

REVIEW AND SUMMARY OF COMMUNITY DEVELOPMENT PLANS AND ANNUAL AND QUARTERLY REPORTS SUBMITTED BY CDQ GROUPS

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**Southeast Strategies
AdTech Consulting Group, Inc.**

**NORTHERN
ECONOMICS** 

880 H STREET, SUITE 210
ANCHORAGE, ALASKA 99501
907.274.5600 FAX 907.27.5601
e-mail: norecon@norecon.com
www.northerneconomics.com

PROFESSIONAL CONSULTING SERVICES IN APPLIED ECONOMIC ANALYSIS

President & Principal Economist: Patrick Burden

Economists: Leah Cuyno, Ph.D., Fred Wallace

Socioeconomic Analyst: Don Schug

Office Manager: Stephanie Cabaniss

Senior Economists: Marcus L. Hartley; Hart Hodges, Ph.D.

Policy Analyst: Nancy Mundy, Ph.D.

Analyst: Michael Fisher

Document Processor: Terri McCoy

880 H STREET, SUITE 210, ANCHORAGE, ALASKA 99501

TEL. 907.274.5600 FAX 907.274.5601

E-mail: norecon@norecon.com Internet: www.northerneconomics.com

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Abbreviations

ADCED	Alaska Department of Commerce and Economic Development
ADEC	Alaska Department of Environmental Conservation
AIDEA	Alaska Industrial Development and Export Authority
AFA	Atka Fishermen's Association
AJV	APICDA Joint Ventures
AMC	APICDA Management Company
APICDA	Aleutian Pribilof Islands Community Development Association
APS	Atka Pride Seafoods
ARDOR	Alaska Regional Development Organization
ASIF	Alaska Seafood Investment Fund
ASIMCo	Alaska Seafood Investment Management Company
BBEDC	Bristol Bay Economic Development Corporation
BIA	Bureau of Indian Affairs
BSAI	Bering Sea and Aleutian Islands
BS/NSRAA	Bering Sea/Norton Sound Regional Aquaculture Association
CBSFA	Central Bering Sea Fishermen's Association
CDQ	Community Development Quota
COE	U.S. Army Corps of Engineers
CVF	Coastal Villages Fisheries
CVFC	Coastal Villages Fishing Cooperative
CVIF	Coastal Villages Investment Fund
CVRF	Coastal Villages Region Fund (later version of CVFC)
F/LL	Factory Longliner
F/T	Factory Trawler
F/V	Fishing Vessel
GFC	Glacier Fish Company
GAF	Golden Alaska Fisheries
HUD	U.S. Department of Housing and Urban Development
IFQ	Individual Fishing Quota
IP	Imarpiqamiut Partnership
IRS	U.S. Internal Revenue Service
ITQ	Individual Transferable Quota

LLC	Limited Liability Corporation
LP	Limited Partnership
mt	Metric Tons
M/V	Motor Vessel
NMFS	National Marine Fishery Service
NPFMC	North Pacific Fishery Management Council
NSEDC	Norton Sound Economic Development Corporation
SBA	U.S. Small Business Administration
TAC	Total Allowable Catch
YDFDA	Yukon Delta Fisherman's Development Association
WAFDA	Western Alaska Fisheries Development Association

1 Introduction

In 1991, the North Pacific Fisheries Management Council (NPFMC) recommended to the Secretary of Commerce that a fishery Community Development Quota (CDQ) program be created. The purpose of the CDQ program was to extend the economic opportunities of the productive fisheries in the Bering Sea Aleutians Island area (BSAI) (especially pollock) to small, rural communities in proximity to these valuable living marine resources. As initially envisioned, the proposed program set aside 7.5 percent of the BSAI's annual total allowable catch (TAC) for Alaska pollock for allocation to qualifying rural Alaskan communities.

CDQ program regulations went into effect on November 18, 1992, and CDQ fishing began on December 5, 1992. At program inception, 56 communities received a temporary harvest allocation of 7.5 percent of the Bering Sea pollock quota. Other communities were added over time, and by 2000, the program included 65 communities. In 1992, eligible communities formed six groups to apply for CDQ shares of the Bering Sea pollock fishery.

Each CDQ group wrote a Community Development Plan (CDP) to structure their organization and to outline their economic development strategy within the region, using their estimated income from sales of quota pollock as capital. Each group laid out plans assuming a certain quota share. The total share for the entire program was 7.5 percent of the TAC for the Bering Sea pollock fishery.

This document reviews and summarizes the CDPs and the Annual and Quarterly Reports submitted by the six CDQ groups:

- Aleutian Pribilof Island Community Development Association (APICDA)
- Bristol Bay Economic Development Corporation (BBEDC)
- Central Bering Sea Fishermen's Association (CBSFA)
- Coastal Villages Fishing Cooperative (CVFC)
- Norton Sound Economic Development Corporation (NSEDC)
- Yukon Delta Fisheries Development Association (YDFDA)

The primary sources for this report were the CDPs and the Quarterly and Annual Reports submitted by the individual CDQ groups. Audits and other reports required from the CDQ groups by the State were also used. Supplemental sources included internal and published reports and documents from the State CDQ program offices.

