

ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILES 8672

2314 SCOMM 95: HOUSE SPEC. COMM. ON FISHERIES 1995-1996

SCOMM

95:37



REPRESENTATIVE ALAN AUSTERMAN Alaska State Legislature

P.O. Box 2368, Kodiak, Alaska 99615 (907) 486-5930 • Session: State Capitol, Juneau, Alaska 99801 465-2487

Sponsor Statement HB 542

**"An Act relating to participation in matters before the Board of Fisheries
by members of the board."**

March 19, 1996

This legislation was introduced because of a growing frustration among fishing Alaskans. Alaskans involved in fisheries have witnessed an erosion in their Board of Fisheries process in recent years. The cause is the reinterpretation and consequent increased interference of the Executive Ethics Act by the Attorney General's Office.

HB 542 adjusts the conflict of interest laws in the Executive Ethics Act as they apply to the Board of Fisheries. It stipulates that all members will vote, after disclosure, despite their financial or personal interest. Historically, this is how the board functioned - with full participation after conflict of interest disclosure. It has only been in the last few years that a conflict has disqualified participation on a vote.

You have in your backup a memorandum from myself to Speaker Phillips which refers to a meeting a month ago that I arranged which was attended by six Board of Fisheries chairmen. Three of these chairmen came from a commercial background, three from a sportfish background. Their foremost recommendation was for a legislative fix to the conflict of interest of the Executive Ethics Act.

The chairmen unanimously emphasized a conflict of interest adjustment was necessary to minimize attorney interference in the board process and to require board members to vote. Furthermore, they asserted that members of the industry are necessary to and inherent in a successful lay board process. Today, under the current AG opinions, any financial involvement disqualifies a member from voting, thereby discouraging expertise on the board. Meanwhile, a personal interest has yet to disqualify any member from voting.

This bill will bring the Board process back to the people who know the industries and who know fish. Our Board of Fisheries is a model in resource management, longstanding in its successful track record and public involvement. HB 542 will let the Board of Fish function like it should, like it did, and how it was intended to work.

(2) people who serve as public officers retain their rights to interests of a personal or financial nature; and

(3) standards of ethical conduct for members of the executive branch need to distinguish between those minor and inconsequential conflicts that are unavoidable in a free society, and those conflicts of interests that are substantial and material.

(b) Unethical conduct is prohibited, but there is no substantial impropriety if, as to a specific matter, a public officer's

(1) personal or financial interest in the matter is insignificant, or of a type that is possessed generally by the public or a large class of persons to which the public officer belongs; or

(2) action or influence would have insignificant or conjectural effect on the matter.

(c) The attorney general, designated supervisors, hearing officers, and the personnel board must be guided by this section when issuing opinions and reaching decisions. (§ 1 ch 87 SLA 1986)

NOTES TO DECISIONS

Significance of personal or financial interest. — Substantial evidence supported the hearing officer's findings that Department of Corrections' official had neither a personal nor a financial interest in the awarding of a contract concerning

the housing of minimum security prisoners to a bidder for whom she had served as vice-president of operations. *Kila, Inc. v. State*, 875 P.2d 1102 (Alaska 1994).

Cited in *Gates v. City of Tenakee Springs*, 822 P.2d 455 (Alaska 1991).

Sec. 39.52.120. Misuse of official position. (a) A public officer may not use, or attempt to use, an official position for personal gain, and may not intentionally secure or grant unwarranted benefits or treatment for any person.

(b) A public officer may not

(1) seek other employment or contracts through the use or attempted use of official position;

(2) accept, receive, or solicit compensation for the performance of official duties or responsibilities from a person other than the state;

(3) use state time, property, equipment, or other facilities to benefit personal or financial interests;

(4) take or withhold official action in order to affect a matter in which the public officer has a personal or financial interest; or

(5) attempt to benefit a personal or financial interest through coercion of a subordinate.

(c) In addition to other provisions of this section, a public officer who is a member of the Board of Fisheries or the Board of Game may not act on a matter before the board if the public officer has not disclosed in the manner set out in AS 39.52.220 all personal or financial interests in a business or organization relating to fish or game resources. (§ 1 ch 87 SLA 1986; am § 5 ch 121 SLA 1992)

Sec. 39.52.210. Declaration of potential violations by public employees. (a) A public employee who is involved in a matter that may result in a violation of AS 39.52.110 — 39.52.190 shall

(1) refrain from taking any official action relating to the matter until a determination is made under this section; and

(2) immediately disclose the matter in writing to the designated supervisor.

(b) A public employee's designated supervisor shall make a written determination whether an employee's involvement violates AS 39.52.110 — 39.52.190. If the supervisor determines that a violation could exist or will occur, the supervisor shall,

(1) reassign duties to cure the employee's potential violation, if feasible; or

(2) direct the divestiture or removal by the employee of the personal or financial interests that give rise to the potential violation.

(c) A designated supervisor may request guidance from the attorney general, in accordance with AS 39.52.240, when determining whether a public employee is involved in a matter that may result in a violation of AS 39.52.110 — 39.52.190. (§ 1 ch 87 SLA 1986)

Sec. 39.52.220. Declaration of potential violations by members of boards or commissions. (a) A member of a board or commission who is involved in a matter that may result in a violation of AS 39.52.110 — 39.52.190 shall disclose the matter on the public record and in writing to the designated supervisor. The supervisor shall determine whether the member's involvement violates AS 39.52.110 — 39.52.190. If a member of the board or commission objects to the ruling of the supervisor, or if the supervisor discloses an involvement requiring a determination, the members present at a meeting, excluding the involved member, shall vote on the matter. If the supervisor or a majority of the members voting determine that a violation will exist if the member continues to participate, the member shall refrain from voting, deliberating, or participating in the matter.

(b) The designated supervisor or the board or commission may request guidance from the attorney general, in accordance with AS 39.52.240, when determining whether a member of a board or commission is involved in a matter that may result in a violation of AS 39.52.110 — 39.52.190. (§ 1 ch 87 SLA 1986)

Sec. 39.52.230. Reporting of potential violations. A person may report to a public officer's designated supervisor, under oath and in writing, a potential violation of AS 39.52.110 — 39.52.190 by the public officer. The supervisor shall provide a copy of the report to the officer who is the subject of the report, and shall review the report to determine whether a violation may exist. The supervisor shall act in accordance with AS 39.52.210 or 39.52.220 if the supervisor deter-

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Sec. 39.52.240. Advisory opinions. (a) Upon the written request of a designated supervisor or a board or commission, the attorney general shall issue opinions interpreting this chapter. The requester must supply any additional information requested by the attorney general in order to issue the opinion. Within 60 days after receiving a complete request, the attorney general shall issue an advisory opinion on the question.

(b) The attorney general may offer oral advice if delay would cause substantial inconvenience or detriment to the requesting party.

(c) The designated supervisor or a board or commission shall make a written determination based on the advice of the attorney general. If the advice of the attorney general provides more than one way for a public officer to avoid or correct a problem found under AS 39.52.110 — 39.52.190, the designated supervisor or the board or commission shall, after consultation with the officer, determine the alternative that is most appropriate and advise the officer of any action required of the officer to avoid or correct the problem.

(d) A public officer is not liable under this chapter for any action carried out in accordance with a determination made under AS 39.52.210 — 39.52.240 if the officer fully disclosed all relevant facts reasonably necessary to the determination.

(e) The attorney general may reconsider, revoke, or modify an advisory opinion at any time, including upon a showing that material facts were omitted or misstated in the request for the opinion.

(f) A person may rely on an advisory opinion that is currently in effect.

(g) A request for advice made under (a) of this section is confidential.

(h) The attorney general shall publish in the Alaska Administrative Journal, with sufficient deletions to prevent disclosure of the persons whose identities are confidential under (g) of this section, the advisory opinions issued under this section that the attorney general determines to be of major import because of their general applicability to executive branch officers. (§ 1 ch 87 SLA 1986)

NOTES TO DECISIONS

Opinion not required. — In the absence of any personal or financial interest in the contested contract, and given the fact that state official did not participate in or influence the contract award process,

official was not required to contact the Attorney General regarding the alleged conflict of interest. *Kila, Inc. v. State*, 875 P.2d 1102 (Alaska 1994).



REPRESENTATIVE ALAN AUSTERMAN Alaska State Legislature

P.O. Box 2368, Kodiak, Alaska 99615 (907) 486-5930 • Session: State Capitol, Juneau, Alaska 99801 465-2487

MEMORANDUM

DATE: February 28, 1996

TO: Representative Gail Phillips, Speaker
House of Representatives

FROM: Representative Alan Austerman, Chairman
House Special Committee on Fisheries

RE: Board of Fisheries Chairmen's Meeting

Our Board of Fish chairman's meeting met in Anchorage on February 15th and 16th and was a great success. Thank you for the opportunity to assemble five prior Board of Fisheries chairmen and the current chairman for this meeting. The meeting was designed as an informal roundtable discussion. The only request on my part was to look at the outline of concerns I supplied for the meeting.

