regional council process and the National Marine Fisheries Service (NMFS); and

Whereas, there are several general issues of national and regional concern being considered for amendment within the Magnuson Act reauthorization;

Be It Resolved that SWAMC does not support alteration of the statutory composition of the North Pacific Fishery Management Council; and

Be It Further Resolved that SWAMC supports general statutory controls to restrict and minimize the bycatch of unwanted species or sizes or sexes of fishery resources, such controls then to be more specifically designed in fishery management plans by the appropriate regional management council, with an ultimate goal of full utilization; and

Be It Further Resolved that SWAMC supports statutory requirements that appropriate regional councils establish and implement protections against overfishing for each and every species under their respective jurisdictions; and

Be It Further Resolved that SWAMC supports federal funding increments necessary to allow NMFS to provide the councils with sufficient biological information to implement reasonable controls against overfishing and provide adequate research for understanding and management of the resource; and



Be It Further Resolved that SWAMC supports statutory provisions to allow regional councils to establish and implement community development quota (CDQ) or community protection set-aside programs to aid fishery development and recognize economic dependence in coastal communities; and

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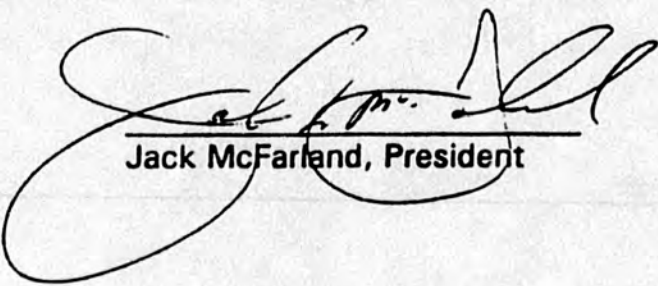
Representing the Bristol Bay, Pribilof, Kodiak Island and Aleutian Island areas.

Be It Further Resolved that SWAMC believes that any fee, tax, or royalty structure which might be levied against the harvesting or processing of fishery resources must recognize and credit other federal, state, or local fees, taxes or royalties otherwise levied on the same resources, and that all revenues should subsequently be utilized for management, research, and administration of fishery programs in proportion to the level of contribution from the areas in which the revenues were derived; and

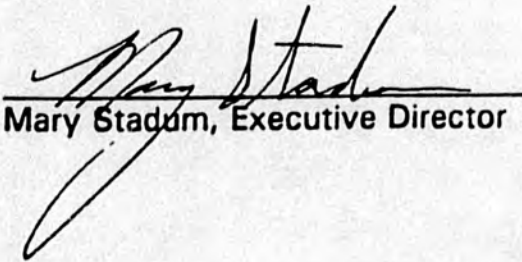
Be It Further Resolved that SWAMC supports the three year or longer moratorium on establishment of Individual Fishery Quota systems on federal fishery resources; and

Be It Further Resolved that SWAMC supports reasonable statutory controls against direct, personal and financial conflicts of interest inherent in the voting of any member of the regional councils but recognizing that some lesser conflicts are inevitable and acceptable given membership of councils by necessity must be comprised of participants in the fishing and processing industry.

PASSED AND APPROVED BY THE SOUTHWEST ALASKA MUNICIPAL CONFERENCE
THIS 18th DAY OF SEPTEMBER, 1994.



Jack McFarland, President



Mary Stadum, Executive Director

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION NO. 94-94

A RESOLUTION OF THE UNALASKA CITY COUNCIL SUPPORTING THE RE-AUTHORIZATION OF THE INSHORE/OFFSHORE ALLOCATION AND CDQ PROGRAM AMENDMENTS 18/23 OF THE FEDERAL MANAGEMENT PLAN.

WHEREAS, the North Pacific Fisheries Management Council continues to work on Comprehensive Rationalization Planning and it could be years before a plan is in place; and

WHEREAS, the inshore/offshore allocation and CDQ programs are scheduled to expire in December of 1995; and

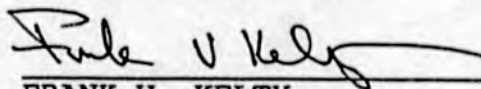
WHEREAS, the inshore/offshore allocation was a means to prevent pre-emption of the fishery resource by one fishing sector over another; and

WHEREAS, while the Comprehensive Rationalization Planning continues, the re-authorization of the inshore/offshore allocation and CDQ programs will be important to the continued stability of local economies in coastal communities of Alaska; and

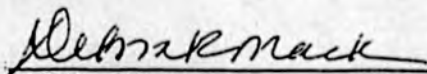
WHEREAS, the CDQ program has been a success, lending to participation of Bering Sea coastal communities in the fishing industry, creating employment opportunities, education scholarships, increased and stabilized revenues that will result in increased community stability and long-term viability.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council supports re-authorization of the inshore/offshore allocation and the CDQ program amendments 18/23 to the Federal Management Plan for the following reasons: 1) increased state and local revenues, 2) increased employment opportunities, 3) economic stability for Alaska's coastal communities, 4) allocation of the resource will prevent the pre-emption of one industry sector over the other, creating stability to the on-shore sector of the industry which has invested hundreds of millions of dollars in Alaska's coastal communities and pay millions of dollars in taxes to State and local government.

PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE UNALASKA CITY COUNCIL THIS 27 DAY OF September, 1994.


FRANK V. KELTY
MAYOR

ATTEST:


CITY CLERK

ALASKA FEDERATION OF NATIVES, INC.

1993 ANNUAL CONVENTION

RESOLUTION 93 - 83

TITLE: PROPOSED CDQ RESOLUTION FOR AFN

WHEREAS: the U.S. Department of Commerce has allocated 7.5 percent of the total allowable catch of Bering Sea pollock in the form of Community Development Quotas to the 56 ANCSA-recognized communities situated along the Bering Sea coast; and

WHEREAS: these communities are located in proximity to one of the world's richest fisheries resources yet have not been able to harvest this resource due to the high level of financial investment required for vessels, gear, and operational expenses; and

WHEREAS: the CDQ Program now provides the people of western Alaska, from the Aleutian Islands to the Seward Peninsula, with an opportunity to participate directly in industrial-scale Bering Sea fishing operations; and

WHEREAS: the residents of western Alaska derive benefits from the CDQ Program in the form of direct employment, new markets for salmon and herring, job training, scholarships, economic development opportunities, and funding for fisheries-related infrastructure; and

WHEREAS: the CDQ Program encourages initiative and self-determination, and has created a sense of hope for the future among the people of western Alaska; and

WHEREAS: the CDQ allocation for Bering Sea pollock is scheduled to expire on December 31, 1995; and

WHEREAS: the participants in the CDQ Program strongly support conservation and the elimination of salmon by-catch in the Bering Sea commercial fisheries, and will work with the federal fisheries management process to achieve these goals; and

RESOLUTION 93-83

WHEREAS: the North Pacific Fishery Management Council is engaged in a Comprehensive Rationalization process in order to develop a system for the allocation of federal fisheries resources after 1995; and

WHEREAS: CDQ's will need to be included in the final comprehensive plan if they are to continue after 1995; and

WHEREAS: the CDQ Program requires access to all Bering Sea commercial fishing species in order to establish diversified fisheries and survive expected downturns in the economic and biological cycle; and

WHEREAS: the Magnuson Fisheries Conservation and Management Act is before Congress for reauthorization, and, during public hearings, members of Congress were requested to consider an amendment to the Act recognizing CDQ's;

NOW THEREFORE BE IT RESOLVED by the delegates to the 1993 Annual Convention of the Alaska Federation of Natives, Inc., strongly supports the continuation of the CDQ Program, the expansion of CDQ's into all Bering Sea species and fisheries, and the adoption of a CDQ amendment to the Magnuson Act, that would make CDQ's a permanent part of all Bering Sea fisheries allocation systems; and

BE IT FURTHER RESOLVED that AFN supports the expansion of the CDQ Program to include all of the Native villages which have traditionally fished and are in close proximity to the Bering Sea.

SUBMITTED BY: Bristol Bay Economic Development Corporation

COMMITTEE RECOMMENDATIONS: Do Pass

CONVENTION ACTION: Do Pass



WALTER J. HICKEL
GOVERNOR



P. O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

August 15, 1994

The Honorable Ron Brown
Secretary of Commerce
14 Street and Constitution Avenue NW
Washington, DC 20230

Dear Mr. Secretary:

Please find enclosed the State of Alaska's 1993 annual report on the Community Development Quota (CDQ) program.

This report represents the full calendar year of the CDQ activity. During the year, over 500 Alaskan residents found employment through the CDQ program, earning well over \$3 million in wages. In addition, numerous construction projects developing fisheries or marine infrastructure are either being completed or underway. Local residents are directly benefiting from the CDQ program.

As part of the monitoring program required under federal regulations, the state has required annual financial and management audits for each group. These financial reports are included in our annual report along with quarterly and annual reports the state requires as part of our monitoring efforts. The state will continue to closely monitor the program to ensure compliance.

With best regards,

Sincerely,

A handwritten signature in cursive script that reads "Walter J. Hickel".

Walter J. Hickel
Governor

Enclosure

BERING SEA AND ALEUTIAN ISLANDS POLLOCK 1993 COMMUNITY DEVELOPMENT PLAN ANNUAL REPORT

Background

The Secretary of Commerce (Secretary) partially approved Amendment 18 to the Bering Sea and Aleutian Islands Fishery Management Plan on March 4, 1992 and the final rule was published on June 3, 1992. Regulations to implement Community Development Quotas (CDQs) for 1992 and 1993 were published in the federal register in draft form on October 7, 1992. They became effective on November 18 and were published in final form on November 23, 1992. The State of Alaska published final regulations concerning CDQs on November 18, 1992. On November 27 the Governor of Alaska notified the Secretary of his recommendations concerning 1992 and 1993 CDQ allocations. On December 3, 1992 the regional director of National Marine Fisheries Service formally notified the six CDQ groups of their allocations and CDQ fishing began.