Each CDQ group is required to submit and update CDPs on a regular basis. The CDPs describe how each CDQ group proposes to use their allocations, and are used by the State CDQ program as an application for quota share allocation to each group. The CDPs establish goals and benchmarks for employment programs, scholarship and education programs, other investments, and infrastructure development programs. Some of the information in the CDPs is considered confidential by the CDQ groups—in particular, the financial statements and information on royalty payments, profit sharing, and direct investments with fishing and processing partners.

Each CDQ group is also required to provide annual and quarterly reports to the State and the National Marine Fisheries Services. The annual and quarterly reports include summaries of activities by the CDQ groups and report information on employment, income, and scholarships, as well as progress on any long-term development projects.

The CDQ program is an evolving program and changes in expectations, requirements, and management (at the CDQ group, and the state and federal government oversight levels) have occurred over the course of the past nine years. Because much of the data used for this report came from the six individual CDQ groups, it was difficult to be consistent with the summaries of each group. Data available, level of detail, and method of reporting have varied from group to group, and even from year to year within each group.

A great deal of effort on the part of the CDQ groups went into developing the original CDPs. These plans laid out strategies and benchmarks for creating economic development in the member communities. Plans were developed on assumptions that each group would receive the amount of fish quota they requested. However, between all six groups, the quota share requested equaled about 183 percent of what was available. Each group received a substantial reduction in quota from their requests. Consequently, plans were quickly revised, and the programs did not move forward as originally envisioned by the groups.

Five of the six CDQ groups initially formed as private non-profit corporations. One group formed as a for-profit company in 1992, but later reorganized as a non profit. There was initial concern about whether the CDQ groups would be allowed tax-exempt status, and the IRS did a review and found them eligible in 1993. Each group is governed by a board of directors and 75 percent of the board must be residents of member communities. Other seats may be filled by non-member communities, fishing industry representatives, or others.

As plans developed, many of the original groups also formed for-profit corporations to hold their investments. Some of these for profit companies are wholly owned, and some are partnerships with other entities. Many of the groups participate in Limited Liability Companies (LLC), usually managed by entities other than the CDQ group management. Several groups have formed non-profit businesses for educational and research purposes.

This review and summary of official reports of the CDQ groups corresponds to Task 2 in the proposal and forms the third component of the preliminary information resource being constructed to assist in a socioeconomic assessment of the impacts of the CDQ program on western Alaska. Section 2 of this report presents consolidated financial data for CDQ groups including information on revenues and expenses, royalties, employment, and training. Much of the financial data from the CDQ groups is confidential in nature. Therefore, the financial data has been aggregated to preserve that confidentiality.

Sections 3 through 10 provide summaries for six CDQ groups encompassing from one to twenty communities. Two smaller CDQ groups are also discussed briefly. These groups were formed in 1995, when quota shares for halibut and sablefish were allocated to manage those shares. Atka Fishermen's Association (AFA) represented Atka, but was primarily managed by the Aleutian Pribilof Islands Development Association. Pribilof Island Fisheries (PIF) combined two communities, St. George and St. Paul, from separate CDQ groups. Each of these halibut/sablefish CDQ groups is examined in this section, but information about them is limited.

The group summaries include descriptions of organizational structure, vision statements, quota shares, harvest/processing partners, employment, training and scholarship programs, investment programs, and development programs.

It can be difficult to distinguish between investments made by CDQ groups for the support and eventual financial sustainability of the group, and those investments that provide economic development to the resident communities. Virtually any investment has the potential to provide employment and training opportunities. However, some investments provide markets, value-added

processing opportunities, tendering, and other economic development opportunities in areas where they would not otherwise exist.

In this report, projects were considered investment oriented if they were not providing a market or service that was not previously available in the region. In other words, if a CDQ group purchases equity in a factory longliner, a trawler, a catcher/processor, or an existing onshore processor, that would be considered an investment project. If a CDQ group starts a shoreside processing plant, a fish buyer, a fish tender activity, or purchases or builds fishing boats for community use in an area where that service was previously not available, that investment would be considered a development project.

2 Consolidated Financial Data

Because the CDQ groups are organized as not-for-profit entities, their financial reporting requirements are slightly different from for-profit entities. This section presents consolidated program information about program finances, as well as combined employment and training information. While individual group data for employment and training is available in later sections detailing individual group activity, the financial data is not broken out further in this report due to its confidential nature. The major source for the financial data in this section is audited financial reports. Some 1992 data is not available in the following summaries, because the CDQ program began at the end of 1992. Many programs were not yet on line and reporting systems were not yet established.

2.1 Balance Sheet

The following table outlines the combined annual balance sheets for the six CDQ groups. From this table, it is easy to see the consistent growth of the program. Both assets and reserves have increased about tenfold over the nine years of the program documented here. Liabilities have shown some fluctuation, with an average annual growth rate of about 50 percent (not including growth in 2000). Liability growth in 2000 is due to a recent large increase in investments (also evident in the 2000 asset column) that carry an element of debt to them.