As I know you are aware, these are turbulent times for our fisheries and the board process which governs it. I know you share my thoughts that we need to identify and address some of the current trends regarding commercial fisheries.

The chairmen voiced concern about the current level of politics prevalent in Board of Fisheries appointments and in the legislative confirmation process in general. While some of it is inherent in the process, the level of questionably intended appointments and political motives abound at unprecedented levels.

The chairmen were unanimous that the Board of Fisheries remain a lay board. They felt it would be a great loss to the state if this process gave way to a professional board as other states have done. The resistance to the professional board primarily rests with the loss of varied experience to the board, public accessibility to the board and the longstanding successful track record of our Board of Fisheries.

It was also unanimous that a professional board be seriously considered only if the political interference continued and the conflict of interest could not be adjusted to be "workable" to foster the present lay board process. There was suggestion that establishment of a professional board would require careful implementation of specific guidelines for appointment and procedures which, the group felt, they could devise if the lay board changes could not be attained.

Specifically, in order to assist the lay board, the chairmen suggested (1) modification of the conflict of interest law, (2) adoption of a better appointment time frame, as in CSHB 141, and (3) provide Board staff support.

Conflict of Interest

The topic of conflict of interest took center stage at the meeting. The chairmen said that the application of the executive branch's conflict of interest laws and the recent interpretation of these laws, did the board a great disservice and rendered it nearly ineffective. There was concern that this law removes industry participants from participating in the process (which, they felt, is the biggest benefit of having a lay board). There was consensus that lawyers are clogging the system in order to promote their own political agendas. It was pointed out that, in the past, as long as the individual board members admit their conflict on the record and could justify their vote, the board functioned well. At the outset of the meeting the chairmen recommended possible application of the Legislative Ethics Act to the Board.

Change Board Appointment and Term Dates

Of all the legislation introduced on these subjects, the group preferred HB 141, a bill I sponsored which sets the appointment date closer to the confirmation date thereby minimizing the opportunity for new members to vote at board meetings held prior to legislative confirmation hearings. The bill also sets the beginning date of terms to July 1, so that new members are not thrown into a board meeting several days after appointment. That legislation is awaiting scheduling on the Senate Floor. Passage of HB 141 would be a major step in remedying some of the problems associated with the Board of Fish appointment process.

The chairmen stressed that individuals with high levels of integrity need to be appointed to the Board. There was some discussion suggesting a point system be established by statute. This point system would assist the Governor's adherence to certain criteria when deciding between given candidates. If appointments were not made in accordance to this criteria, justification would need to be established on record.

Staff Support

There was consensus that the Board is in dire need of some staff, separate from the Department of Fish and Game staff. It was suggested that a legal position is needed to assist with mediating issues, before they reach the board, and to help with preparation of findings, the legal justification of individual votes. There was also substantial support for the board to access biological and economic information, independent of the department, for obvious reasons. Positions specifically designated to the Board, or funding with RSA capabilities, would lighten the excessive demands on the lay board at a fraction of the cost of a professional board.

Two chairmen felt if the two major problem areas in fisheries, False Pass and Cook Inlet were addressed and resolved, the politics of the process would lessen and the board could better function. They recommended that this group make specific recommendations on these two areas to the board to most effectively get the Board on track.

Update on Conflict of Interest

Since the meeting in Anchorage I have had staff contact Mary McDowell in the Governor's Office and various attorneys in the AG's office. While Mary McDowell has indicated a willingness to work with us on an adjustment of conflict of interest laws for the Board of Fisheries, Neil Slotnick has indicated a reluctance to amend the conflict of interest solely for this board and not all boards at one time. Another attorney, Steven Daugherty (no relation to Amy), supports amending the financial conflict to any interest above 20 percent. That means a commercial fisherman could vote on issues regarding a fishery which composed 20 percent or less of his income. Steve White of the Attorney General's Office suggested that a loosening of the conflict of interest laws undermines public confidence in the Board.

Steven Daugherty also reviewed the Legislative Ethics Act to see if this could apply to the Board of Fisheries. This is not a quick fix because much of AS 24.60 does not or could not apply to the Board of Fish. I am still evaluating which sections should and could apply.

The chairmen's general request was that the Board members be able to vote despite financial ties and an adjustment was needed to relax the financial conflict of interest to more equalize it with the personal conflict of interest criteria.

Speaker Phillips - February 28, 1996
Page Four

My staff is pursuing this topic as a priority item. It is my plan to have legislation drafted in the very near future to address the conflict of interest. I feel that these past and present chairmen are a very valuable information resource that we should continue to draw them together and listen to their input.

Attn:
Amy

HOUSE FISHERIES COMMITTEE 3/20/96 @ 5:00 PM

HOUSE RESOURCES COMMITTEE 3/22/96 @ 8:00 AM

MY NAME IS NICK SZABO, I WAS A MEMBER OF THE BOARD OF FISHERIES FROM 1975-1982 AND I'VE BEEN INVOLVED WITH ALASKA'S FISHING INDUSTRY FOR THE LAST THIRTY YEARS. I SUPPORT HB 542. I RECENTLY ATTENDED A MEETING OF THE PRESENT AND PAST FISHERIES BOARD CHAIRMEN CALLED BY REP. AUSTERMAN. THOSE ATTENDING SPANNED A 20 YEAR PERIOD OF BOARD SERVICE AND ALL WERE IN FULL AGREEMENT THAT THIS CHANGE WAS MOST NEEDED.

FISHERIES MANAGEMENT AND ALLOCATION DECISIONS ARE VERY IMPORTANT TO ALASKA'S ECONOMY. WE NEED THE FULL PARTICIPATION OF MEMBERS WHO ARE HIGHLY KNOWLEDGEABLE AND WIDELY EXPERIENCED IN A VARIETY OF DIFFERENT FISHERY USES. THE ISSUES ARE TOO COMPLEX AND TOO IMPORTANT TO RISK DECISIONS BY A BOARD THAT DOESN'T FULLY UNDERSTAND ALL THE IMPLICATIONS OF THEIR DECISIONS.

PEOPLE WITH A LOT OF KNOWLEDGE AND EXPERIENCE ARE LIKELY TO HAVE BOTH A FINANCIAL AND A PERSONAL INTEREST IN AN ISSUE. HOWEVER, THE EXECUTIVE BRANCH ETHICS ACT PROHIBITS PARTICIPATION BY A MEMBER WITH A PERSONAL OR FINANCIAL INTEREST AND THUS FRUSTRATES THE INTENT OF HAVING A BOARD COMPOSED OF MEMBERS WITH KNOWLEDGE AND EXPERIENCE. THE 7 MEMBER FISHERIES BOARD REQUIRES 4 VOTES TO PASS AN ACTION REGARDLESS OF HOW MANY MEMBERS ARE ACTUALLY PARTICIPATING. AT ONE TIME THE BOARD HAD 4 MEMBERS WHO HELD BRISTOL BAY SALMON PERMITS. UNDER THE PRESENT LEGAL OPINIONS, THAT BOARD COULDN'T FUNCTION ON ANY ACTION THAT DEALT WITH BRISTOL BAY. THERE HAVE BEEN OTHER SITUATIONS WHERE ONLY 4 OR 5 MEMBERS HAVE BEEN RULED ELIGIBLE TO PARTICIPATE. AN ACTION TO CHANGE THE STATUS QUO FAILED 3-2, YET A MOTION TO APPROVE FINDINGS IN SUPPORT OF THAT VOTE ALSO FAILED BECAUSE ONLY A PORTION OF THE MEMBERSHIP WAS ALLOWED TO VOTE. THE BOARD'S ACTION TO MAINTAIN THE STATUS QUO WAS NULLIFIED BY ITS INABILITY TO APPROVE FINDINGS.

YOU MAY HAVE MISGIVINGS ABOUT EXEMPTING THE BOARD FROM THE ETHICS ACT BECAUSE YOU FEEL IT MAY VIOLATE THE PUBLIC TRUST. THERE ARE OTHER WAYS TO PROTECT THE PUBLIC'S INTEREST WHILE STILL ALLOWING PARTICIPATION BY MEMBERS WHO ARE INVOLVED WITH THE ISSUE. THE PUBLIC WOULDN'T BE CONCERNED ABOUT BOARD MEMBER'S FINANCIAL OR PERSONAL INTERESTS IF THEY WERE CONFIDENT THAT THE BOARD MEMBER'S VOTE WAS IN THE PUBLIC INTEREST AND BASED ON THE FACTS ON THE RECORD. BY REQUIRING THE BOARD TO DOCUMENT THE REASONS FOR AN ACTION BY FINDINGS OF FACT, THE PUBLIC CAN BE ASSURED THAT BOARD MEMBERS ARE VOTING BASED ON THEIR EXPERTISE RATHER THAN THEIR CONFLICTS. THESE FINDINGS WOULD GIVE THE PUBLIC A WRITTEN BASIS FOR CONTROVERSIAL BOARD DECISIONS. POSSIBLY EACH BOARD MEMBER COULD ADDITIONALLY BE REQUIRED TO PRODUCE PERSONAL FINDINGS, EXPLAINING TO THE PUBLIC THEIR INDIVIDUAL REASONS FOR A PARTICULAR VOTE.