Six fishermen's organizations applied for CDQ allocations. These six collectively represented all eligible communities under federal regulations at 50 CFR 675.27. The arrangement of communities by applicant group was self-determined. The final groupings are regionally based: four Aleutian Islands communities and St. George (AFICDA); St. Paul (CBSFA); 14 Bristol Bay communities (BBEDC); 17 communities from north of Bristol Bay to the mouth of the Yukon River (CVFC); four communities near the mouth of the Yukon River (YDFDA); and, 15 communities from Norton Sound to the Bering Strait (NSEDC). All six of these groups received CDQ allocations for 1993.

Review of 1993 Community Development Programs

The CDQ monitoring program required under 50 CFR 675.27(c)(1) and set forth in Alaska Statutes at 6 AAC 93.050 requires interim progress reports, a financial report each quarter, and an annual report on or before June 30 of the following year. The annual report must include information describing the progress of the Community Development Plan in relation to milestones, goals, and objectives as stated in the CDP application. Each group submitted an audit for 1993 performed by an independent, regionally or nationally recognized accounting firm. The 1993 annual reports and 1993 quarterly reports are attached as Appendices A and B respectively. Confidential information is identified in the quarterly and annual reports, and under Title 9 of the Alaska Statutes, these data are not releasable to the public. Financial audits are attached as Appendix C.

As part of the application review process in 1992, the Governor required that each applicant agree to have their independent accounting firm conduct a management audit. All of the groups produced separate such audits for 1993. Management audits are attached as Appendix D. The State sent a follow-up letter to each of the CDQ groups on July 6, 1994 requesting a plan which would address any deficiencies presented in their audit. All six groups responded by August 11 and their responses are included in Appendix E. As with quarterly reports, the management audits are considered confidential under Title 9 of the Alaska Statutes.

Amendments to CDPs are allowed based on Federal regulations at 50 CFR 675.27(c)(3) and State statutes at 6 AAC 93.055. The minor amendments to CDPs requested during 1993 were to add or delete vessels to the eligibility list. Two substantial amendments were submitted and approved by the Secretary to dredge the harbor for St. Paul (CBSFA) and to change the

fishing partner contract (CVFC). Summaries of the 1993 amendments, by CDQ group, are presented in Appendix F.

In addition to each group's 92-93 CDF, the State included additional requirements to increase monitoring for major vessel purchases and use activities for the five non-profit groups. By declaring themselves non-profit corporations, each group had to seek a ruling from the Internal Revenue Service as to whether or not these activities and corporate structure would qualify. The wait for the IRS ruling resulted in a major side benefit: each group was required by the State to keep 40% of their revenues in a dedicated use 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 overspending on initial projects. Once the IRS approves the non-profit status of a group, the group must submit a plan to the State on how they will manage the released funds.

Because the 1992 and 1993 allocations were approved simultaneously by the Secretary, there are no changes to the 1993 allocations from 1992. The Secretary's 1993 allocations for CDQ projects are presented below:

Applicant	1993 Allocation
Alutian Pribilof Island Community Development Association (APICDA)	16,240 VET (14%)
British Bay Economic Development Corporation (BBEDC)	20,280 VET (20%)
Central Bering Sea Fishermen's Association (CBSEA)	10,188 VET (10%)
Coastal Villages Fishing Cooperative (CVFC)	27,390 VET (57%)
Norton Sound Economic Development Corporation (NSEDC)	20,280 VET (20%)
Yukon Delta Fisheries Development Association (YDFDA)	5,072 VET (5%)

All of the information and reports presented above were reviewed during the preparation of this report. In addition, other information sources were utilized including reviews by Alaska Department of Commerce and Economic Development loan officers, fishing industry contacts, and direct conversations. Some review occurred during periodic meetings throughout the year with each CDQ group.

A summary of 1993 CDF performance is presented by CDQ group below. Many milestones were achieved in the first complete year of CDQ's. The details of each group's accomplishments are well documented in the attached individual 1993 annual reports.

Albatraz Tribble Island Community Development Association

- Harvested 17,350 mt of 14,260 mt allocation.
- Partner is Tribble/Starboard.
- Accomplishments:
 - Generated employment for 79 local residents which produced \$714,000 in earnings.
 - Developed infrastructure projects in three communities, including harbor dredging, docks and a warehouse. AIFCDA received a *quid pro quo* for property or loans for their investments.
 - Provided higher education and vocational education scholarships and assistance to 24 local residents.

British Bay Economic Development Corporation

- Harvested 12,672 mt of 20,200 mt allocation.
- Partner is Oceanview.
- Accomplishment:
 - 52 local residents hired since 1992 earning \$215,142.
 - 49 students trained in basic and advanced programs.
 - Alaska Seafood Investment Fund set up for fisheries investments.
 - Fishing permit retention program begun for region.
 - Completed phase I and II of Regional Fisheries Planning Program.

Central Bering Sea Fisherman's Association

- Harvested 11,000 mt of 11,100 mt allocation.
- Partner is American Seafoods/Alaska.
- Accomplishment:
 - Helped local infrastructure develop with harbor dredge and mooring two floating processors.
 - Established vessel loan program with 12 loans to fishermen.
 - Gave scholarships to 7 local students for university study.
 - Trained 24 local individuals.
 - Conducted sea fishery for local underutilized species.

Coastal Villages Fisheries Cooperative

- Harvested 27,518 mt of 27,590 mt allocation
- Partner is Golden Age Fisheries.
- Accomplishments:
 - Created a "career track" program to help residents plan careers.
 - Began Coastal Village Fisheries(CVF), a salmon processing operation on the lower Kuskokwim.
 - Upgraded *Brown's Point*, a trawler 50% owned by CVFC.
 - Hired 42 on GAF vessels and 110 for CVF salmon processor. Seven interns worked for GAF.
 - Began developing a technician training program.
 - Began production of new boneless/skinless salmon products.

Norton Sound Economic Development Corporation

- Harvested 20,243 mt of 20,289 mt allocation.
- Partner is Glacier Fish Company.
- Accomplishments:
 - Initiated salmon and herring buying operations.
 - Began area salmon planning process with ADF&G.
 - Established revolving loan program for local fishermen. Made 118 loans for gear and 28 loans for vessel upgrades.
 - Hired 13 region residents to work as fish processors and 2 company reps.
 - Awarded 48 scholarships for a total of \$48,000 in 1993.
 - Forty Norton Sound residents worked on GFC vessels earning \$534,554.
 - Made shore-side infrastructure improvements at four sites totaling \$235,000.
 - Trained 80 residents at AVTEC and BSCFDF.

Taken Delta Fisheries Development Association

- Harvested 3,073 mt of 3,073 mt allocation.
- Partner is Golden Alaska Seafoods.
- Accomplishments:
 - Trained 34 individuals in 65 training positions, of which 25 were trained on TDFDA fishing vessels.
 - Purchased two fishing vessels and leased two more to fish and train local fishermen. Sold \$264,000 worth of fish in 1993.
 - Placed 39 residents in partner's harvesting operations earning \$200,843.
 - Authorized \$250,000 loan to local processor.

The 1993 CDQ fishery began after the olympic "A" season finished on approximately February 20. The olympic "B" season lasted from August 15 to about September 30. CDQ fishing began after "B" season through December 31, although most of the groups finished before that date. Each group used approved vessels to harvest their share. A list of the harvesting and processing vessels which participated in the fishery, their registration numbers and the groups for which they harvested is presented in Appendix G.

A NMFS report for the period estimates that 100,050 mt of CDQ pollock were harvested in 1993 (Appendix H). Most of the harvesting activity occurred in the Bering Sea while 3054 mt. were harvested in the Aleutian Islands area. This total catch is 1395 mt. below that apportioned to CDQ groups. Official CDQ bycatch information is also found in Appendix H. x

CDQ groups voluntarily agreed to provide two observers on their fishing partner's vessels during the "B" season in 1993. The groups worked with their harvesting partners to develop acceptable means of directly measuring catch, such as calibrated bins and/or on-board scales. Both these efforts were in anticipation of pollock CDQ fishery-directed regulations to be enacted in 1994.

National Marine Fisheries Service Enforcement Section reports that Coastal Villages Fishing Cooperative exceeded their quota by 125 metric tons in 1993. A letter of explanation by Golden Age Fisheries (CVFC's fishing partner) is included in Appendix I. US Coast Guard has submitted a letter listing pollock CDQ related fishery citations. NMFS has submitted a list of violations associated with pollock CDQ fishing. Copies of correspondence discussing this issue are contained in Appendix I.

1994-95 CDP Applications

The application cycle opened from July 26 to August 16, 1993. As a group, the six fishermen's organizations requested 163% of the available CDQ amount. The state held a public hearing and teleconference on September 8 to accept testimony on the two year extension of the pollock CDQ program. Immediately after the public hearing, state officials interviewed each of the applicant groups. The review team made their recommendations to the Governor on September 15. The recommended allocations were presented before the North Pacific Fisheries Management Council (NPFMC) the week of September 20. On November 15, Secretary of Commerce Brown approved the 94-95 CDP's.

Summary

The first full year of the CDQ program has brought significant gains in employment, training and investment.