Table 2-1. Consolidated CDQ Group Balances, 1992—2000.

Year	Assets	Liabilities	Cash/Reserves
1992	\$14,947,745	\$1,293,989	\$13,653,756
1993	\$25,543,260	\$1,742,335	\$23,800,925
1994	\$32,901,154	\$2,383,645	\$30,517,509
1995	\$43,498,607	\$5,185,049	\$38,313,558
1996	\$52,630,947	\$2,112,410	\$50,518,537
1997	\$64,050,466	\$5,185,574	\$58,864,892
1998	\$76,790,817	\$2,995,088	\$73,795,729
1999	\$111,052,087	\$7,288,182	\$103,763,905
2000	\$152,758,789	\$21,538,154	\$131,220,635

Source: CDQ Program Office, Alaska Department of Community and Economic Development.

2.2 Revenues, Expenses, and Net Income

The following table shows historic consolidated revenues, expenses, and net income of the CDQ program. Initially, program revenues were from royalties obtained from sale of quota fish. Eventually, revenues were obtained from other sources such as investments and other business activities. Revenues minus royalty income for the program, 1992 through 2000, are equal to nearly \$68 million.

Table 2-2. Consolidated CDQ Group Revenues, Expenses, and Net Income, 1992—2000.

Year	Revenues	Expenses	Net Income
1992	\$15,111,279	\$1,457,613	\$13,653,666
1993	\$16,769,111	\$6,621,901	\$10,147,210
1994	\$17,362,221	\$10,645,678	\$6,716,543
1995	\$20,897,346	\$13,053,386	\$7,843,960
1996	\$25,361,669	\$13,562,265	\$11,799,404
1997	\$26,525,363	\$18,178,704	\$8,346,659
1998	\$32,698,168	\$25,933,882	\$6,764,286
1999	\$54,416,340	\$28,304,471	\$26,111,869
2000	\$56,818,467	\$32,407,545	\$24,410,922
Total	\$265,959,964	\$150,165,445	\$115,794,519

Source: CDQ Program Office, Alaska Department of Community and Economic Development.

2.3 Royalties

The following table shows the revenues to the CDQ groups that came from royalties from the sale of quota shares. Quota for pollock was allocated to the groups from 1992. Quota for halibut and sablefish was allocated beginning 1995 and quota for crab was distributed beginning in 1998.

Table 2-3. Consolidated CDQ Group Royalty Income, 1992—2000.

Year	Pollock Royalties	Other Royalties	Total Royalties
1992	\$13,155,794	\$0	\$13,155,794
1993	\$16,041,158	\$0	\$16,041,158
1994	\$14,276,105	\$0	\$14,276,105
1995	\$15,000,575	\$58,528	\$15,059,103
1996	\$18,932,718	\$90,661	\$19,023,379
1997	\$19,204,435	\$517,981	\$19,722,416
1998	\$21,775,005	\$2,984,267	\$24,759,272
1999	\$25,918,992	\$9,676,810	\$35,595,802
2000	\$32,996,456	\$7,405,699	\$40,402,155
2001*	\$29,310,587	\$3,484,937	\$32,795,524
Total	\$206,611,825	\$24,218,883	\$230,830,708

* Includes data for the first three quarters of 2000.

Source: CDQ Program Office, Alaska Department of Community and Economic Development.

The following table indicates the amount of royalties paid to the CDQ groups per resident represented by those groups. Royalties per resident have nearly tripled over the life of the program.

Table 2-4. Consolidated CDQ Group Royalty Income, per Resident, 1992—2000.

Year	Population	Royalties	Royalties per Resident
1992	22,860	\$13,155,794	\$575
1993	23,066	\$16,041,158	\$695
1994	23,073	\$14,276,105	\$619
1995	23,275	\$15,059,103	\$647
1996	23,968	\$19,023,379	\$794
1997	24,343	\$19,722,416	\$810
1998	24,910	\$24,759,272	\$994
1999	26,938	\$35,595,802	\$1,321
2000	26,445	\$40,402,155	\$1,528

Source: CDQ Program Office, Alaska Department of Community and Economic Development.

2.4 Expenses

The following two tables present expenses of the CDQ groups. Table 2-5 shows program delivery, or program administration) expenses. For all groups, over all years except 1992, administrative expenses accounted for 38.4 percent of all program delivery expenses. Salaries and benefits accounted for the next highest proportion of program delivery expenses (24.8 percent), followed by consultant and professional fees (22.2 percent), staff travel and per diem (8.8 percent) and board of directors' expenses (5.8 percent). Note that the sum of columns exceeds the total because the columns are not all mutually exclusive.

Table 2-5. Consolidated CDQ Group Program Delivery Expenses, 1992—2000.