THESE ADDITIONAL OBLIGATIONS WOULD REQUIRE INCREASED STAFF SUPPORT, BUT IF THE BOARD IS TO REGAIN THE CONFIDENCE OF THE PUBLIC, THEN THEY ARE VERY MUCH NEEDED AND LONG OVERDUE.

Alaska State House of Representatives
Nineteenth Legislature
Second Session

RCS# 276
Item 6

03-27-96
10:59:48

CSHB 542(FSH)
Third Reading
Final Passage

Yeas: 35 Austerman, Barnes, Brice, Brown, Bunde,
Davies, B.Davis, G.Davis, Elton,
Finkelstein, Foster, Green, Grussendorf,
Hanley, Ivan, Kelly, Kott, Kubina, Long,
Mackie, Martin, Moses, Mulder, Navarre,
Nicholia, Parnell, Phillips, Porter,
Robinson, Rokeberg, Therriault, Toohey,
Vezey, Williams, Willis

Nays: 2 Kohring, Ogan

Excused: 1 James

Absent: 2 Masek, Sanders

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

FVB
March 28, 1996

SUBJECT: Participation by members of the Board of Fisheries in board meetings
(CSHB 542(FSH))

TO: Representative Alan Austerman
Attn: Amy Daugherty

FROM: Teresa B. Cramer *TBC*
Legislative Counsel

You have asked for an interpretation of the requirement contained in CSHB 542(FSH) that members of the board of Fisheries "must participate in matters before the board even if the member has a personal or financial interest in the matter." Sec. 39.52.120(d), added by sec. 3 of CSHB 542(FSH). The language means that if a member of the board is present at a meeting, he or she may not abstain for any reason. The subsection requires the board member to disclose a personal or financial interest before participating but does not allow abstention for any reason. If the member were absent from the meeting, the member would be unable to participate. I do not know whether the procedures of the Board of Fisheries include any mechanism for compelling the attendance of members.

Please let me know if you have additional questions or if you would like an amendment prepared for your review.

TC:pl
96-098.plm

9-LS1770\K~
Cramer
4/1/96

SENATE CS FOR CS FOR HOUSE BILL NO. 542()
IN THE LEGISLATURE OF THE STATE OF ALASKA
NINETEENTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to participation in matters before the Board of Fisheries by
2 members of the board."

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 * Section 1. PURPOSE. The purpose of this Act is to preserve and enhance the ability
5 of the Board of Fisheries to act as a lay board. To accomplish this goal, this Act requires
6 members of the board to disclose conflicts concerning issues that come before the board in
7 which the members have a personal or financial interest and to request permission to abstain
8 from voting on the matter.

9 * Sec. 2. AS 39.52.120(c) is amended to read:

10 (c) In addition to other provisions of this section, a public officer who is a
11 member of the [BOARD OF FISHERIES OR THE] Board of Game may not act on
12 a matter before the board if the public officer has not disclosed in the manner set out
13 in AS 39.52.220 all personal or financial interests in a business or organization relating
14 to fish or game resources.

1 * Sec. 3. AS 39.52.120 is amended by adding a new subsection to read:

2 (d) Notwithstanding any other provision of this chapter, a public officer who
3 is a member of the Board of Fisheries who is present at a meeting may participate in
4 a discussion concerning all matters to come before the board. The member shall vote
5 on all matters to come before the board unless the member is excused from voting
6 under this subsection. A member who has a personal or financial interest in a matter
7 before the board shall disclose the interest on the record and request permission to
8 abstain from voting. A member may abstain from voting only if all other members
9 of the board who are present at the meeting agree to the abstention. Disclosure under
10 this subsection is not subject to AS 39.52.220. Participation in a matter before the
11 board after disclosure and, if required, voting on the matter is not considered to be a
12 use of state facilities to benefit personal or financial interests under (b)(3) of this
13 section. AS 39.52.240 does not apply to matters related to this subsection.

9-LS1770\G
Cramer
3/20/96

CS FOR HOUSE BILL NO. 542(FSH)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE SPECIAL COMMITTEE ON FISHERIES

Offered:

Referred:

Sponsor(s): HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

A BILL

FOR AN ACT ENTITLED

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5 of the Board of Fisheries to act as a lay board. To accomplish this goal, this Act requires
6 members of the board to participate in the issues that come before the board even though the
7 members have a personal or financial interest in the matter by virtue of their participation in
8 a fishery.

9 * **Sec. 2.** AS 39.52.120(c) is amended to read:

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11 member of the [BOARD OF FISHERIES OR THE] Board of Game may not act on
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1 * **Sec. 3.** AS 39.52.120 is amended by adding a new subsection to read:

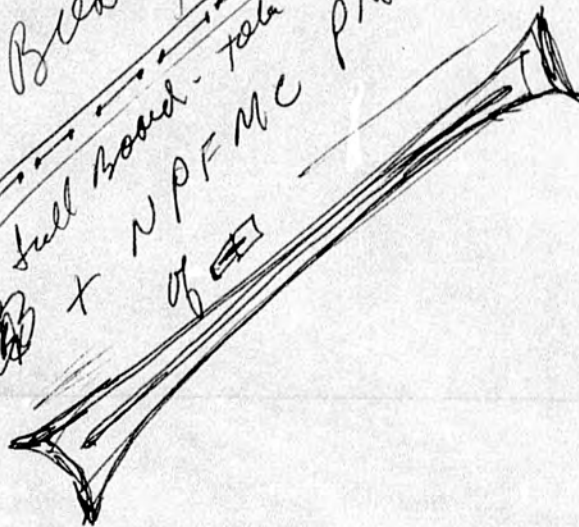
2 (d) Notwithstanding any other provision of this chapter, a public officer who
3 is a member of the Board of Fisheries must participate in matters before the board
4 even if the member has a personal or financial interest in the matter. Before
5 participating, the member shall disclose the interest on the record. Disclosure under
6 this subsection is not subject to AS 39.52.220. Participation in a matter before the
7 board after disclosure is not considered to be a use of state facilities to benefit personal
8 or financial interests under (b)(3) of this section. AS 39.52.240 does not apply to
9 matters related to this subsection.

NPFC

Conflicted out from
beginning

participate + DELIBERATE

400 Breaking
full board - take a vote
NPFC process



HOUSE BILL NO.**IN THE LEGISLATURE OF THE STATE OF ALASKA****NINETEENTH LEGISLATURE - SECOND SESSION****BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE****Introduced:****Referred:****A BILL****FOR AN ACT ENTITLED**

1 "An Act relating to participation in matters before the Board of Fisheries by
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12 a matter before the board if the public officer has not disclosed in the manner set out
13 in AS 39.52.220 all personal or financial interests in a business or organization relating
14 to fish or game resources.

1 * Sec. 3. AS 39.52.120 is amended by adding a new subsection to read:

2 (d) Notwithstanding the prohibition against taking or withholding official
3 action in (b)(4) of this section, a public officer who is a member of the Board of
4 Fisheries must participate in matters before the board even if the member has a
5 personal or financial interest in the matter. Before participating, the member shall
6 disclose the interest on the record. Disclosure under this subsection is not subject to
7 AS 39.52.220. Participation in a matter before the board after disclosure is not
8 considered to be a use of state facilities to benefit personal or financial interests under
9 (b)(3) of this section. AS 39.52.240 does not apply to matters related to this
10 subsection.

SCOMM

95:38

1

STATEMENT ON HCR -12

MR. CHAIRMAN-
MEMBERS OF THE COMMITTEE-

I AM HERE BEFORE YOU TODAY BECAUSE A
VITAL RESOURCE IS IN A CRISIS SITUATION.

I USE THE TERM VITAL BECAUSE THERE IS A
LARGE ECONOMY BUILT UPON THIS
RESOURCE. AN ECONOMY WHICH STARTS AT
THE DINNER TABLE OF ALASKAN FAMILIES
AND EXTENDS OUTWARD TO THOSE WHO'S
LIVELIHOOD DEPENDS ON A HEALTHY
RESOURCE.

WE CAN ALL AGREE THERE IS A CRITICAL
PROBLEM WITH KING SALMON IN UPPER
COOK INLET. WE CAN ALL AGREE SERIOUS
MEASURES ARE NEEDED TO CORRECT THE
PROBLEM.

THE SPORT FISH USERS IN MY DISTRICT ARE
VERY UPSET. THE BUSINESSES IN MY
DISTRICT ARE VERY UPSET. THE PEOPLE
WHO BRING FISH HOME TO THEIR FAMILIES
ARE VERY UPSET.