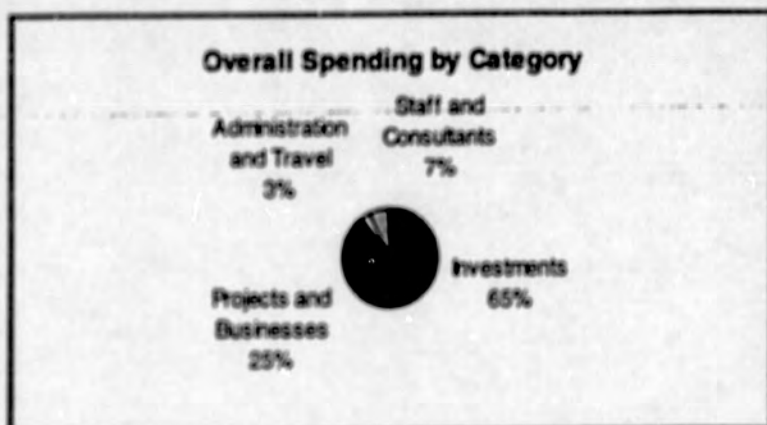


Figure 1 Overall spending for all six CDQ groups for the thirteen month period, December 1, 1992 to January 1, 1994.

The CDQ program produced the following for the period covering 1992 and 1993:

- Harvests of 196,811 metric tons of pollock resulting in earnings of \$39 million in royalty income.
- A total of 556 western Alaskans earned about \$3.6 million in wages.
- New jobs and income are significant to the region: 8% of overall regional employment and 18% of regional private sector employment.
- Training for 375 western Alaskans for 864 weeks was funded by the CDQ groups.
- Major infrastructure projects included leveraging of funds for harbor dredging, building a warehouse, docks, water systems, and increased ice, cold storage and seafood processing capacity.
- One CDQ group purchased a half interest in a factory trawler and two other groups purchased eleven small fishing boats.
- Two joint venture processing operations were begun allowing local fishermen to receive higher prices for herring and salmon fisheries.
- The groups ended 1993 with \$23.8 million in assets and \$1.7 million in liabilities.

Conclusion

The State of Alaska is pleased to report the successful conclusion of the 1992-93 pollock CDQ program. The State is continuing its monitoring program for ongoing 1994 and 1995 CDQ activities as required by 6 AAC 93.050 and 50 CFR 675.27.



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.*



Member Communities

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



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 Liaison 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 commu-

nities, 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.

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

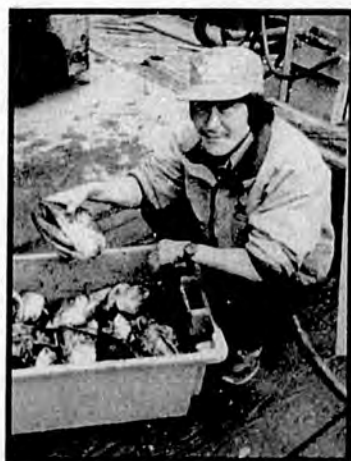
The Alaska Seafood Investment Management Company (ASIMCo) is a limited partnership between BBEDC and Oceantrawl. ASIMCo seeks to create new fisheries business opportunities to support community development programs.

Contact BBEDC for more information.



Member Communities

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



Bristol Bay Times



Central Bering Sea Fishermen's Association

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 responsibility.

Contact Bill Arterburn at the CBSFA office in Anchorage at 279-6566 or Jan Jacobs, American 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 available 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.

Member Community

St. Paul



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
Diomedes/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 communities.

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 238-3117 or 238-3819
Emmonak	Billy Charles 949-1028
Kotlik	Lori Mike 899-4220
Sheldon Pt.	Edward Adams, Sr. 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.

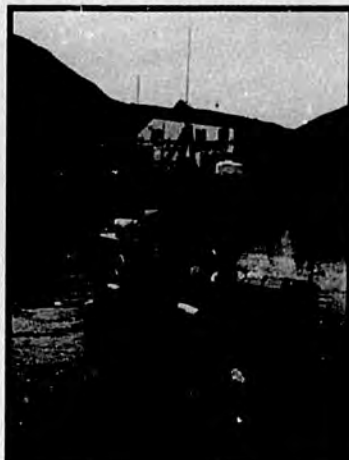
Contact Eugene Raphael, YDFDA Training Coordinator, at 206-443-1565.

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 representative or Ed Glotfelty at 224-5158 for information.



Member Communities

**Alakanuk
Emmonak
Kotlik
Sheldon Point**





BERING SEA FISHERMEN'S ASSOCIATION

725 Christensen Drive
Anchorage, AK 99501

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

Aika, Alaska 99547

Mark Snigareff, 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

Agaton Krukoff, Jr., President

PH. (907) 279-6566 FAX (907) 279-6228

Coastal Villages

Fishing Cooperative

P.O. Box 109

Chevak, Alaska 99563

Joseph V. Panlyak, President

PH. (907) 858-7250 FAX (907) 858-7812

Norton Sound

Economic Development Corp.

P.O. Box 39089

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 Gloffely, 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



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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*

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 Jemewok, 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 Jemewok. "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*

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- 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.

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 FOLLOCK 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 suc-



cessful. They have to feel that there is profitability there. There has to be a fair take from an Alaskan 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 member 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 1966 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 Artine Shugartowski.

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.

MAB

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 ocean-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 these 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 IQs 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 BERE 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 SUBSIDIES?

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 cover, I am going to threaten voters, 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.

Continued from page 1: *Allocations*

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

The 4E harvest will be set aside for qualified Bristol Bay residents who wish to fish halibut. Halibut in area 4D and subfish 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 subfish 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 subfish.

Under the CVFC proposal, 4D and 4E halibut will be harvested by local fishermen and delivered to local processing

facilities. The subfish 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 subfish will be used to administer the halibut and subfish programs, develop longline fleet ownership and purchase IFQs.

The Norton Sound Economic Development Corporation (NSEDC) received 21 percent of the 4D halibut, 30 percent of the Bering Sea subfish, and 25 percent of the Aleutian Islands subfish.

The halibut CDQ would be harvested by local fishing vessels. The subfish 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 Valdez Delta Fisheries Development Association (VDFDA) received 25 percent of the 4D halibut, 10 percent of the Aleutian Islands subfish, and 75 percent of the Bering Sea subfish.

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

VDFDA will use its halibut and subfish proceeds to support projects started under the pollack 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.M.B.

Continued from page 1: *Applicant reactions*

Anderson added that BBEDC's halibut and subfish 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 to-

gether by our people in 1991," he said.

Jim Puriyah, 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 alloca-

tion. We get 100 percent of what we want for," said St. George PIF spokesman, Lawrence Lasterick. According to Lasterick, 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 Lasterick, St. Paul PIF spokesman, said that PIF's allocation is another step in a long tradition of halibut fishing. "We've been halibut fishing for 200 years around the islands," he explained.

M.M.B.



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THE CDQ REPORT

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 Kikotuk (Pribilof) Island Community Development Association • Coastal Village Fishing Cooperative
 Central Bering Sea Fishermen's Association • Yukon Delta Fisheries Development Association



CVFC: OWNING A PIECE OF THE ACTION

A colorful
 full of CDQ
 patches fills the deck
 of the Brown Point at
 Unalakleet in June.
 (Photo by Karl (Duke) Dyer)

The Coastal Village Fishing Cooperative's ownership of the factory trawler *Brown Point* is one of the cornerstones of its CDQ operation. "The intent of our program is for CVFC to become an active participant in Bering Sea groundfisheries," said executive director Norman Cohen.

Through the *Brown Point*, "we can create an equity interest in the harvesting effort. We can participate in the fishery the entire year, not just during the CDQ fishery. We have control over access to employment."

The 117-ft. F/T *Brown Point* is officially owned by the Incorporated

Continued on page two: CVFC: Owning a piece of the action

UNALASKA - During the CDQ season - some call it the regular season - all the energy of the crew of the F/T *Brown Point* is directed toward keeping the vessel fishing, filling it with product, unloading it, and getting it back on the fishing grounds.

The main activities for the up to 60 men

and women who comprise the crew on the no-frills factory trawler are plentiful food (the cost is split between the crew and the owner), sleeping bunks, and a shared VCR in the galley. Given the work schedule, nothing more is necessary.

The vessel operates 24 hours a day, continuously fishing and processing. The processing crews work six hours on, six hours off. With the factory in full operation, the processors



Oskari and Mary work on the deck of the *Brown Point* following a profitable fishing trip.

also have kick shifts when they work their regular shift, the next shift, and another regular shift before they get a six hour break.

In June, the *Brown Point* - on its first

*Continued on page four:
 On board the Brown Point*

THE CDQ REPORT

1 F/T BROWN POINT 2 NEW PERMIT 3 BAKERSLACE FOR 4 BAKERSLACE FOR	5 FISHING MEANS 6 BUSINESS 7 FLAJOULT/ 8 SAILORSHIP CDQs
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The CDQ Report is published by the Bering Sea Fishermen's Association, a 501(c)(3) non-profit organization. The views expressed in this report are those of the BSA and do not necessarily reflect the views of NOAA or any of its sub-agencies.

Partnership. Imagigimiat, a Yup'ik word, means "people who are living out at sea."

The partnership was established in December, 1992 by the Browns Point Joint Venture and CVTC. The partnership also owns CVTC's CDQ pollock rights and the Browns Point catch history. Golden Age Fisheries, Inc. — CVTC's CDQ partner — is the management company.