Year	Admin Expenses	Board Expenses	Consultants & Prof. Fees	Salaries & Benefits	Travel & Per Diem	Program Delivery Expenses
1992	NA	NA	NA	NA	NA	\$785,406
1993	\$572,192	\$322,238	\$1,073,040	\$436,140	\$451,670	\$2,855,280
1994	\$920,453	\$367,791	\$1,116,031	\$524,341	\$405,087	\$3,333,703
1995	\$1,791,568	\$479,147	\$1,497,298	\$955,380	\$624,682	\$5,348,075
1996	\$1,310,059	\$318,910	\$1,989,875	\$2,275,991	\$669,262	\$6,564,097
1997	\$1,739,810	\$290,025	\$2,006,818	\$2,446,514	\$1,138,358	\$7,621,525
1998	\$2,382,405	\$513,067	\$2,328,607	\$3,120,565	\$1,011,208	\$9,355,852
1999	\$5,667,379	\$823,553	\$2,903,168	\$3,863,058	\$990,017	\$14,247,175
2000	\$13,299,008	\$1,093,763	\$3,058,332	\$4,211,457	\$1,041,001	\$22,703,561

Source: CDQ Program Office, Alaska Department of Community and Economic Development.

Table 2-6 presents the breakdown between program delivery expenses (detailed in Table 2-5) and expenses for particular development projects. In general, over the life of the program, program delivery expenses account for about 49 percent and project expenses account for about 51 percent of total expenses.

Table 2-6. Consolidated CDQ Group Expenses, 1992—2000.

Year	Program Delivery Expenses	Project Expenses	Total Expenses
1992	\$785,406	\$672,207	\$1,457,613
1993	\$2,855,280	\$3,766,621	\$6,621,901
1994	\$3,333,703	\$7,311,975	\$10,645,678
1995	\$5,348,075	\$7,705,311	\$13,053,386
1996	\$6,564,097	\$6,998,168	\$13,562,265
1997	\$7,621,525	\$10,557,179	\$18,178,704
1998	\$9,355,852	\$16,578,030	\$25,933,882
1999	\$14,247,175	\$14,057,296	\$28,304,471
2000	\$22,703,561	\$9,703,984	\$32,407,545

Source: CDQ Program Office, Alaska Department of Community and Economic Development.

2.5 Employment

The following four tables show historic employment and wages resulting directly from CDQ group activity. CDQ groups have been successful in creating 1,666 jobs in their regions by 2000, with more than \$61 million in gross wages paid over the life of the program. The number of jobs does not necessarily equal the number of people employed, as one person can take advantage of several short-term jobs in any given year. Additional employment and wages have been created indirectly by CDQ group activity and will be estimated in other parts of this report. Detailed information about individual CDQ groups is available in following sections. Table 2-7 presents total employment. Although the number of jobs has increased over the life of the program, wages per employee have been relatively stable.

Table 2-7. Consolidated CDQ Group Employment and Wages, 1993—2000.

Year	Jobs	Wages	Wages Per Job
1993	420	\$2,641,625	\$6,290
1994	887	\$5,173,466	\$5,833
1995	781	\$5,881,068	\$7,530
1996	1,229	\$6,590,692	\$5,363
1997	1,284	\$7,995,068	\$6,227
1998	1,350	\$8,177,461	\$6,057
1999	1,348	\$12,050,271	\$8,939
2000	1,666	\$12,513,193	\$7,511

Source: CDQ Program Office, Alaska Department of Community and Economic Development.

Table 2-8 shows administrative employment by CDQ groups over the history of the program. Once again, wages have not increased much over time. It is interesting to note that wages per administrative employee are far higher than wages in fishing or other types of employment created through group activity. Administrative jobs tend to be full time, where fishing and construction jobs can be sporadic and short term.

Table 2-8. Consolidated CDQ Group Administrative Employment and Wages, 1993—2000.

Year	Jobs	Wages	Wages Per Job
1993	24	\$593,506	\$24,729
1994	41	\$1,005,816	\$24,532
1995	42	\$1,272,696	\$30,302
1996	103	\$1,843,447	\$17,898
1997	63	\$1,803,766	\$28,631
1998	79	\$2,284,792	\$28,921
1999	101	\$4,196,433	\$41,549
2000	93	\$2,947,740	\$31,696

Source: CDQ Program Office, Alaska Department of Community and Economic Development.

Table 2-9 shows employment in fishing-related businesses. About 32 percent of that employment is in the pollock industry, where employment growth has been slow and steady over time. Recent activity in halibut and other fisheries and increased investment in vessels and processing infrastructure for other species has greatly increased employment in fisheries other than pollock within the CDQ regions.

Table 2-9. Consolidated CDQ Group Fishing-Related Employment and Wages, 1993—2000.

Year	Jobs	Wages	Wages Per Job
1993	250	NA	NA
1994	489	\$2,280,798	\$9,636
1995	621	\$2,999,443	\$11,069
1996	952	\$3,966,658	\$9,761
1997	1,019	\$5,417,376	\$11,632
1998	1,077	\$4,724,496	\$9,253
1999	1,030	\$6,350,837	\$14,153
2000	1,443	\$7,701,387	\$11,065

Source: DQ Program Office, Alaska Department of Community and Economic Development.

Table 2-10 shows historic employment in areas other than administration and fishing-related businesses. Jobs in this category have grown rapidly, but again, the wages per employee have been relatively stable. Jobs in this category tend to be construction jobs, related to infrastructure development. The strong increase in this category reflects increased investment in fishing-related infrastructure within the regions represented by CDQ groups.