THEY ARE UPSET BECAUSE THIS HAS
HAPPENED.

THEY ARE UPSET BECAUSE THEY ARE
LOSING FISH AND AN IMPORTANT ECONOMY
--BUT....

THEY HAVE ALL AGREED TO SUPPORT THE
CLOSURES AND REDUCTIONS TO SAVE THE
RESOURCE.

MR. CHAIRMAN THIS RESOLUTION IS ASKING
THE BOARD TO LOOK VERY CLOSELY AT
THIS CRISIS. TO DETERMINE WHAT OTHER
MEASURES MAY BE NECESSARY, TO BUILD
BACK AS RAPIDLY AS POSSIBLE, A
THREATENED RESOURCE.

I FEEL IT IS WRONG TO ZERO ONE USER
GROUP OUT AND LET OTHER USER GROUPS
CONTINUE TO TAKE FISH NEEDED FOR
ESCAPEMENT.

IT IS WRONG TO CRIPPLE ONE ECONOMY
AND LET ANOTHER CONTINUE TO FISH IF
THEY ARE TAKING SUSITNA BOUND KINGS.
IF THE BOARD HAS MADE A MISTAKE WITH
MANAGEMENT DO NOT MAKE MY
CONSTITUENTS ABSORB ALL THE DAMAGE.

THIS RESOLUTION, THIS COMMITTEE, CAN NOT SOLVE THIS CRISIS. BUT IT CAN ACT SO THE BOARD IS SENT A CLEAR MESSAGE.

A MESSAGE TO RE-VISIT THIS ISSUE. TO MAKE SURE EVERYTHING IS BEING DONE TO ASSIST THE RESOURCE THAT CAN BE DONE.

A MESSAGE TO NOT LET THIS HAPPEN AGAIN. IF OVER HARVEST IS THE PROBLEM THEN DO NOT LET IT HAPPEN AGAIN. IF INTERCEPT FISHERIES ARE THE PROBLEM DO NOT LET THEM CONTINUE.

FINALLY, THIS RESOLUTION WILL HOPEFULLY HELP TO GET THE GOVERNOR INVOLVED IN THE ISSUE. MY CONSTITUENTS BACK HOME ARE FEELING NEGLECTED BY THIS ADMINISTRATION.

IMAGINE FOR A MOMENT THAT THESE ARE YOUR DISTRICT BUSINESSES, LIVELIHOODS, AND TRADITIONAL FAMILY ACTIVITIES BEING ZEROED OUT...

MR. CHAIRMAN, I ASK THIS COMMITTEE TO ASSIST ME ON BEHALF OF THE RESOURCE IN BRINGING ALL PARTIES TO THE TABLE TO ACCOMPLISH THIS CRITICAL TASK.

4

IF THE LANGUAGE OF THIS RESOLUTION
CAN BE BETTER DRAFTED TO ACCOMPLISH
THIS GOAL - I ENCOURAGE YOU AS
CHAIRMAN TO USE YOUR PREROGATIVE TO
ACCOMPLISH THIS.

I DO ASK IN THE INTEREST OF TIME TO
EXPEDITE THIS RESOLUTION.

WE MUST REQUEST THE BOARD TO ACT
BEFORE ANY MORE KINGS ARE TAKEN BY
ANYONE.

WE CAN WORK OUT ALLOCATION ISSUES
AFTER THE RESOURCE IS HEALTHY AGAIN.
BUT NOW WE MUST ACT, WE MUST
CONCENTRATE ON THE RESOURCE.

I AM NOT A BIOLOGIST, NOR AN EXPERT ON
ANY OF THE DETAILS. I AM HOWEVER
FULLY COMMITTED TO BRING ALL THOSE
PARTIES TOGETHER.

WE MUST QUIT USING OUTDATED
MANAGEMENT PLANS WHICH HAVE LITTLE
RELEVANCE TO THE PROBLEMS WE ARE
FACING TODAY IN THE NORTHERN
DISTRICTS OF COOK INLET.

HUMAN POPULATIONS HAVE INCREASED
DRAMATICALLY IN UPPER COOK INLET
OVER THE LAST TEN YEARS, AND YET THE
BOARD STILL HAS NOT DEVELOPED A NEW
MANAGEMENT PLAN FOR MAKING
ALLOCATION DECISIONS.

IT IS TIME FOR US TO PROVIDE A SERIOUS
NUDGE TO THOSE WHO ALLOCATE OUR
RESOURCES.

IT IS TIME WE EXPLAIN THAT THE
LEGISLATURE NOT THE BOARD HAS TO
ULTIMATELY ACCEPT THE BLAME IF THEY
(THE BOARD) FAIL.

IT IS THE LEGISLATURE THAT CONFIRMS
APPOINTEES AND GIVES THE BOARD IT'S
AUTHORITY AND GUIDELINES. NOT THE
OTHER WAY AROUND.

WE ARE, WHETHER WE LIKE IT OR NOT,
WHERE THE FISH BUCK STOPS.

THANK YOU MR. CHAIRMAN.



34824 Kalifornsky Beach Road • Suite E • Soldotna • Alaska • 99669 • (907) 262-2492

March 6, 1995

SENT BY TELEFAX

Representative Alan Austerman
Fisheries Committee Chairman
State Capitol, Room #434
Juneau, AK 99801-1182

Dear Representative Austerman,

The Kenai Peninsula Fishermen's Association (KPFA) has a keen interest in HCR 12 which will be addressed by the Fisheries Committee this evening. We hope to be able to participate at that time through the LIO in Soldotna.

The spirit in which this resolution was written and the comments that accompanied its release to the press are of great concern to commercial fishermen in Cook Inlet. It is only through mutual cooperation that the complex issues that affect our fisheries resources can be addressed adequately. This resolution does little to achieve this goal.

KPFA shares the concern that all stocks of Cook Inlet salmon remain healthy and available for multiple uses. We have enclosed some concerns and questions about HCR 12. We would appreciate the Fisheries Committee addressing these concerns and questions as it reviews the Resolution.

Sincerely,

Karl Kircher
President

Enclosure

CC Representative Carl Moses

KENAI PENINSULA FISHERMEN'S ASSOCIATION
QUESTIONS AND CONCERNS
RELATING TO HCR 12
March 6, 1995

Page 1 Line 11-12

WHEREAS the fair and impartial allocation of fisheries resources of the state based solely on the direct economic return associated with the sale of those resources . . .

QUESTION: Considering all different runs of salmon to Upper Cook Inlet, would you say that the present allocation scenario for these stocks is based solely on direct economic return associated with the sale of those resources?

Page 1 Line 15-17

WHEREAS certain salmon stocks of the Upper Cook Inlet area, which are significantly affected by the management of the commercial salmon fisheries of Upper Cook Inlet, are experiencing sharp declines in abundance:

QUESTION: Which are these certain stocks? Does the Department of Fish and Game have possible reason why these certain stocks are experiencing sharp decline?

Page 2 Line 1-3

WHEREAS the noncommercial harvest of certain stocks in the Upper Cook Inlet area has been more restrictively regulated than has the commercial harvest of those stocks;

QUESTION: Which are these certain stocks?

Page 2 Line 12-14

BE IT RESOLVED that the Alaska State Legislature respectfully requests the Governor to Direct the BOF to address the management crisis facing the salmon fisheries of Upper Cook Inlet.

QUESTION: Is this request for action on a certain stock? What is the management crisis?

Page 2 Line 16

particularly those stocks which are declining in abundance

QUESTION: Which stocks? Are these early run stocks? Are there any late run stocks, which are harvested by the commercial fishery, that are "declining in abundance"?

Page 2 Line 17-21

Further Resolved that the BOF be directed to examine data from all segments of the salmon fisheries of the Upper Cook Inlet area including information on . . .

QUESTION: Is this request regarding certain stocks or are we looking to have the BOF address all of the Cook Inlet management plans

There appears to be a focused attention to "certain stocks" (unidentified) but the RESOLVES center around a total review of all Upper Cook Inlet. Is this an attempt to draw Kenai River issues into Northern District conservation concerns?



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REPRESENTATIVE
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Willow
H.C. 89 Box 251
Willow, Alaska 99688
(907) 495-6812

State Capitol
Juneau, AK 99801-1182
(907) 465-2679

Rep. Beverly Masek

SPONSOR STATEMENT

I have introduced HCR -12 to do three things:

1. To make sure every possible corrective action is taken to assist a resource which is in serious trouble.
2. To alert the Governor and the Board to the importance of both the resource and the economies depending on the resource.
3. To warn the Board that the legislature can not remain on the sidelines when these type of resource emergencies occur. The sheer numbers of people and economic impact of the recent decision require a heightened level of public interest.

It is my hope this resolution will induce the Fisheries Board to revisit this issue as well as get all possible parties to step outside their own special interests on behalf of the resource.

Thank you.