In recognition of its ambitious community development plans — direct investment and active participation in diversified seafood production operations — CVTC received the highest pollock allocation of all six CDQ corporations, 27 percent (approximately 27,000 metric tons annually).

Cohen said the vessel ownership has worked out well for the corporation, given seafood industry volatility.

"A major avenue of developing a profit is the (January) rose fishery," he said. "This year's low rose recovery and generally low prices have affected the profitability of the venture," though it's still profitable.

Golden Age Fisheries owner Stan Simonson said that with Russian fish production there's no shortage of pollock on the market. "Pollock black is selling as cheap as it has ever been sold." At the same time, domestic pollock buyers have raised their standards for acceptable quality.

"Amongst the fleet we were known as the 'big ugly'...They don't say that anymore."

—Don Johnson

In 1993 and 1994, the Browns Point underwent major improvements — paid for out of vessel revenues — including the installation of two Bander 212 filleting machines (the new state of the art model), three larger plate freezers, new



Browns Point vessel skipper Don Johnson (above)

The F/T Browns Point moored between trips in Chukotka (right)

Bander skimmers, additional bunks,



and a new heating and ventilation system, along with a re-designed factory and a remodeled galley.

"This is not the same vessel it was two years ago," said skipper Don Johnson, the ship's master in June. "This is the new Browns Point."

Simonson said the improvements "turned out fantastic." The old Bander 182 machines were good for 14 hours of production a day. The 212s can operate 22-23 hours a day and are much faster, 140 fish per minute.

"The production with this boat is way beyond what the office thought," Johnson said. "We had a really successful 'A' season. For our size, we were the top producer."

With the longer CDQ fishery, Johnson and Simonson both looked forward to more consistency and stability in crew experience and employment.

CVTC expects to achieve its goal of 40-60 Yukon-Kuskokwim Delta resi-

dents employed on the Browns Point by the latter part of 1994. Through the end of June, 26 CVTC constituents had worked on the vessel.

CVTC stepped up its job recruitment efforts this year by meeting with high school juniors and seniors in each CVTC community and other Kuskokwim River communities to explain CDQ opportunities, working with five area school districts to begin a

school-to-work program, organizing the Yukon-Kuskokwim Delta Employers Council with major regional employers for joint recruiting and retention of the local work force, and hiring a part-time person to assist the employment coordinator.

In its 1994-95 CDQ application, CVTC described a

major impediment to economic self-sufficiency: The growing dependency of delta residents on welfare payments as a supplement to the subsistence way of life. "This dependency has progressed to the point where it is easier and preferable to remain on welfare than enter the labor force," the application said.

CVTC planned to refocus its efforts "away from young adults to high school students, who have not yet made their life decisions. Often, waiting for individuals to reach employment age is simply too late."

Joe Panayuk, CVTC president and employment coordinator, said the biggest problems he encounters during worker recruitment are people who can't pass the drug and alcohol zero tolerance tests and people who lack

Continued on page four:
CVTC: *Charting a piece of the action*

According to an interpretation of the best available information, the local ownership of Bristol Bay salmon entry permits has decreased by approximately 25 percent since the inception of limited entry.

In an attempt to keep ownership of Bristol Bay limited entry permits in the region and ensure local access to commercial fisheries, the Bristol Bay Economic Development Corporation (BBEDC) recently contracted with the Bristol Bay Native Association (BBNA) to establish the Bristol Bay Permit Brokerage.

"It's one of the best developments we've seen to keep permits in the region and we're very supportive of their efforts."

—Bruce Twomley
CFEC Chairman

The permit brokerage was started in March. Bernice Heyano, a former bank loan officer, was hired to organize and administer the program.

"We've been experiencing a major permit drain from the Bristol Bay region," Heyano said. "As prices for limited entry permits go up, it gets more and more difficult for local residents to raise the capital necessary to buy into Bristol Bay fisheries."

Heyano added, "It's generally easier for folks outside the Bristol Bay region to arrange financing, so they're the ones buying the permits. Unfortunately, when ownership of permits leaves the region, access to our commercial fisheries goes with it."

Heyano provides full brokerage services for limited entry permits and commercial fishing vessels. She also arranges boat leases.

Since March, Heyano has sold one permit and estimates that she has negotiated about 20 leases. She has also handled numerous medical and emer-



Bristol Bay driftnet boats tied up in the Naknek River. (Photo by SWAMC)

gency transfers. Her current listings include 11 Bristol Bay drift permits, 11 set net permits, three permits for other fishing districts and two boats.

Bruce Twomley, chairman of the Commercial Fisheries Entry Commission (CFEC) is enthusiastic about the brokerage. "It's one of the best developments we've seen to keep permits in the region and we're very supportive of their efforts," he said.

"From the inception of limited entry in 1975 to 1992, the CFEC issued 1,325 salmon entry permits to Bristol Bay residents," Twomley said. "Dur-

ing that same time period, 313 more permits were transferred outside Bristol Bay than were transferred to the region."

"Commercial fishing is Bristol Bay's lifeblood and we need to keep our local fisheries locally owned..."

—Bernice Heyano

*Continued on page four:
New Brokerage*

FISHING MEANS BUSINESS

The Marine Advisory Program has developed a fishing business management course as an outreach program for communities in western Alaska. According to Terry Johnson, Bristol Bay Marine Advisory Agent, the course is designed to help fishermen with little or no business background.

"Many fishermen don't have the basic business skills to run their commercial fishing businesses," Johnson said. "They either let their fish companies do the paperwork or have their spouses handle the financial details. This class will provide fishermen with the business skills they need to make their operations more profitable and financially sound."

The course covers topics such as permit financing and loan programs, capital construction funds, state and federal requirements, analyzing and improving profitability, record keeping and taxes. "A permit is a

valuable business asset which can be earned through hard work and planning," said Johnson. "This outreach program is intended to provide people with the basic tools to be successful and to help them secure a future in the fishing industry."

"Since training opportunities are usually few and far between in rural communities, I want to offer the course wherever there is an interest," Johnson added. "I encourage any local group or individual who would like to help sponsor a fishing business management course in their village to give me a call."

For more information or to schedule a course in your community, contact Terry Johnson, Bristol Bay Marine Advisory Agent, at (907) 842-1265.

M. McB.

CDQ trip following the pollock 'A' season — fished the Unimak Pass area, making four to five tows a day while catching 45 to 50 tons of pollock with each backhaul.

The Browns Point's plan was to fish its CDQ allocation from June until August, participate in the 'B' season (opened Aug. 15), and resume CDQ fishing until the quota was exhausted, probably in October.

Don Johnson of Kodiak, vessel master for the past year and a seaman with 20 years of North Pacific fisheries experience, prefers the pace of the CDQ fishery.

"I can be more selective in the fish I take. If they're not the optimal size, I can take 12 hours to look for fish."

"This is some of the best product we've ever had on board," Johnson added.

"The chief advantage is that it's fresh..."

Stan Simonson, Golden Age Fisheries owner

This contrasts with the regular season, where the vessel is under "pressure to not even miss five minutes of fishing time," Johnson said. Also, "During the regular season there's no incentive to maximize yield."

Johnson said other CDQ advantages include the ability to go after smaller bodies of fish, and to not have competing trawlers break up and scatter the pollock schools.

Johnson also keeps an eye on the prohibited species bycatch, ready to move if salmon start showing up regularly in the mid-water trawls.

"A lot of good things have come out of CDQs," Johnson said.

Johnson felt the CDQ allocation — half of the 15 percent of the pollock total allowable catch held in reserve by fisheries managers — had little practical value for the industry. "Normally, it wasn't released until December so you'd have to come up at Christmas to fish it," he said.

"The chief advantage is that it's fresh," said Golden Age Fisheries owner Stan Simonson about CDQ pollock. "A number of customers want the product date coded." Also,

*Continued on next page:
On board the Browns Point*

CVFC: Owning a piece of the action:
continued from page two

proper identification documents.

Both Paniyak and Cohen noted a recent increase in people interested in employment.

CVFC sent four people to Germany in mid-August for training as Baader technicians, which would qualify them to operate and maintain the highly-sophisticated filleting machines.

The Browns Point was originally an oil field supply vessel. In 1986, it was purchased and outfitted to produce salt cod. In 1987, Golden Age turned it into a factory trawler for heading and gutting Gulf of Alaska rockfish and sablefish. After a couple years, fillet machines were installed. The Browns Point participated in decreasing pollock seasons until the purchase was negotiated with CVFC, allowing access to more product and justifying major capital improvements.

"Amongst the fleet we were known as the 'big ugly,'" Johnson said. "They don't say that anymore."

K.O.

New Brokerage:
continued from page three

Twomley hopes the Bristol Bay brokerage will serve as a model for other rural areas.

"Creating a regional brokerage is a very effective tool for keeping permits in the hands of area residents for several reasons," he said.

"First, local brokerages represent a legitimate business opportunity for regional groups. Second, they can direct the flow of permits to regional residents, something the state can't do. Third, brokerages can steer good deals on permits and boats to neighbors and family members."

"Commercial fishing is Bristol Bay's lifeblood and we need to keep our local fisheries locally owned," Heyano said. "I'm here to make that possible and to work with people in any way I can."

According to Nels Anderson, Jr., BBEDC executive director, the brokerage is working well but is only one aspect of the effort to keep permits in the region.

"We are currently working with BBNA to put together a revolving loan program to help young Bristol Bay residents get into the fisheries," Anderson said. "The loan program will require people to meet specific credit guidelines. It will also assist them with basic financial planning for a commercial fishing operation. We want to help set these young people up for success."