Table 2-10. Consolidated CDQ Group Other Employment and Wages, 1993—2000.

Year	Jobs	Wages	Wages Per Job
1993	396	\$2,048,119	\$5,172
1994	846	\$4,167,650	\$4,926
1995	739	\$4,608,372	\$6,236
1996	1,126	\$4,747,245	\$4,216
1997	1,221	\$6,191,302	\$5,071
1998	1,271	\$5,892,669	\$4,636
1999	1,247	\$7,853,838	\$6,298
2000	1,573	\$9,565,453	\$6,081

Source: CDQ Program Office, Alaska Department of Community and Economic Development.

2.6 Training

Table 2-11 presents results of the various scholarship and training programs undertaken by the six CDQ groups. A total of 7,086 people have been trained over the life of the program (There may be double counting as an individual person can take advantage of more than one training opportunity.) CDQ groups spent approximately \$9.3 million on training from 1993 through 2000, for an average expenditure of about \$1,350 per training opportunity. Training programs include scholarship payments for college education, vocational training, and other types of training programs. Detailed training information about individual CDQ group is available in following sections.

Table 2-11. Consolidated CDQ Group Training Programs, 1993—2000.

Year	People Trained	Training Expenditures	Expense per Trainee
1993	346	\$561,599	\$1,623
1994	900	\$815,271	\$906
1995	619	\$1,073,810	\$1,735
1996	939	\$1,354,493	\$1,442
1997	846	\$1,041,309	\$1,231
1998	1,188	\$1,378,418	\$1,160
1999	1,135	\$1,244,192	\$1,096
2000	1,113	\$1,872,176	\$1,682

Source: CDQ Program Office, Alaska Department of Community and Economic Development.

3 Aleutian Pribilof Island Community Development Association

In 1992 when it was formed, the Aleutian Pribilof Island Community Development Association (APICDA) represented the communities of Atka, St. George, Nelson Lagoon, False Pass, and Nikolski. Akutan was added to the group in 1996. These communities are located on the western portion of the Alaska Peninsula and the eastern Aleutian chain. The communities had a combined 1990 population of 986, with an annual average household income of \$29,305. Twenty percent of the population was below the poverty level, and 50 percent of the adults in those communities were not employed in 1990. The 2000 combined population for these communities is 1,143. APICDA is the second smallest CDQ group in terms of population.

3.1 Administrative Management Organization

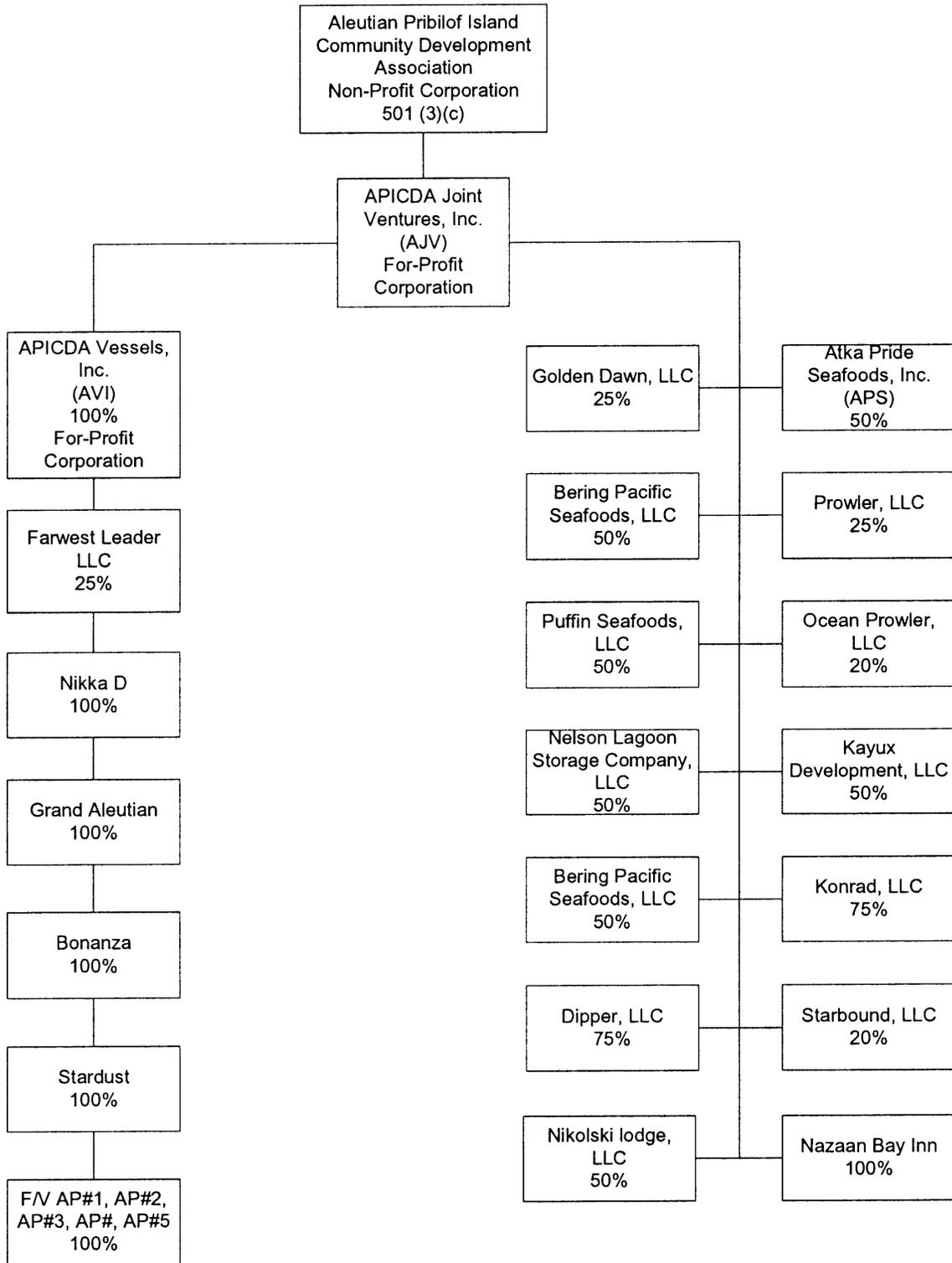
In 1992, APICDA formed as a nonprofit corporation for the purpose of designing and managing the CDQ project, and functions as a local economic development organization. It is governed by a Board of Directors with six voting and three non-voting members. The Board has the sole authority to establish policy, make managerial decisions, formulate budgets, approve capital projects and training and education grants, and resolve matters which may affect the future of the organization. The board hired three consultant firms to assist with policy, managerial and administrative responsibilities. They are: Pacific Associates with expertise in commercial fishery management, enforcement, and administration; Birch, Horton, Bittner and Cherot, with expertise in corporate law and structure, taxation and Native affairs; and Coopers and Lybrand, with expertise in financial accounting and auditing services.