9-LS0748G
Utermohle
3/8/95

CS FOR HOUSE CONCURRENT RESOLUTION NO. 12(FSH)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE SPECIAL COMMITTEE ON FISHERIES

Offered:

Referred:

Sponsor(s): REPRESENTATIVES MASEK, Mulder

A RESOLUTION

1 **Relating to management of the salmon fisheries of the upper Cook Inlet area.**

2 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 **WHEREAS** Alaska is renowned throughout the world for the abundance and diversity
4 of its fishery resources; and

5 **WHEREAS** a large proportion of the residents of the state, constituting a broad spectrum
6 of the life styles found in the state, depend on the fishery resources of the state for food, a
7 mainstay of livelihood, and recreation; and

8 **WHEREAS** the fair and impartial allocation of the fisheries resources of the state is
9 consistent with the mandate of the Alaska State Constitution for use of the state's resources in
10 accordance with the public interest and for the maximum benefit of the people of the state; and

11 **WHEREAS** the Alaska State Constitution mandates that all replenishable resources be
12 maintained on a sustained yield basis; and

13 **WHEREAS** the sustainability of the fishery resources of the state should be the first
14 priority for fishery management; and

15 **WHEREAS** certain salmon stocks of the upper Cook Inlet area are experiencing sharp
16 declines in abundance; and

1 **WHEREAS** both the noncommercial and commercial harvests of certain salmon stocks
2 in the upper Cook Inlet area have been restrictively regulated in recent years; and

3 **WHEREAS** the Alaska State Legislature has received a great number of requests to
4 intervene in the management of the salmon of the upper Cook Inlet area on the behalf of the
5 noncommercial users, but recognizes that the allocation of fishery resources is properly left to
6 the Board of Fisheries;

7 **BE IT RESOLVED** that the Alaska State Legislature respectfully requests the Governor
8 to direct the Department of Fish and Game to increase its efforts to address the serious resource
9 problems of many of the salmon stocks of the upper Cook Inlet area and to develop, in
10 conjunction with the Board of Fisheries and all interested user groups, a long-range management
11 plan for the protection and sustainable yield of the salmon stocks of the upper Cook Inlet area;
12 and be it

13 **FURTHER RESOLVED** that the Department of Fish and Game expand its information
14 gathering efforts to specifically include information on new or expanding fisheries in the upper
15 Cook Inlet area, effects on spawning and rearing habitat, incidental harvests, interception rates,
16 and the rates of harvest of the salmon resources of the upper Cook Inlet area by commercial and
17 noncommercial fishermen.

SCOMM

95:39

Benefits for YOU

EDUCATION

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

JOBS

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

COMMUNITY

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

SECURITY

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

Photo: Alaska Seafood Marketing Institute



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

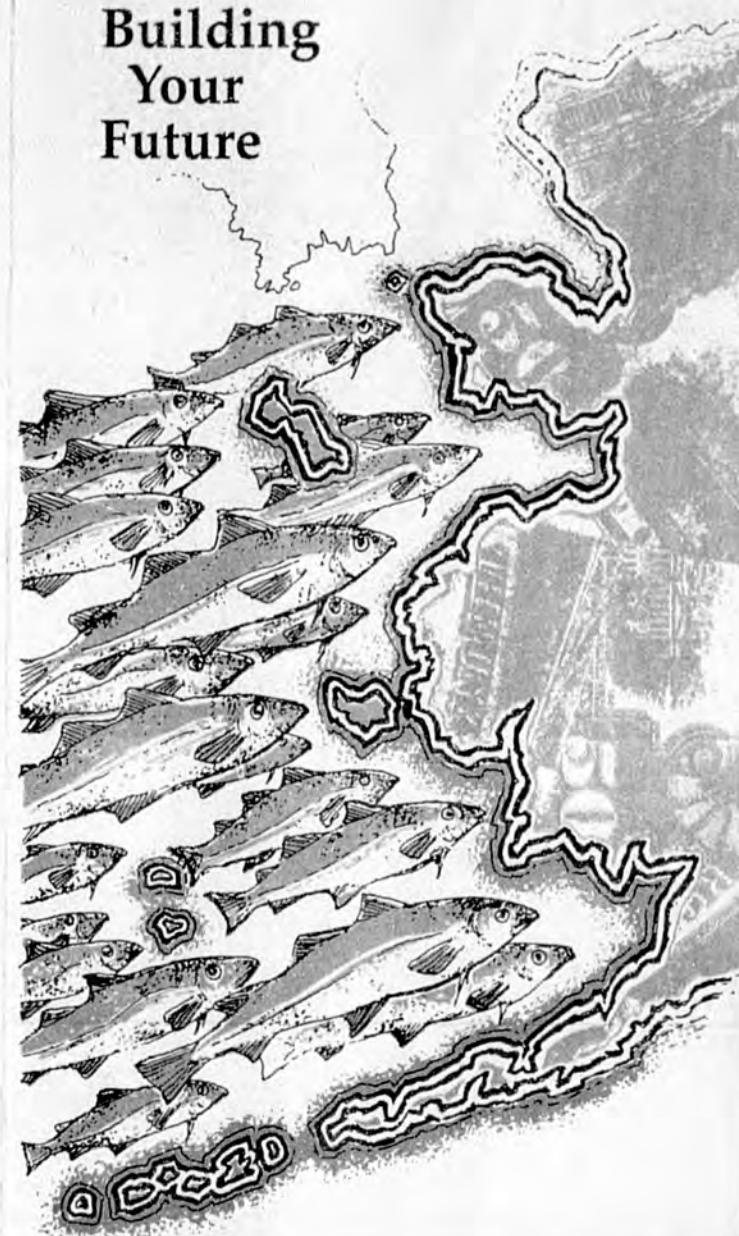
The CDQ program will forever change the economic outlook for Alaska's Bering Sea coastal communities. The Fisheries Conservation and Management Act (Magnuson Act) provided for Americanizing the Bering Sea fisheries. The CDQ program lets them be Alaskanized. Rural resident fishermen lacking necessary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

For additional information on the CDQ program, contact:

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

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

Building Your Future



the CDQ Program

CENTRAL BERING SEA FISHERMEN'S ASSOCIATION

1300 W. 33rd Ave.
Anchorage, Alaska 99503

St Paul

(907) 278-2312

BRISTOL BAY ECONOMIC DEVELOPMENT CORPORATION

P.O. Box 1464
Dillingham, Alaska 99576

Aleknagik
Clark's Point
Dillingham
Egegik
Ekuk
Manokotak
Naknek

(907) 842-4336

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

ALEUTIAN PRIBILOF ISLAND COMMUNITY DEVELOPMENT ASSOCIATION

Pacific Associates
116 Gold Street Juneau, Alaska 99801

(907) 586-3107

Atka
False Pass
Nelson Lagoon

Nikolski
St. George



the CDQ Regions in Alaska

Prepared for the State of Alaska



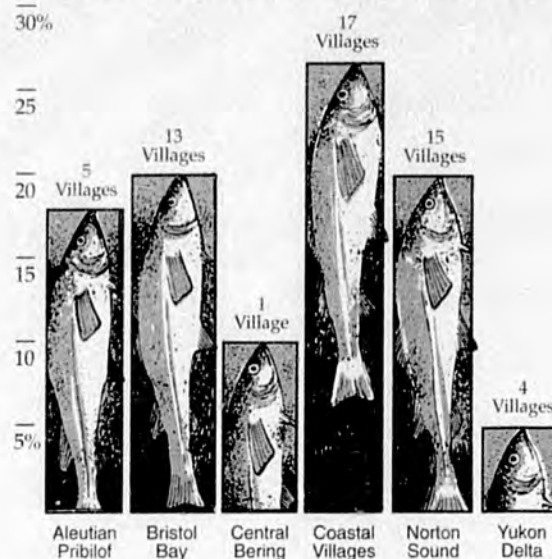
The F/T Brown's Point, 50% owned by the Coastal Villages Fishing Cooperative, returns from pollock fishing in the Bering Sea.

Community Development Quotas

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

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

POLLOCK ALLOCATIONS



CDQ Groups

CDQ Groups

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

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

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

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

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

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



Processing of groundfish holds abundant employment opportunities for Alaskans.

NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION

P.O. Box 39089
Elim, Alaska 99739

(907) 890-2248

Brevig Mission
Diomedes/Inalik
Elim
Gambell
Golovin
Koyuk
Nome
Savoonga

Shaktolik
St. Michael
Stebbins
Teller
Unalakleet
Wales
White Mountain

YUKON DELTA FISHERIES DEVELOPMENT ASSOCIATION

P.O. Box 210
Emmonak, Alaska 99581

(907) 949-1926

Alakanuk
Emmonak

Kotlik
Sheldon Point

COASTAL VILLAGES FISHERIES COOPERATIVE

204 North Franklin Street, #1
Juneau, Alaska 99801

(907) 586-2360

Cherfornak
Chevak
Eek
Goodnews Bay
Hooper Bay
Kipnuk
Konigianak
Kwigillingok
Mekoryuk

Newtok
Nightmute
Platinum
Quinhagak
Scammon Bay
Tooksok Bay
Tuntutuliak
Tununak



NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION

P.O. Box 39089
Elim, Alaska 99739

(907) 890-2248

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

YUKON DELTA FISHERIES DEVELOPMENT ASSOCIATION

P.O. Box 210
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(907) 949-1926

Alakanuk	Kotlik
Emmonak	Sheldon Point

COASTAL VILLAGES FISHERIES COOPERATIVE

204 North Franklin Street, #1
Juneau, Alaska 99801

(907) 586-2360

Cherfornak	Newtok
Chevak	Nightmute
Eek	Platinum
Goodnews Bay	Quinhagak
Hooper Bay	Scammon Bay
Kipnuk	Tooksok Bay
Konigianak	Tuntutuliak
Kwigillingok	Tununak
Mekoryuk	

CENTRAL BERING SEA FISHERMEN'S ASSOCIATION

1300 W. 33rd Ave.
Anchorage, Alaska 99503
St Paul

(907) 278-2312

BRISTOL BAY ECONOMIC DEVELOPMENT CORPORATION

P.O. Box 1464
Dillingham, Alaska 99576

(907) 842-4336

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

ALEUTIAN PRIBILOF ISLAND COMMUNITY DEVELOPMENT ASSOCIATION

Pacific Associates
116 Gold Street Juneau, Alaska 99801

(907) 586-3107

Atka	Nikolski
False Pass	St. George
Nelson Lagoon	



the CDQ Regions in Alaska

Prepared for the State of Alaska

THE CDQ REPORT

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



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



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

STATE MAKES CDQ HALIBUT AND SABLEFISH RECOMMENDATIONS

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

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

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

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

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

APPLICANT REACTIONS

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

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

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

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

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

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

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

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

IN THIS ISSUE:

- 2 KNOWLES AND CAMPBELL TALK ABOUT CDQS
- 3 STATE HIRES CDQ SPECIALIST



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

Continued on page 6: *Allocations*

Continued on page 6: *Applicant reactions*

The next Alaska governor...

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

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

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

From their past service as members of the North Pacific

Fishery Management Council, Campbell and Knowles are knowledgeable about fisheries issues. The NPFMC manages the fishery resources in the federal waters that surround Alaska. Both men have actively campaigned for fishing industry and western Alaska support.

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

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

K.O.

TONY KNOWLES ON CDQs

WHAT IS YOUR POSITION ON THE WESTERN ALASKA CDQ PROGRAM?

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

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

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

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

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

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

Yes. I know it's in your interest to see that the corporations that are involved with you are 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 number without this group's participation and agreement.

WHAT CAN BE DONE ABOUT BERING SEA BYCATCH PROBLEMS?

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

continued on page 3: *Tony Knowles*

TONY KNOWLES BIOGRAPHY

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

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

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

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

JIM CAMPBELL BIOGRAPHY

Jim Campbell came to Alaska in 1969 from Washington State to take a job as assistant manager of Spenard Builders Supply in Anchorage. In the next 26 years he became the president and chief executive officer and led the company's state-wide expansion.

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

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

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

He first ran for governor in 1990, losing in the Republican primary to State Senator Arliss Burgum. He later joined Burgum as his running mate after State Senator Jack Campbell lost the ticket to team up with Gov. Walter Hood in his successful bid for office.

JIM CAMPBELL ON CDQs

WHAT IS YOUR POSITION ON THE WESTERN ALASKA CDQ PROGRAM?

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

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

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

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

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



WHAT NPFMC ISSUES SHOULD THE CDQ GROUPS WATCH?

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

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

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

continued on page 5: Jim Campbell

STATE HIRES NEW CDQ SPECIALIST

Julie Anderson,
State CDQ
Specialist



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

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

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

Anderson, originally from interior Alaska, grew up in a family which relied on commercial and subsistence fisheries on the Yukon River. She is

familiar with many of the issues regarding fisheries resources in rural Alaska and looks forward to visiting the communities participating in the CDQ program.

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

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

M.McB.

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

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

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

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

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

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

WHAT IS YOUR POSITION ON INDIVIDUAL FISHING QUOTAS?

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Second, we need to make

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

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

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

WHAT IS YOUR POSITION ON SUBSISTENCE?

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

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

Continued from page 3: *Jim Campbell*

know what they're talking about.

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

IS CDQ EXPANSION THE ONLY SOLUTION TO CHRONIC UNEMPLOYMENT AND UNDEREMPLOYMENT IN WESTERN ALASKA?

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

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

WHAT ARE YOUR THOUGHTS ON JOB TRAINING FOR WESTERN ALASKANS?

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

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

HOW CAN BYCATCH LEVELS BE REDUCED IN BERING SEA FISHERIES?

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

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

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

IS THE ESTABLISHMENT OF A PERMANENT CDQ PROGRAM LINKED WITH THE CREATION OF AN INDIVIDUAL FISHING QUOTA SYSTEM?

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

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

So what happened is the waves rushed down the beach on their bulkheads and pretty

soon started to come in and eroded my land more. The same thing has happened to Alaska.

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

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

HOW WILL YOUR ADMINISTRATION ADDRESS THE LACK OF RESIDENT HIRE IN THE FISHING INDUSTRY?

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

WHO IS JIM CAMPBELL LOOKING FOR IN A COMMISSIONER OF FISH AND GAME?

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

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

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

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

WHAT'S YOUR POSITION ON SUBSISTENCE?

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

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

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

Continued from page 1: *Allocations*

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

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

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

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

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

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

facilities. The sablefish allocation will be fished under contract by the *F/V Ocean Harvester*, the same as BBEDC.

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

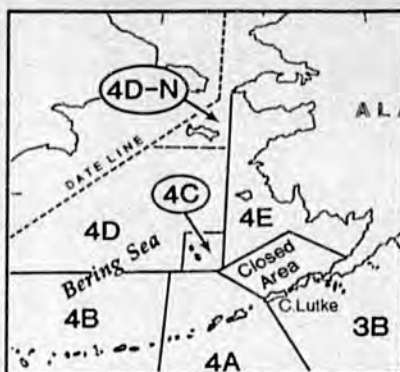
Profits from the CVFC sablefish will be used to administer the halibut and sablefish programs, develop longline fleet ownership and purchase IFQs.

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

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

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

The **Pribilof Island Fishermen** (PIF), representing fishermen from St. George and St.



Paul, submitted the only halibut application for area 4C and received 100 percent of the CDQ.

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

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

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

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

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

M.McB.

Continued from page 1: *Applicant reactions*

Anderson added that BBEDC's halibut and sablefish allocations were less than they had requested but still within the range of being economically viable. "We are pleased with 4E halibut which allows us to continue the historic halibut fishery be-

gun by our people in 1990," he said.

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

"We're very happy with the alloca-

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

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

M.McB.



Bering Sea Fishermen's Association

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Design

Veronica Slajer, North Coast Research Group

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



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 Liasion Officer (CLO) in your community for information.

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

Vocational Training

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

Residents of APICDA member 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
Ekuk
King Salmon/
Savonoski
Manokotak
Naknek
Pilot Point
Port Heiden
South Naknek
Togiak
Twin Hills
Ugashik**



Bristol Bay Times



Central Bering Sea Fishermen's Association

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

CBSFA 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

CBSFA 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

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Coastal Villages Fishing Cooperative

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Norton Sound

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Yukon Delta Fisheries Development Assn.

P.O. Box 2626
Seward, Alaska 99664
Edwin Gloffely, Executive Director
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Western Alaska Fisheries Development Assn.

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

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Mark Snigaroff, Chairman
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Bristol Bay Economic Development Corp.

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Dillingham, Alaska 99576
Nels Anderson, Jr., Executive Director
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Central Bering Sea Fishermen's Association

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Agaton Krukoff, Jr., President
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The CDQ Program

New Economic Potential for Western Alaska

BERING SEA

PACIFIC OCEAN



INTRODUCTION

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

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

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



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

BACKGROUND

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

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

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

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

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

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

How CDQs Work

Applications for CDQs, based on 7.5 percent of the biologically harvestable Bering Sea pollock resource, are submitted on a biennial basis to the Governor of Alaska. The governor evaluates the applications and makes recommendations on the size of the quota to be awarded. The recommendations are reviewed by the North Pacific Fishery Management Council and are submitted for final approval to the U.S. Secretary of Commerce.