In addition to providing brokerage services, Heyano also counsels fishermen on income tax and child support problems and assists people in dealing with the IRS and the state's Child Support Enforcement Division.

Heyano encourages fishermen with questions about boat and permit brokerage services and those needing tax assistance to contact her at 1-800-478-5257 or 842-5257, or P.O. Box 310, Dillingham, AK 99576.

M. McB.

knowing how much fish the *Browns Point* will catch allows the company to negotiate long term contracts. "All the CDQ programs that produce pollock have long term contractual commitments," he said.

CDQ pollock generally is sold to buyers that produce the fish fillets used in fast food restaurants and other value-added products.

After the backhaul, the pollock are held in chilled tanks for seven hours to complete rigor mortis and make them easier to process.

With 3,000 feet of floor space, the *Browns Point* factory processes a lot of product in tight quarters.

Processing workers — called drivers — feed the pollock into two Baader 212s.

Equipped with computer chips, the machines automatically adjust their cuts to match the size of each fish. They can be run as fast as 150 fish per minute, though, in June, 130 per minute worked best for quality and product flow.

Skinned pollock fillets spill onto moving candling tables, where processors arrange and check them for defects such as blood spots, bones, skin, and parasites. Defective fillets are either discarded or fixed on the spot. At the end of the candling table, the fillets are scooped up, weighed, and packed in boxes.

Meanwhile, the mince machine is in continuous operation, fed by belly flaps from the Baaders and discarded fillets from the candling tables. Processors control the flow out of the machine, packing the gooey fish paste into boxes.

The fillet and mince boxes go into plate freezers for two hours and come out as frozen solid 16.5 lb. blocks. The boxes are packed three to a case and stored in the hold at 20° below.

"The work is very hard. ... But you just tell yourself you can do it. When the job is done, you'll be proud of yourself..."

Mary Matthew, Cheforak

All the jobs in the factory are physically demanding. Candling, for example, looks simple. But, for the novice processor, the long hours of standing and leaning over the candling table, while constantly moving one's arms and hands to sort the rapidly moving fillets, soon cause severe back pains that no amount of stretching seems to relieve.



Processors sort skinned CDQ pollock fillets on the *Browns Point* candling tables. Discarded fillets are made into mince. When the vessel is fishing, processors work continuous six-hour shifts until the storage hold is filled with product, usually after ten days.

Processors are continually reminded about the importance of producing high quality products.

During the first June trip, Golden Age technical services director Greg Small worked with the processors and supervisors on quality control by reviewing, discussing, rechecking, and experimenting with factory procedures.

Due to an abundance of pollock on the market, Simonson said buyers have "tightened up their parameters" for quality. They want frozen blocks with no air pockets, ice pockets, parasites, defective fillets, or microscopic metal flakes that chip off the freezer frames.

Browns Point crew members sign 60-day contracts and work for a percentage of the vessel's gross. According to the crew, processors can earn \$1,500 to \$1,800 per trip, depending on experience, skill level, and product value. This can add up to \$9,000 or more at the end of a contract.

The *Browns Point* processing crew is a multi-cultural mix of Hispanics, Asians, African-Americans, Poles, American Caucasians, and Alaska Natives. The western Alaskans onboard in June were three sisters from Cheforak — Mary, Dora, and Magdeline Matthew.

Dora, on her first trip, said her biggest difficulty was getting used to the vessel's confined spaces.

Mary, the oldest, was recruited when she worked last year for the Coastal Village Fisheries salmon processing operation in Bethel. In June, she was working on her second *Browns Point* contract.

"The work is very hard," Mary said. "But you just tell yourself you can do it. When the job is done, you'll be proud of yourself. When the contract is over, you'll say, 'Now, that wasn't so bad, was it?'"

K.O.

Six groups submitted applications to participate in the new halibut and sablefish CDQ programs.

According to John McNair, CDQ biologist for the Alaska Department of Fish and Game, the state received six proposals for the halibut CDQ fishery and five for sablefish. The duration of the quota awards will be for three years, 1995 through 1997.

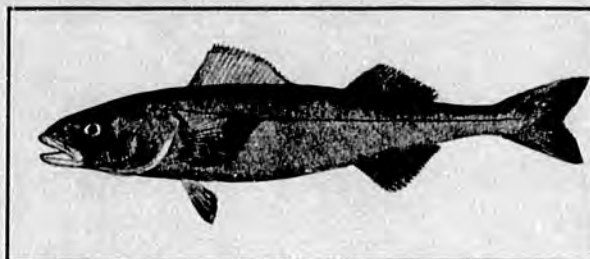
BBEDC, CVFC, NSEDC and YDFDA have each requested shares of the 4D and 4E halibut fisheries in addition to allocations of sablefish in the Aleutian Islands and Bering Sea management subareas. The Pribilof Island communities of St. Paul

at the Sept. 28-Oct. 5 meeting in Seattle.

The state's recommendations will be transmitted to the Secretary of Commerce by Oct. 7 to be reviewed for eligibility and program requirements. Final approval by the U.S. Department of Commerce is anticipated by Nov. 21, 1994.

The permanent halibut and sablefish CDQ programs are similar to the pollock program but have smaller quota allocations. They will be administered separately from the pollock CDQ program.

Communities which currently qualify for the pollock CDQ program are eligible



SABLEFISH

to apply for halibut and sablefish CDQs. The new CDQs are designed

area or within ten nautical miles from a point where an area boundary intersects land.

The sablefish CDQ program, in contrast, is set at 20 percent of the annual fixed gear allocation of sablefish in each Bering Sea and Aleutian Islands subarea. A regulatory change will make the sablefish program consistent with the pollock program by allowing each CDQ applicant to receive up to a maximum of 33 percent of the total Bering Sea and Aleutian Islands CDQ allocation for sablefish, rather than 12 percent. Groups applying for sablefish CDQ's were allowed to submit applications based on the 33 percent maximum sablefish allocation.

According to John Walsh, special assistant to the commissioner, Department of Community and Regional Affairs, "The State of Alaska is committed to making the halibut and sablefish CDQ program a success."

"We've worked hard with the local communities to make this program a reality and we look forward to broad participation from CDQ communities," Walsh added.

M. McB.

Halibut allocations based on the 1994 commercial halibut quota

IPHC Regulatory Area	Halibut CDQ Allocation	Possible CDQ Harvest
4B Western Aleutians (including Atka)	20 %	420,000 lbs.
4C Pribilof Islands	50 %	350,000 lbs.
4D NW Bering Sea (Including St. Lawrence Is.)	30 %	210,000 lbs.
4E Eastern Bering Sea (Bristol Bay to Norton Sound)	100 %	100,000 lbs.

and St. George joined forces to submit a halibut application for area 4C. The Atka community requested halibut in area 4B. APICA requested sablefish in the Aleutian Island management subarea.

Applications were due on August 18 and are now under review by the State of Alaska. A public hearing on the CDQ proposals will be held in Anchorage on Wednesday, Sept. 7. Following the hearing, the state will present its allocation recommendations to the North Pacific Fishery Management Council (NPFMC)

for grassroots community development programs to be fished by local fishermen and generate a modest cash flow.

The halibut program quotas are a specific percentage of the annual commercial allocation for each International Pacific Halibut Commission (IPHC) regulatory area. The above table shows what these allocations would look like if based on the 1994 commercial halibut quota.

To qualify for the halibut fishery, a CDQ community must either be physically located within an IPHC regulatory



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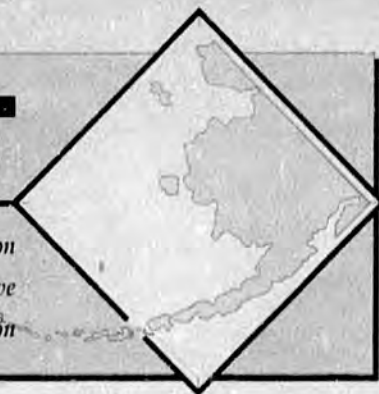
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The 1993 bycatch record for the CDQ fishery points to a general success in addressing a major concern in western Alaska: Reduction of bycatch and associated wastage in the pollock trawl fishery.

John McNair, CDQ biologist for the Alaska Department of Fish and Game, compiled 1993 bycatch information for the offshore open access fishery from the National Marine Fisheries Service (NMFS) and the six CDQ groups. While this summary does not include data from the Catcher Vessel Operating Area (CVOA), it does provide a snapshot of how the two fisheries compare in prohibited species bycatch (PSC) and bycatch of other groundfish species.

"Unfortunately, accurate bycatch information is difficult to obtain," McNair said. "Not all vessels carry observers, and those that do

don't look at every haul. In addition, NMFS considers its data on individual vessels to be confidential. So, most of the bycatch information you see is a best guess estimate."

McNair's analysis shows that in 1993, the CDQ fishery had lower bycatch rates than the non-CDQ open fishery for 13 of 20 species. The CDQ fishery had a higher bycatch rate for seven species including chinook salmon, other salmon (mainly chums), and herring.

"The industry doesn't have a good understanding of how to avoid areas with free swimming salmon, so the salmon bycatch problem is an on-going concern," said Jon Zuck, Technical Advisor to the Norton Sound Economic Development Corporation. "Right now, the best thing that we can do to deal with the salmon bycatch issue is to reduce bycatch overall."

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NEW RULES TO CLOSE SALMON BYCATCH AREA

The North Pacific Fishery Management Council (NPFMC) during its April meeting passed an emergency ruling to establish a 42,000 cap for bycatch of "other salmon" within five specific blocks of the Catcher Vessel Operating Area (CVOA), an area north of Unalaska and Unimak Islands.