APICDA became certified as a 501 (C)(3) non-profit corporation in 1994. No tax liability was charged.

In 1994, the Association reorganized to form two profit-making subsidiaries – APICDA Joint Ventures, Inc. (AJV), which holds the profit-making assets of APICDA that are jointly owned by other entities; and APICDA Management Corp. (AMC), which holds those profit-making assets that are wholly owned by APICDA. In 1995, all of AMC's assets except the vessels were transferred to AJV.

APICDA has its main offices in Juneau, with additional staff in Unalaska, and community liaisons located throughout the region. Figure 3.1 shows the organizational structure of APIDCA as of 2000.

Figure 3-1. Aleutian Pribilof Island Community Development Association



Note: changes made in 2001 may not be included.

Source: Regulatory Impact Review/Initial Regulatory Flexibility Analysis, Amendment 71. NPFMC and NMFS, November 15, 2001.

3.2 Vision Statement

For the good of its member communities, APICDA intends to develop commercial fishing industry related opportunities and enhance long-term social and economic viability of the residents of coastal communities in the Bering Sea and Aleutian Islands. Through the rational use of Bering Sea fishery resources, APICDA will:

- Promote employment opportunities with capital investment funds;
- Relieve chronic social problems through creation of jobs and economic stability and the encouragement of educational opportunity;
- Promote community control over individual economic and social destinies; and
- Assist communities to make the transition from reliance upon a CDQ allocation to economic and social self-sufficiency.

3.3 Quota Share

In 1992, APICDA initially requested a pollock quota share of 30 percent (about 30,000 mt) per year. They were granted an 18 percent quota share (about 18,260 mt) for the 1992/1993 season. Through the 1994/95 CDP (1993), the group requested a 27 percent share of pollock quota for 1994 and 1995 (approximately 27,000 mt), and received permission to harvest closer to 18 percent. The following table presents APICDA pollock allocation and harvest from 1992 through 2000.

Table 3-1. APICDA Allocation vs. Harvest (in metric tons) of Pollock Quota, 1992—2000.

Year	Allocation	Harvest
1992	18,260	18,249
1993	18,260	17,951
1994	18,733	18,703
1995	17,653	17,573
1996	14,744	14,697
1997	13,908	13,885
1998	13,606	13,597
1999	15,872	15,861
2000	18,224	18,182

Source: CDQ Program Office, Alaska Department of Community and Economic Development.

In 1995, quota shares of halibut and sablefish were made available to the CDQ groups. In 1998, crab quotas were awarded. The following table presents allocation and harvest data for those species between 1995 and 2000.

Table 3-2. APICDA Allocation vs. Harvest (in pounds) of Halibut, Sablefish, and Crab Quota, 1995—2000.

	1995	1996	1997	1998	1999	2000
Halibut						
Allocated	460,000	462,000	696,000	779,500	897,500	1,083,500
Harvested	399,522	425,318	651,629	745,387	824,321	1,038,146
Sablefish						
Allocated	72,732	39,683	39,683	111,443	112,765	168,984
Harvested	62,067	25,923	39,584	35,367	29,105	65,550
Crab						
Allocated				154,779	1,083,561	373,929
Harvested				154,752	1,085,316	373,702

Source: CDQ Program Office, Alaska Department of Community and Economic Development.