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

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

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

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

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

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

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

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

CDQ PROGRAM GOALS

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

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

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



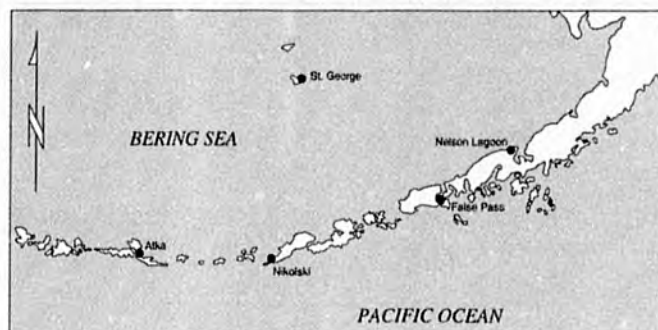
St. George in the Pribilof Islands is a member of the five-community Aleutian Pribilof Island Community Development Association.

ALEUTIAN PRIBILOF ISLAND COMMUNITY DEVELOPMENT ASSOCIATION

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

APICDA plans to:

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



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

Contacts: Mark Snigaroff, Chairman
 APICDA
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 Atka, Alaska 99547
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Larry Cotter
 Pacific Associates
 116 Gold Street
 Juneau, Alaska 99801
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BRISTOL BAY ECONOMIC DEVELOPMENT CORPORATION

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

BBEDC plans to:

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



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

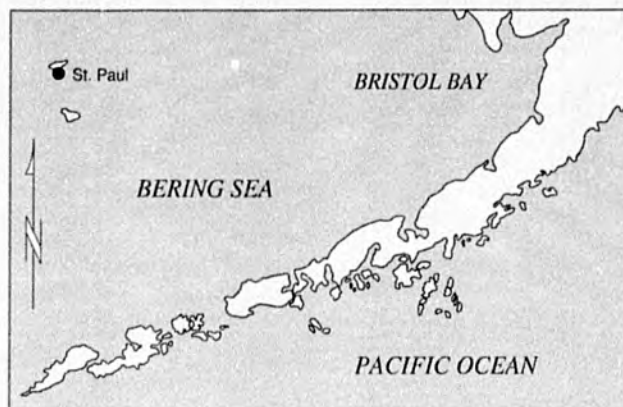
CENTRAL BERING SEA FISHERMEN'S ASSOCIATION

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

CBSFA plans to:

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

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CBSFA
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COASTAL VILLAGES FISHING COOPERATIVE

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

CVFC plans to:

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



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

Contact: Norman Cohen
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204 North Franklin Street, #1
Juneau, Alaska 99801
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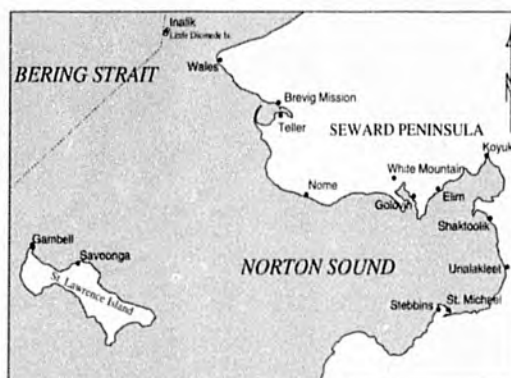
Skiffs are pulled up on the beach at Toksook Bay prior to a commercial herring opening. Toksook Bay is a member of the Coastal Villages Fishing Cooperative.

NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION

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

NSEDC plans to:

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



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

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YUKON DELTA FISHERIES DEVELOPMENT ASSOCIATION

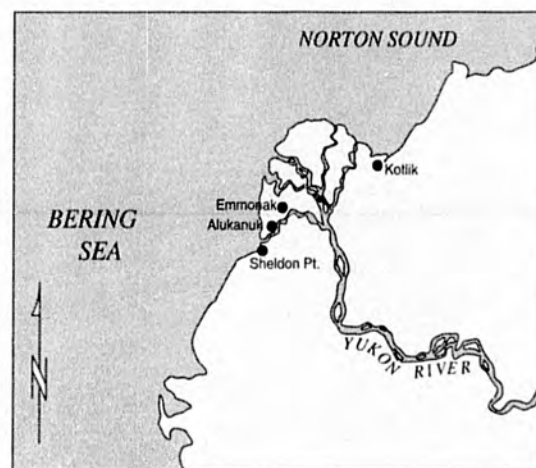
YDFDA represents the Yukon Delta communities of Alakanuk, Emmonak, Kotlik, and Sheldon Point. YDFDA received five percent of the available CDQ. YDFDA's corporate fishing partner is Golden Alaska Seafoods.

YDFDA plans to:

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

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FUTURE ISSUES

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

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

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



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

CONCLUSION

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

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

This publication was produced by the Bering Sea Fishermen's Association in March, 1993 with information supplied by the State of Alaska — Department of Community and Regional Affairs, Department of Commerce and Economic Development, and Department of Fish and Game — the Aleutian Pribilof Island Community Development Association, the Bristol Bay Economic Development Corporation, the Central Bering Sea Fishermen's Association, the Coastal Villages Fishing Cooperative, the Norton Sound Economic Development Corporation and the Yukon Delta Fisheries Development Association.
Photos by Lew Tobin, Jon Zuck and Marideth Sandler
Design by North Coast Research Group, Inc.



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Prepared: 04/13/95 at 6:45 PM
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1995 GULF OF ALASKA APPORTIONMENTS TO DOMESTIC
ANNUAL PROCESSING (DAP) AND PRELIMINARY CATCH IN ROUND METRIC TONS
Data are from Weekly Production and Observer Reports through 04/08/95
DAP apportionments are initial TACs based on Final Specifications

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

Sablefish (Trawl)	0	310	310	0	0
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ENTIRE GULF OF ALASKA

Thornyhead	95	1,900	1,905	5	34
Other Species	1,462	13,304	11,846	11	131
TOTALS:	95,996	232,962	136,966	41	3,763

National Marine Fisheries Service
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Juneau, Alaska 99802-1668

Prepared: 01/12/96 at 5:14 PM
NMFS/AJR Fish Management
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1994 GULF OF ALASKA APPORTIONMENTS TO DOMESTIC
ANNUAL PROCESSING (DAP) AND PRELIMINARY CATCH IN ROUND METRIC TONS
Data are from Weekly Production and Observer Reports through 12/31/94
DAP apportionments are initial TACs based on Final Specifications

	TOTAL CATCH	DAP APPORT.	REMAINING FOR DAP	± TAKEN	LAST WK CATCH
WEST. CENT PLCK					
Pollock 610	19,875	22,130	2,255	90	0
Pollock 620	22,593	23,870	1,277	95	0
Pollock 630	61,488	56,000	-5,488	110	0
WESTERN GULF					
Atka Mackerel	2,663	2,500	-163	107	0
Arrowtooth Flounder	1,177	5,000	3,823	24	0
Deep Water Flatfish	48	460	412	10	0
Shallow Water Flatfish	190	4,500	4,310	4	0
Flathead Sole	498	2,000	1,502	25	0
Rex Sole	49	800	751	6	0
Pacific Ocean Perch	165	571	406	29	0
Shortraker/Rougheye	109	100	-9	103	0
Pelagic Shelf Rockfish	290	1,030	740	28	0
Northern Rockfish	1,394	1,000	-394	139	0
Other Rockfish	101	199	98	61	0
Pacific Cod - Inshore	14,774	14,967	193	99	28
Pacific Cod - Offshore	468	1,663	1,195	28	0
Sablefish (Hook & Line)	452	1,832	1,380	25	0
Sablefish (Trawl)	104	468	364	23	0
CENTRAL GULF					
Atka Mackerel	877	1,000	123	88	0
Arrowtooth Flounder	21,311	20,000	-1,311	107	0
Deep Water Flatfish	3,532	7,500	3,968	47	0
Shallow Water Flatfish	3,742	12,950	9,208	29	0
Flathead Sole	2,066	5,000	2,934	41	0
Rex Sole	3,540	7,500	3,960	47	0
Pacific Ocean Perch	923	714	-209	129	0
Shortraker/Rougheye	886	1,290	404	69	0
Pelagic Shelf Rockfish	1,702	4,550	2,848	37	1
Northern Rockfish	4,518	4,720	202	96	0
Other Rockfish	714	988	274	72	0
Pacific Cod - Inshore	29,971	28,125	-1,846	107	0
Pacific Cod - Offshore	1,107	3,125	2,018	35	0
Sablefish (Hook & Line)	7,554	8,976	1,422	84	0
Sablefish (Trawl)	2,002	2,244	242	89	0
EASTERN GULF					
Atka Mackerel	0	5	5	0	0
Arrowtooth Flounder	823	5,000	4,177	16	0
Deep Water Flatfish	1,459	3,120	1,661	47	1
Shallow Water Flatfish	12	1,180	1,168	1	0
Flathead Sole	13	3,000	2,987	0	0
Rex Sole	84	1,840	1,756	5	0
Pacific Ocean Perch	767	1,265	498	61	0
Shortraker/Rougheye	594	570	-24	104	0
Other Rockfish	796	1,048	252	76	0
Pelagic Shelf Rockfish	997	1,310	313	76	0
Pacific Cod - Inshore	1,684	2,268	584	74	1
Pacific Cod - Offshore	25	252	227	10	0
Pollock	6,864	7,300	436	94	0
Northern Rockfish	55	40	-15	138	0
WEST YAKUTAT					
Sablefish (Hook & Line)	4,246	4,608	362	92	0
Sablefish (Trawl)	272	242	-30	112	0
SOUTHEAST					
Demersal Shelf Rockfish	536	960	424	56	1
Sablefish (Hook & Line)	6,727	6,783	56	99	0