The cap is based on data from the Bering Sea pollock fishery which showed that the majority of bycatch for "other salmon," or chums, occurred in five specific blocks within the CVOA. The cap is scheduled to go into effect in August in time for the B-season.

In order to monitor salmon bycatch, the council implemented a mandatory requirement for vessels to retain all salmon caught until they can be counted by an observer.

"This is a very comprehensive effort to get accurate data on how many salmon are being caught and to reduce salmon bycatch in the Bering Sea trawl fishery," said Sue Salbeson, a fisheries biologist for National Marine Fisheries Service. After May 20, all vessels in the Bering Sea trawl fishery will be required to sort the fish in every haul and set aside all of the salmon until they can be counted by an observer. After the salmon are counted, they will be discarded at sea. For vessels that

do not sort their hauls on-board, the fish will be sorted on the mothership or at the shore-based processor and the salmon set aside for an observer.

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So much has been accomplished in the CDQ program in such a short period of time. In order to help everyone keep track, we present the following chronology of key events.

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NOV. 1992:

The application period for participation in the CDQ program opened November 13 and closed November 17. Also this month, Gov. Hickel of Alaska held public hearings and recommended 1992-93 allocation levels.

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- Aleutian Pribilof Island Community Development Assn., 18,260 mt (18 percent)
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tion, 20,289 mt (20 percent)

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In the four weeks of fishing in December, nearly 96 percent of the 1992 pollock quota was caught.

DEC. 1992—MARCH 1994:

The CDQ groups harvested close to 242,000 metric tons of pollock worth over \$40 million and created new employment and vocational training opportunities for residents of local communities. Since the program began, the CDQ groups have created more than 200 seasonal and non-seasonal jobs.

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The Bristol Bay Economic Development Corporation, the Coastal Villages Fishing Cooperative, the Norton Sound Economic Development Corporation, and the Yukon Delta Fisheries Development Association formed the Western Alaska Fisheries Development Association (WAFDA) in order to coordinate efforts to promote economic development in western Alaska through the CDQ program.

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SEPT. 1993:

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In working with the Community Development Quota program for a year-and-a-half, I have learned that one of the biggest problems is lack of information.

The CDQ region residents and the individual CDQ corporations often have only fragmentary knowledge of the activities of other CDQ corporations and about the events that affect them. Within the North Pacific seafood industry, rumors and misinformation are prevalent about CDQ projects and accomplishments. Government officials, unless they have time to read all the reports, also miss key pieces of information.

All this leads to a situation where CDQ participants could spend time "reinventing the wheel" in their business operations, and where — due to lack of common knowledge — they do not receive the credit they deserve for many impressive and unprecedented achievements.

The purpose of the **CDQ Report** will be to cover the CDQ program in all its varied aspects. Our goal is to inform our readers about CDQ corporation activities, about events that impact the CDQ program, and to present a diverse set of views on CDQ issues.

We hope our publication stimulates discussion and interest in the CDQ program, and serves to clear up any questions or misconceptions that people may have about how it operates.

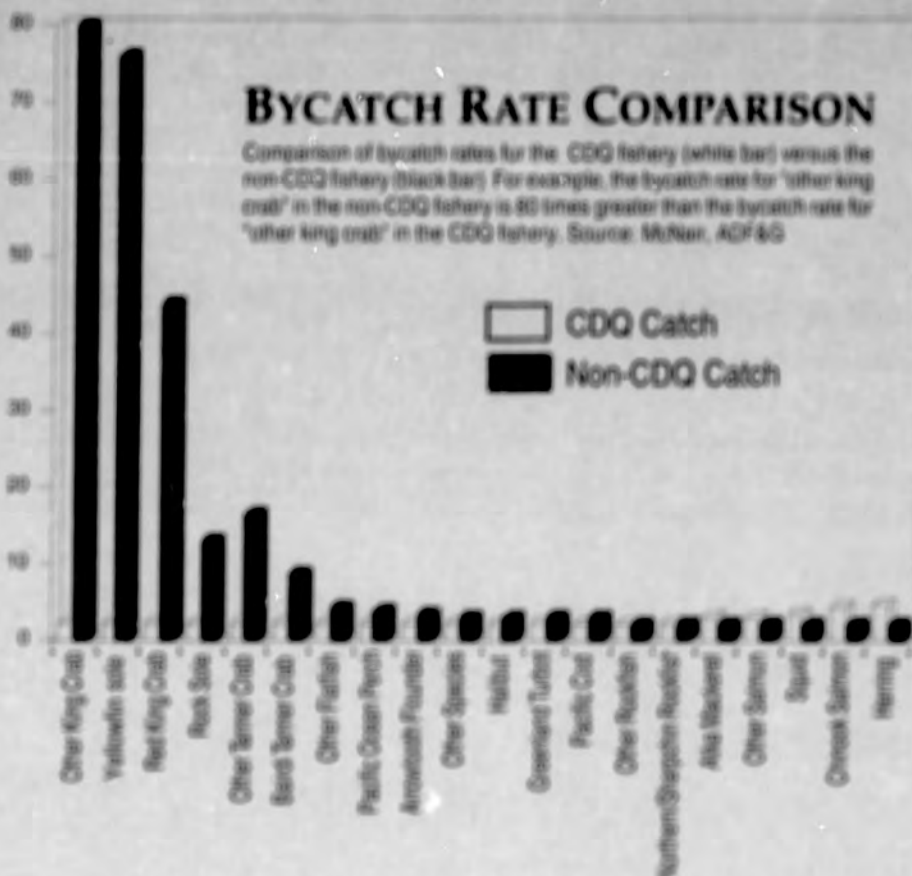
Under our federal grant, the **CDQ Report** is published with free circulation. Please let us know if you wish to be added to our mailing list by calling (907) 279-6519 or mailing a request to 725 Christensen Drive, Anchorage, AK, 99501.

We welcome news items, letters, and your ideas about stories we should cover. We look forward to hearing your comments and suggestions.

Karl Otto, Fisheries Development Specialist, BSFA

BYCATCH RATE COMPARISON

Comparison of bycatch rates for the CDQ fishery (white bar) versus the non-CDQ fishery (black bar). For example, the bycatch rate for "other king crab" in the non-CDQ fishery is 80 times greater than the bycatch rate for "other king crab" in the CDQ fishery. Source: McNair, ACF&G



Reducing Bycatch, continued from page 1

According to Zack, overall bycatch reduction can best be done through developing new fishing techniques and technologies to avoid non-target species and by improving methods of bycatch data collection using more on-board observers.

Zack pointed out that better data is only useful if it is combined with an efficient communications loop that quickly relays observer data to NMFS and then feeds the analyzed information back to the fishing vessels.

"Right now there's a lot of lag time between the time when data is collected to the time it reaches NMFS to the time it gets analyzed to the time the results get back to the fishing grounds," he said. "For example, bycatch may be at high levels at the time the observer data is collected, but it may be many days before the message gets back to the fishing vessels that bycatch is too high and that they need to move off the grounds. By that time it's too late."

While current data shows the salmon bycatch for the CDQ fishery to be higher than that of the open fishery, the CDQ fishery is generally recognized to have a better record for lower overall bycatch of non-target species.

According to McNair, when you compare the CDQ harvest to the non-CDQ fisheries, the CDQ bycatch for herring and halibut is 83 percent of the non-CDQ fishery. For crab, the rate is about 8 percent and for all other species, 38 percent. McNair credits these lower bycatch rates to the commitment of the CDQ groups to fish as cleanly as possible.

The Norton Sound CDQ group has a policy that the vessels must move to other areas to fish if they begin to intercept too many salmon. The longer fishing season for the CDQ fishery also encourages bycatch reduction by allowing more selective fishing and making areas with higher concentrations of non-target species easier to avoid, McNair added.

The legality of the Community Development Quota (CDQ) system will be tested in federal district court this year due to a lawsuit challenging the halibut and sablefish Individual Fishing Quota (IFQ) system.

The Alliance Against IFQs and ten individual plaintiffs filed a complaint against Ron Brown, secretary of the U.S. Department of Commerce, and Clarence Pautzke, executive director of the North Pacific Fishery Management Council, in December, 1993 that attacked the recently-adopted IFQ system as illegal under the Magnuson Fishery Conservation and Management Act.

A portion of the complaint takes direct aim at the CDQ set-asides for Bering Sea communities under the halibut and sablefish IFQ plan.

Two of the plaintiffs — Alaska Native fishermen Adrian LeCorno of Hydaburg and Howard Carlough of Everett, Wash. — claim direct adverse impact because their communities do not participate in CDQs.

Specifically, the complaint charges that the CDQ provision "discriminates between residents of different states,

is not fair and equitable to all fishermen, is not reasonably calculated to promote conservation and is not carried out in such a manner that no particular individual, corporation, or other entity acquires an excessive share of the allocated fishing privileges."

Additionally, the plaintiffs allege CDQs have "economic allocation" as their sole purpose, in violation of the Magnuson Act's National Standard 5.

In response to the lawsuit, the Western Alaska Fisheries Development Association retained Anchorage attorney Don Mitchell to represent CDQ organization interests. Over the plaintiffs' objections, Judge James Singleton on Jan. 31, 1994 granted WAFDA's request to intervene in the case.

Mitchell filed a motion on Feb. 22 that challenged the standing of CDQ-related plaintiffs and that asked the court to set aside the CDQ counts until the IFQ issues were decided. Judge Singleton denied the motion on April 19.

Motions, oppositions, and cross-motions on the main issues in the case are scheduled to be filed in June, July, and August. Oral arguments are ex-

pected to occur in the fall.