In general, APICDA harvested close to all of their quota allocation. The first year of halibut and sablefish harvest resulted in only an 85 percent harvest level. Although harvest of halibut picked up in later years, harvest of sablefish was only close to allocation levels in 1997. Since then, APICDA's sablefish harvest has been less than half of the quota allocation.

3.4 Harvest/Processing Partners

In 1992, APCIDA contracted with Trident Seafoods Corp and the Starbound Partnership in a joint venture partnership to harvest their pollock CDQ. Vessels used by Trident Seafoods are catcher only, and deliver the catch to a shoreside processor. Starbound is a factory trawler. Contracts were established with the Flying Cloud, the American Empress, the American Triumph, the American Dynasty, the F/V Dominator, the F/V Dona Liliana, and the F/V Dona Marita in 1994 to harvest quota pollock.

In 1995, APICDA contracted with Alaska Sablefish to harvest their sablefish quota, and in 1998, AJV formed a joint venture with Trident Seafoods to catch and process crab. Currently, Trident Seafoods and the Starbound Partnership harvest quota pollock, crab, and other species. The Prowler, LLC harvests quota sablefish and other species. AJV harvests quota halibut, sablefish and other species, and Cascade Fishing harvests other species quota for the group.

3.5 Employment

APICDA developed a strategy to employ residents of member communities on vessels, in shore plants and at corporate headquarters of their harvesting/processing partners early in the program. In addition, they hoped to create more employment for local residents through planned capital development projects. APICDA residents are not especially interested in working in the pollock fishery, preferring to have small boats and harvest the quota themselves. Jobs created by work on the Atka infrastructure and development of the processing plant accounts for much of the CDQ employment in the region. The following table presents historical annual employment in administrative, fishing and other positions.

Table 3-3. APICDA Employment and Wages, 1993—2000.

	1993	1994	1995	1996	1997	1998	1999	2000
Admin./Employment								
Jobs	8	8	8	15	12	17	24	24
Wages	\$110,000	\$71,000	\$81,000	\$257,600	\$193,849	\$248,999	\$1,807,764	\$351,286
Fishing/Employment								
Jobs	34	6	6	69	93	122	61	30
Wages	\$112,553	\$26,496	\$51,223	\$707,848	\$923,500	\$642,765	\$1,116,057	\$1,691,694
Other Employment								
Jobs	23	34	71	72	54	24	40	83
Wages	\$323,000	\$273,592	\$607,100	\$309,711	\$226,601	\$169,986	\$342,043	\$423,618
Total Employment								
Jobs	65	48	85	156	159	163	125	137
Wages	\$545,553	\$371,088	\$739,323	\$1,275,159	\$1,343,950	\$1,061,750	\$3,265,864	\$2,466,598

Source: CDQ Program Office, Alaska Department of Community and Economic Development.

Administrative employment includes management and staff in the headquarters office in Juneau, as well as employment and training coordination staff in Unalaska and liaisons in member communities. Employment in the “other employment” category generally resulted from construction of fisheries-related infrastructure undertaken or assisted by the group. Those projects are presented later in this section. APICDA also anticipated self-sustaining employment from successful operation of future investments in service industries and shoreside processing.

3.6 Training/Scholarship Programs

With the 1992 CDP, APICDA planned a training program, and allocated funds to the following categories: communications program; on-site coordinators; curriculum contributions; travel fare assistance; and tuition for vocational schools. The group began a program of communication with local communities to inform them about employment and training opportunities. The program included mail outs to every resident in each member community, followed by on-site visits to each community. They also hired one individual in each community to act as on-site coordinator and resource person. APICDA worked with local schools to develop education programs at the primary level that focus on economic, vocational and conservation aspects of commercial fishing, and provided travel assistance to residents participating in on the job training opportunities offered by their harvesting/processing partners. In addition to the training opportunities available through their harvesting/processing partners, APICDA also provides tuition assistance for participants of more formal education programs, both vocational and academic.

APICDA established an educational endowment fund in 1997. This fund later became part of the Longterm Reserve Account. A summer internship program was established in 2000 in conjunction with harvest and processing partners, and other businesses serving the region.

Table 3-4 indicates increasing training opportunities financed by the group, especially in the area of academic training. While the number of scholarships has only increased fourfold, funding for those scholarships has increased tenfold. Funding per vocational scholarship has decreased over time.

Table 3-4. APICDA Training Programs, 1993—2000.

Training	1993	1994	1995	1996	1997	1998	1999	2000
College Scholarships								
Number	9	15	26	30	28	28	38	38
Value	\$9,000	\$22,515	\$28,918	\$37,358	\$60,441	\$67,500	\$58,500	\$91,084
Vocational Scholarships								
Number	4	14	17	71	56	47	27	60
Value	\$29,115	\$48,965	\$46,175	\$84,041	\$70,099	\$59,089	\$12,402	\$41,083
Other Training								
Number	17	8	21	5	-	14	-	9
Value	\$67,000	\$36,000	\$123,364	\$168,053	\$111,970	\$203,863	\$-	\$10,756
Total Training								
Number	30	37	64	106	84	89	65	98
Value	\$105,115	\$107,480	\$198,457	\$289,452	\$242,510	\$330,452	\$70,902	\$328,375

Source: CDQ Program Office, Alaska Department of Community and Economic Development.