Sablefish (Trawl)	74	357	203	21	0
ENTIRE GULF OF ALASKA					
Thornyhead	1,211	1,180	-31	103	0
Other Species	3,480	14,505	11,025	24	4

TOTALS:	241,602	304,895	62,993	79	36

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

Prepared: 05/04/94 at 4:07 PM
NMFS/AK Fish Management
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1993 GULF OF ALASKA APPORTIONMENTS TO DOMESTIC
ANNUAL PROCESSING (DAP) AND PRELIMINARY CATCH IN ROUND METRIC TONS
Data are from Weekly Production and Observer Reports through 12/31/93
DAP Apportionments are initial TACs based on Final Specifications

	TOTAL CATCH	DAP APPORT.	REMAINING FOR DAP	% TAKEN	LAST WK CATCH
WEST. CENT. PLCK					
Pollock 610	21,204	24,087	2,883	88	0
Pollock 620	23,788	25,974	2,186	92	0
Pollock 630	62,936	60,939	-1,997	103	0
WESTERN GULF					
Arrowtooth Flounder	1,789	5,000	3,211	36	0
Deep Water Flatfish	371	1,740	1,369	21	0
Shallow Water Flatfish	378	4,500	4,122	8	0
Flathead Sole	561	2,000	1,439	29	0
Pacific Ocean Perch	477	341	-136	140	0
Shortraker/Rougheye	85	90	5	94	0
Other Rockfish	342	214	-128	160	0
Pacific Cod - Inshore	17,770	16,830	-940	106	0
Pacific Cod - Offshore	672	1,870	1,198	36	0
Pelagic Shelf Rockfish	238	1,010	772	24	0
Sablefish (Hook & Line)	687	1,624	937	42	0
Sablefish (Trawl)	52	406	354	13	0
Northern rockfish	902	1,000	98	90	0
Other Species	5,423	3,053	-2,370	178	0
CENTRAL GULF					
Arrowtooth Flounder	16,507	20,000	3,493	83	0
Deep Water Flatfish	6,222	15,000	8,778	41	0
Shallow Water Flatfish	8,729	10,000	1,271	87	0
Flathead Sole	2,242	5,000	2,758	45	0
Pacific Ocean Perch	1,140	949	-191	120	0
Shortraker/Rougheye	1,197	1,161	-36	103	0
Other Rockfish	2,423	1,064	-1,359	228	0
Pacific Cod - Inshore	34,454	31,680	-2,774	109	0
Pacific Cod - Offshore	1,406	3,520	2,114	40	0
Pelagic Shelf Rockfish	2,061	4,450	2,389	46	0
Sablefish (Hook & Line)	9,988	7,688	-2,300	130	0
Sablefish (Trawl)	1,967	1,922	-45	102	0
Northern rockfish	3,778	4,720	942	80	0
Other species	5,905	9,721	3,816	61	0
EASTERN GULF					
Arrowtooth Flounder	913	5,000	4,087	18	0
Deep Water Flatfish	114	3,000	2,886	4	0
Shallow Water Flatfish	6	1,740	1,734	0	0
Flathead Sole	1	3,000	2,999	0	0
Pacific Ocean Perch	443	1,270	827	35	0
Shortraker/Rougheye	660	513	-137	127	0
Other Rockfish	2,658	4,105	1,447	65	0
Pelagic Shelf Rockfish	894	1,280	386	70	0
Pacific Cod - Inshore	1,619	2,520	901	64	1
Pacific Cod - Offshore	73	280	207	26	0
Pollock	663	3,400	2,737	30	0
Northern rockfish	145	40	-105	363	0
Other species	685	1,828	1,143	37	0
WEST YAKUTAT					
Sablefish (Hook & Line)	4,321	3,638	-683	119	0
Sablefish (Trawl)	300	192	-108	156	0
SOUTHEAST					
Demersal Shelf Rockfish	558	800	242	70	0
Sablefish (Hook & Line)	5,267	5,158	-109	102	0
Sablefish (Trawl)	89	272	183	33	0
ENTIRE GULF OF ALASKA					
Thornyhead	1,369	1,062	-307	129	0
TOTALS:	256,482	306,651	50,169	84	1

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2. A mothership or floating processing vessel which participates in the inshore component of the industry shall be limited to conducting processing operations on pollock and Pacific cod, respectively, to one location inside the territorial sea, but shall be allowed to process other species at locations of their choice
 3. If during the course of the fishing year it becomes apparent that a component will not process the entire amount, the amount which will not be processed shall be released to the other components for that year. This shall have no impact upon the allocation formula.
 4. Harvesting vessels can choose to deliver their catch to either or both markets (e.g. inshore and offshore processors); however, once an allocation of the total allowable catch (TAC) has been reached, the applicable processing operations will be closed for the remainder of the year unless a surplus reapportionment is made.
 5. Allocations between the inshore and offshore components of the industry shall not impact the United States obligations under the General Agreement on Tariffs and Trade.
 6. Processing of reasonable amounts of bycatch shall be allowed.
- The Secretary of Commerce would be authorized to suspend the definitions of catcher/processor and shoreside to allow for full implementation of the Community Development Quota program as outlined in the main motion.

Allocations

The following allocations shall apply:

1. Gulf of Alaska

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

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

2. Bering Sea/Aleutian Islands

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

<u>Years</u>	<u>Inshore</u>	<u>Offshore</u>
1993-1995	35.0%	65.0%

These percentage allocations apply to the TAC after subtracting 5 percent of the TAC for the Western Alaska Community Development Quota program, previously approved by the Secretary for 1992-1995.

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

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

Classification

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

NMFS finalized a supplemental environmental impact statement (FSEIS) for Amendments 18 and 23, which was reviewed under the requirements of the National Environmental Policy Act. A notice of availability of the FSEIS was published on March 20, 1992 (57 FR 9722). A copy of the FSEIS may be requested from the Council (see ADDRESSES). Since the impacts of revised Amendment 18 are within the scope of the FSEIS, this rule is categorically excluded from the requirement to prepare an environmental assessment under section 602.c.3(f) of NOAA Administrative Order 216-3.

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

The FRFA prepared by the Council describes the effects that revised Amendment 18 is expected to have on small entities. Based on this analysis, NOAA concluded that this rule implementing revised Amendment 18 will have a significant impact on a

substantial number of small entities. A summary of this determination is contained in the proposed rule notice (57 FR 46133, October 7, 1992).

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

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

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

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

List of Subjects in 50 CFR Parts 672 and 675

Fisheries, Reporting and recordkeeping requirements.

Dated: December 18, 1992.

William W. Fox, Jr.,

Assistant Administrator for Fisheries,
National Marine Fisheries Service

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

PART 672—GROUND FISH OF THE GULF OF ALASKA

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

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

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

§ 672.2 Definitions.

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

(1) All shoreside processing operations;

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

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

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

§ 672.7 Prohibitions.

(h) * * *

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

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

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

§ 672.20 General limitations.

(a) * * *

(2) * * *

(v) * * *

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

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

PART 675—GROUND FISH OF THE BERING SEA AND ALEUTIAN ISLANDS AREA

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

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

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

§ 675.2 Definitions.

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

(1) All shoreside processing operations;

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

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

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

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

§ 675.7 Prohibitions.

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

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

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

§ 675.20 General limitations

(a) * * *

(2) * * *

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

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

§ 675.22 Time and area closures.

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

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

BILLING CODE 3510-22-M

Revised Draft Report

**Economic Impacts of the Pollock
Community Development Quota Program**

Prepared by

STATE OF ALASKA
Anchorage, Alaska

APRIL 1995

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Executive Summary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

I. INTRODUCTION

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

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

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

Organization of this Report

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

Information Sources

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

II. THE WESTERN ALASKA REGION

The Physical Setting

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

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

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

Natural Resources

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

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

The Western Alaska Economy

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

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

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

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

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

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

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

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

U.S. Census Data for the Western Alaska Region

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

Population

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

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

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

Labor Force and Employment

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

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

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

Income

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

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

Social Conditions

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

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

Source: 1990 U.S. Census

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

Subsistence

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

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

Salmon and Herring Fisheries

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

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

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

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

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

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

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

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

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

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

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

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

III. THE COMMUNITY DEVELOPMENT QUOTA PROGRAM

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

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

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

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

CDQ Program Development

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

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

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

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

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

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

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

Implementation of the CDQ Program

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