In a telephone interview, Homer commercial fisherman and plaintiff Paul Seaton said the main target of the complaint is the IFQ system, not CDQs. The strategy, however, is to challenge all portions of the management plan that appear legally vulnerable.

"If anything is inconsistent with the law, the entire plan is rejected," Seaton said.

Mitchell said the problem for the CDQ groups is that an unfavorable ruling — besides preventing halibut and sablefish participation — could affect the pollock CDQ program and all future CDQs. "It could call into question the legal authorization for pollock CDQs," he said.

In a separate legal issue, Judge Singleton dismissed on March 19, without prejudice, a complaint filed by the Klawock Cooperative Association requesting that this Southeastern Alaska village also be granted halibut and sablefish CDQs. The Klawock complaint was consolidated with the *Alliance* case in February.

The association now has the option of making its request for CDQs directly to the North Pacific council.

HALIBUT/SABLEFISH CDQs: ON LINE SOON

Following the U.S. Department of Commerce's approval of regulations to include halibut and sablefish in the Western Alaska Community Development Quota Program in November 1993, the State of Alaska drafted guidelines for these new CDQ fisheries and held a public hearing in May to review and

adopt the proposed regulations.

The regulations will clear the way for communities wishing to apply for halibut and sablefish CDQs. The initial application period is anticipated to begin around July 1 with applications due sometime in mid-August.



Bering Sea Fishermen's Association

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CDQ - Related Employment for 1994 by Category

The following figures represent program totals for the six Western Alaskan CDQ groups:

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

Employment Type	Number Employed	Wages Generated
Management/Administrative	45	\$ 857,993
CDQ Pollock Fishing	268	\$1,358,292
Other Fisheries	347	\$ 454,307
Other Employment	460	\$2,337,275
Total Employment	1120	\$5,007,867

CDQ - Related Employment for 1994 by Region

Aleutian Pribilof Island Community Development Association

<i>Employment type</i>	<i>Number employed</i>	<i>Wages generated</i>
Management/Administrative	8	\$ 71,000
CDQ Pollock Fishing	5	\$ 29,389
Other Employment	73	\$273,592

Bristol Bay Economic Development Corporation

<i>Employment type</i>	<i>Number employed</i>	<i>Wages generated</i>
Management/Administrative	4	\$ 12,400
CDQ Pollock Fishing	86	\$217,192
Other Employment	2	\$ 8,045

Central Bering Sea Fishermen's Association

<i>Employment type</i>	<i>Number employed</i>	<i>Wages generated</i>
Management/Administrative	11	\$173,396
CDQ Pollock Fishing	26	\$101,673
Other Employment	52	\$631,475

Coastal Villages Fishing Cooperative

<i>Employment type</i>	<i>Number employed</i>	<i>Wages generated</i>
Management/Administrative	5	\$ 94,789
CDQ Pollock Fishing	40	\$177,762
Other Employment	8	\$ 31,951

Norton Sound Economic Development Corporation

<i>Employment type</i>	<i>Number employed</i>	<i>Wages generated</i>
Management/Administrative	13	\$ 453,039
CDQ Pollock Fishing	85	\$ 603,643
Other Fisheries	347	\$ 454,307
Other Employment	276	\$1,000,103

Yukon Delta Fisheries Development Association

<i>Employment type</i>	<i>Number employed</i>	<i>Wages generated</i>
Management/Administrative	4	\$ 53,369
CDQ Pollock Fishing	26	\$228,633
Other Employment	49	\$392,109

1993 CDQ Employment

CDQ Group	Administration Wages	Administration Employees	Pollock Harvesting Wages	Pollock Harvesting Employees	"Other" Employment Wages	"Other" Employees	Total Wages	Total Employees
Norton Sound Economic Development Corporation	\$359,554	10	\$546,554	42	\$26,447	33	\$932,555	85
Yukon Delta Fisheries Development Association	\$43,905	4	\$210,843	39	\$274,115	14	\$528,863	57
Bristol Bay Economic Development Corporation	\$77,462	3	\$215,182	52	\$10,472	1	\$303,116	56
Coastal Village Fishing Cooperative	\$129,114	4	\$159,796	42	\$197,669	114	\$486,579	160
Aleutian Pribilof Island Community Development Association	\$110,000	10	\$85,000	16	\$322,750	53	\$517,750	79
Central Bering Sea Fishermen's Association	\$190,843	5	\$23,140	9	\$60,000	18	\$273,983	32
Total for All CDQ Groups	\$910,878	36	\$1,240,515	200	\$891,453	233	\$3,042,846	469

"Economic Impacts of the 1992/93 Pollock Community Development Quotas"

June, 1994

Prepared by E3 Consulting, Anchorage, Alaska

Prepared for the Alaska Department of Fish and Game, Juneau, Alaska

Key findings of the 24-page report:

1. 556 people were directly employed as a result of the CDQ program in 1992 and 1993. This accounts for eight percent of all employment in the region and 18 percent of all private sector employment.
2. CDQ region residents participated in 375 different training exercises totaling 864 weeks. The training programs were arranged by the CDQ groups and were funded through CDQ proceeds.
3. Four of the six CDQ groups established educational endowment funds. In the first two years, \$100,000 in scholarships was awarded to 64 students.
4. CDQ-related employment generated direct wages of \$4.9 million and had a total wage effect of \$8 million.
5. Jobs for western Alaskans resulted in a net gain for the nation by providing job opportunities in a region with chronically high unemployment rates.
6. The CDQ fishery allows the harvesting of the Bering Sea pollock resource to be conducted in a much more efficient manner with less waste and discards.
7. The CDQ proceeds have been carefully used. The savings will provide the CDQ groups with the foundation for a self-sustainable economic future. Through the end of 1993, the CDQ groups received \$39 million in revenues. Also at the end of 1993, the CDQ groups had assets of \$25.5 million and liabilities of \$1.7 million.

CDQ Region Data

Economic and Social Characteristics of Western Alaska's CDQ-Eligible Region							
Sources: 1990 Federal Census, U.S. Dept. of Labor/Alaska Dept. of Community & Regional Affairs							
	BBEDC*	CVFC*	NSEDC*	YDFDA*	APICDA	CBSFA	Total/ Average
	Bristol By.	Y-K Delta	Norton Sd.	Yukon Dlt.	Aleutians	St. Paul	
PRE-CDQ PERIOD							
Demographics							
Number of communities	14	17	15	4	5	1	56
Total population	5,013	5,769	7,745	1,724	404	752	21,407
% Alaska Natives	49.90	94.50	90.60	94.50	83.70	66.10	79.88
Median age	29.2	22.8	23.6	21.3	30.6	28	25.92
% of children	32.3	42	40.8	44	35.3	25.7	36.68
% with H.S. diploma	79.9	53.9	56	54.6	58.4	61.7	60.75
Employment/Income							
Jobs per household	2.8	1.43	1.4	1.37	3.01	3.82	2.31
% unemployed	42.2	61.5	48.4	61.3	59.5	32.6	50.92
% of public jobs	20.2	47.9	41.9	48.9	15.5	56.2	38.43
Per capita income	\$12,782	\$8,916	\$10,701	\$6,519	\$15,035	\$15,115	\$11,511
Median household incm.	\$43,465	\$17,196	\$20,432	\$21,388	\$30,891	\$39,922	\$28,882
Poverty Status							
% below poverty level	10.1	40.9	33.6	25.1	21.6	7.1	23.07
Income Maintenance	\$384	\$791	\$664	\$808	\$57	\$58	\$460
Trnsfr. Pymt. percapita							
Household Info.							
Median household size	2.9	4.2	4.04	4.28	2.87	3.68	3.66
% overcrowded	13.4	48.6	44.3	54.1	7.8	14.3	30.42
% without plumbing	21.4	80.8	71.4	74.3	9.6	0	42.92
% without kitchens	17.3	77.4	65.3	75	7.2	0	40.37
1993 CDQ PERIOD							
Revenues to 6/30/93	\$4.18M	\$8.34M	\$6.85M	\$1.83M	\$5.76M	\$3.19M	\$30.15M
Employment							
1993 pollock wages	\$215,182	\$159,796	\$546,554	\$210,843	\$85,000	\$23,140	\$1,240,515
Employees	52	42	42	39	16	9	200
1993 non-pllck. income	\$10,472	\$197,669	\$26,447	\$274,750	\$322,750	\$60,000	\$892,088
Employees	1	114	33	14	53	18	233
Training							
Trained pollock	38	53	26	33	30	1	181
Trained non-pollock	—	140	—	54	20	—	214
*Members of the Western Alaska Fisheries Development Association							
H.Sparck/K.Ohls - 2/12/95							

WESTERN ALASKA COMMUNITY DEVELOPMENT QUOTA PROGRAM

CDQ Allocations

1	Pollock	20%
	Halibut	20% (IPHC area 4D)
	Sablefish	30% (Aleutian Island subarea) 25% (Bering Sea subarea)
2	Pollock	7%
	Halibut	33% (IPHC area 4D)
	Sablefish	10% (Aleutian Island subarea) 75% (Bering Sea subarea)
3	Pollock	27%
	Halibut	24% (IPHC area 4D) 70% (IPHC area 4E)
	Sablefish	25% (Aleutian Island subarea)
4	Pollock	8%
	PRIBILOF ISLAND FISHERMEN	
	Halibut	100% (IPHC Area 4C)
5	Pollock	18%
	Sablefish	10% (Aleutian Island subarea)
	ATKA FISHERMEN'S ASSOCIATION	
	Halibut	100% (IPHC Area 4B)
6	Pollock	20%
	Halibut	23% (IPHC area 4D) 30% (IPHC area 4E)
	Sablefish	25% (Aleutian Island subarea)

1 NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION

Regional Population 7745

15 Communities

Partner: Glacier Fish Company, Inc.

Diomed/Ignaluk

2 YUKON DELTA FISHERIES DEVELOPMENT ASSOC.

Regional Population 1724

4 Communities

Partner: Golden Alaska Seafoods

Gambell
Savoonga

3 COASTAL VILLAGES FISHING COOPERATIVE

Regional Population 5769

17 Communities

Partner: Golden Age Fisheries

Hooper Bay

Scammon Bay

Chevak

Tunuk

Toksook Bay

Newtok

Mekoryuk

Niglmute

Tuntuliak

Cherforkak

Eek

Kipnuk

Kwigillingok

Quinhagak

Goodnews Bay

Platinum

Twin Hills

Dillingham

Clark's Pt.

Manokotak

Aleknagik

Ekuk

S. Maknek

Maknek

King Salmon/

Savonoski

Egegik

Pilot Point

Ugashik

Port Heiden

Nelson Lagoon

False Pass

4 CENTRAL BERING SEA FISHERMEN'S ASSOCIATION

Regional Population 752 • 1 Community

Partner: American Seafoods Company, Inc.

St. Paul

St. George

PRIBILOF ISLAND
FISHERMEN

2 Communities

5 ALEUTIAN PRIBILOF ISLAND COMMUNITY DEVELOPMENT ASSOCIATION

Regional Population 404 • 5 Communities

Partner: Trident Seafoods Corporation &
Starbound Partnership

Atka

Nikolski

BRISTOL BAY ECONOMIC DEVELOPMENT CORPORATION

14 Communities

Regional Population 5013

Partner: Oceantrawl, Inc.

6

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



MEMORANDUM

TO: Kathy Schutte - Office of the Governor
Michelle Toohey - House Finance Committee
John Walsh - House Finance Committee
Annette Kreitzer - Senate Resources Committee
Amy Daugherty - House Special Fisheries Committee

① FROM: Karl Ohls *Karl Ohls*
Executive Director

DATE: February 17, 1995

RE: CDQ events in Juneau

As you requested, I'm providing you with a list of the people who will be in Juneau on March 1 to meet with the governor and specific legislative committees in order to report to them on the current progress and activities of the Western Alaska Community Development Quota program.

② Nels Anderson Jr. - Executive Director
Bristol Bay Economic Development Corporation

③ Eugene Asicksik - Acting Executive Director
Norton Sound Economic Development Corporation

⑦ Ragnar Alstrom - Board Member
Yukon Delta Fisheries Development Association

⑤ Fred Phillip - Board Member
Coastal Villages Fishing Cooperative

④ Agafon Krukoff Jr. - President
Central Bering Sea Fishermen's Association

**Karl Ohls - Executive Director
Western Alaska Fisheries Development Association**

The Aleutian Pribilof Island Community Development Association will also be represented at the meetings. I will notify you about who the representative will be as soon as that is determined.

If you need further information, please do not hesitate to contact me at 279-6519. Attached, for your information, is a copy of the March 1 schedule for CDQ group activities.

Juneau schedule for CDQ delegation

Wednesday, March 1, 1995

- 8:30 a.m. Organizational breakfast
Coffee shop, Baranof Hotel
- Morning Free for individual appointments with legislators or other business
(ADF&G's Citizens Advisory Committee on Federal Legislation Reauthorization will meet 9:30-noon at Fish and Game)
- 1:30-2:30 p.m. House Finance Committee
Chaired by Rep. Mark Hanley of Anchorage and Rep. Richard Foster of Nome
House Finance Room, Capitol Bldg., 5th floor
- 3-3:15 p.m. Gov. Tony Knowles
Governor's office, Capitol Bldg., 3rd floor
- 3:30-4:15 p.m. Senate Resources Committee
Chaired by Sen. Loren Leman of Anchorage
Butrovich Room, Capitol Bldg., 2nd floor
- 5-6 p.m. House Special Committee on Fisheries
Chaired by Rep. Alan Austerman of Kodiak
House Resources Room, Capitol Bldg., 1st floor
- 6:30 p.m. Legislative Seafood Reception
Featuring:
Norton Sound king crab (Norton Sound Crab Co.)
Norton Sound king salmon (NSCC)
Rockfish fillets (YDFDA, Sahalee of Alaska)
Pollock fillets (NSEDC, Glacier Fish Co.)
Pink salmon fillets (NSEDC, Glacier Fish)
Cold smoked king salmon (NSEDC, Glacier Fish)
Silverbow Inn, 120 Second St., downtown Juneau



Aleutian Pribilof Island Community Development Association

Gilda Shellikoff, Chair • Laurence Lestenkof, Vice Chair • Justine Gundersen, Sec-Treas 3

234 Gold St. • Juneau, Alaska 99801 • (907) 586-3107 • (907) 586-1001 FAX

TESTIMONY BEFORE THE ALASKA LEGISLATURE March 1, 1995

My name is Justine Gundersen. I am a resident of Nelson Lagoon, a small village located on the Alaska Peninsula. I serve as the Secretary-Treasurer of APICDA (the Aleutian Pribilof Island Community Development Association) which consists of the communities of Nelson Lagoon, St. George Island, Atka, Nikolski, and False Pass. The communities of Akutan and Unalaska are also represented on APICDA's Board of Directors as non-voting members.

Our mission statement commits APICDA to develop stable local economies in our member communities, and to foster education, training, and employment for local residents. Given the proximity of our communities to major commercial fishing grounds and transportation corridors, APICDA has placed great emphasis on the development of local infrastructure to serve as the foundation for future economic growth and stability in each of our communities.

As we engage in capital projects that benefit the community and the commercial fishing industry as a whole, we receive in exchange a *quid pro quo* from the community. The *quid pro quo* usually consists of a long term lease at favorable rates for property immediately adjacent to the project site. This, in turn, provides APICDA will the ability to invest additional funds in the community in businesses that will benefit from the economic development that occurs in conjunction with the construction project. The following is a brief review of APICDA local infrastructure projects during 1993 and 1994, and the attendant *quid pro quo*.

- St. George Island: Provided \$1.2 million to complete the dredging of the Zapadni Bay Harbor; APICDA received a thirty year lease to waterfront property in the harbor.
- False Pass: Provided \$400,000 for extension of water and sewer services to the False Pass City Dock; APICDA received a thirty year lease to four acres of land immediately adjacent to the city dock.
- False Pass: Provided \$210,000 for the construction of a gear storage warehouse; APICDA received a thirty year lease for one acre of waterfront property.
- Nelson Lagoon: Provided \$200,000 for engineering and design work for a community dock. An additional \$500,000 is allocated during 1995 as matching funds for construction of the dock later this

year. In exchange for its participation, APICDA acquired ownership to the ten acres of land surrounding the dock site.

In conjunction with each local community, APICDA is actively engaged in identifying business development projects at each of the *quid pro quo* sites. For example, APICDA has allocated \$700,000 during 1995 for the construction of a dock on our lease site in St. George. We expect the dock to result in construction of shoreside facilities in St. George that will provide substantial social and economic benefits to both the community and APICDA.

During the past two years, APICDA has worked very closely with the community of Atka to broaden and stabilize the local fishing industry. Last year, APICDA purchased three thirty-two foot longline vessels which were subsequently leased to local residents to fish halibut. APICDA also spent \$200,000 to construct a small floating dock to facilitate deliveries of fish to the local processing plant. Concurrent with the vessel investment and dock construction, APICDA and the Atka Fishermen's Association formed Atka Pride Seafoods, a joint venture processing company owned equally by the parties.

These efforts resulted in an increase in halibut harvests by local fishermen from 22,000 pounds in 1993 to 120,000 pounds in 1994, and generated \$200,000 in wages and earnings. During 1995, we expect to harvest and process in excess of 400,000 pounds of halibut and Pacific cod in Atka. Since fishing constitutes the only private sector employment opportunity in Atka, this program has — and will continue to have — huge social and economic impacts upon the community.

APICDA has a comprehensive training, employment, and education program. Virtually any resident who desires a job, who needs training, or who wishes to continue their education is eligible to receive assistance from APICDA. On an annual basis, we allocate \$300,000 for training and education projects. Through our employment program, we have provided nearly 150 individuals with jobs that were not previously available. As our infrastructure development program nears completion, and our local business development program takes off, we expect to generate dozens of additional jobs within the communities we serve.

APICDA's private sector harvesting partners are Trident Seafoods Corporation, one of Alaska's largest shoreside processing companies, and the Starbound Partnership. Both are excellent partners. Our pollock CDQ fishing activities have resulted in little, if any, bycatch of salmon, crab, halibut, and herring, and our discard rate for groundfish is less than one percent. By any standard, we practice the "wise use" definition of conservation.

As APICDA moves into the future, we are actively seeking investment opportunities within the seafood industry that will provide us with greater economic security and diversity for the future and lead our corporation to self-sufficiency. Toward that end, APICDA has formed two profit-making subsidiaries that are wholly owned by APICDA (which is a non-profit corporation). These subsidiaries hold our profit making assets and are serving as our investment vehicle into the private sector.

Comments to the Alaska Legislature
March 1, 1995
Page 3

We are proud of our CDQ corporation. As a newly organized board of directors, we set high standards, goals and objectives. And we have accomplished them. The results of our efforts and the CDQ program are immediately visible in each of our communities

Thank you for the opportunity to provide my comments. I would be happy to answer any questions that you may have.