3.7 Investment Programs

Following is a chronology of investment plans and programs. Some of the group’s original plans were scaled back when they received less quota allocation than initially requested.

1992 - In the original 1992 CDP, APICDA established a Fishery Investment Fund, used to purchase vessels, upgrade vessels, and finance the purchase of IFQs, as well as other investments as opportunities were presented.

1994 –

- Formed a for-profit subsidiary - APICDA Management Corp (AMC) was developed to hold profit-making assets wholly owned by the group.
- APICDA Joint Ventures (AJV) was formed to hold profit-making assets jointly owned.

1995 –

- All of AMS’s assets except its vessels were transferred to AJV.
- AJV formed a limited liability corporation with Trident Seafoods Corp and Aleutian Spray Fisheries to own and operate the combination trawl/crabber catcher vessel Golden Dawn. AJV owns 25 percent.
- Joined with Yukon Delta Fisheries Development Association to purchase the Rebecca B, a longline catcher processor (APICDA owns 80 percent). Both CDQ groups’ sablefish quota will be caught by this vessel.

1996 –

- Successfully managed the loss of the Rebecca B when the vessel ran aground. The vessel was a total loss but was fully insured.
- AJV purchased 105,000 lbs of sablefish and 25,000 lbs of halibut quota shares.

1997 –

- AJV purchased a 25 percent interest in two catcher/processor longline vessels.
- In partnership with Yukon Delta Fisheries, Inc., and Parity Corp., AJV formed OceanLogic, LLC, and a computer software development company which produces software that will manage commercial fishery catch and production data.

1998 –

- Purchased 25 percent ownership in Farwest Leader, a 105-foot crab vessel (AJV and Trident).
- Purchased 100 percent of the Grand Aleutian, a sport charter vessel.
- Continued to invest and manage software company (Ocean Logic). Version 1.0 of Quota Manager software released.
- Established a long-term reserve account.

1999 –

- Purchased 20 percent ownership in Starbound, a 240 ft. factory trawler.
- AJV established Prowler LLC, and purchased 25 percent share in the Bering Prowler.
- Continued to invest in and manage Ocean Logic. They lost money again.

2000 –

- Purchased 33 percent more of Ocean Logic, a software company.
- Started a joint crab processing venture with Trident Seafoods
- 75 percent of the Konrad I LLC was purchased by AJV (large commercial fishing vessel).
- Began construction of the Nikolski Lodge.

As of early 2001, APICDA owns all or portions of the following vessels:

- 100 percent of the Agusta D – a 28 ft. sportfishing charter vessel that will likely operate out of Nikolski.
- 100 percent of the Grand Aleutian – a 32 ft. sportfishing charter vessel working out to Unalaska.
- 100 percent of seven 28 to 38 ft. longline vessels that primarily harvests for halibut and cod.
- 100 percent of the F/V Stardust – a 56 ft. longline vessel that harvests primarily for halibut and cod.
- 75 percent of the Kondrad I – a 58 ft. combination trawler/pot/tender vessel that harvests Pacific cod and pollock, and operates as a salmon tender at False Pass.
- 25 percent of the Farwest Leader – a 105 ft. pot vessel that primarily harvests crab and Pacific cod.
- 25 percent of the Golden Dawn – a 148 ft. catcher vessel that harvests pollock, Pacific cod and crab.
- 25 percent of the F/LL Prowler – a 114 ft. longliner that harvests and processes Pacific cod and sablefish.

- 25 percent of the F/LL Bering Prowler – a 124 ft. longliner that harvests and processes Pacific cod and sablefish.
- 20 percent of the F/LL Ocean Prowler – a 155 ft. longliner that harvests and processes Pacific cod and sablefish.
- 20 percent of the F/T Starbound – a 240 ft. factory trawler that harvests and processes pollock.

3.8 Development Programs

APICDA laid out in their 1992 CDQ that capital expenditures would emphasize infrastructure development. Agreement with impacted communities will be reached where APICDA will receive a return on any investments made in that community. The focus is to encourage local development by providing seed money for capital improvements and business development. They will also further assist communities by participating in businesses which occur as an outgrowth of APICDA investments. Due to the group receiving a lower than anticipated quota share, some of the original development plans were scaled back. A chronology of development projects follows.

1993 –

- Contributed to extension of water and sewer to the new False Pass City Dock (\$400,000).
- Contributed to False Pass Tribal Council for construction of a gear storage warehouse at False Pass (\$169,000).
- Allocated funds for design and engineering of a dock facility at Nelson Lagoon.
- Contributed funds for dredging in the Zapadni Bay Harbor at St. George (\$1,200,000).

1994 –

- Formed APS, a joint venture with the Atka Fishermen’s Association to purchase, process and market halibut, and other species in Atka.
- Constructed a dock at Atka (\$200,000).
- Completed dredging at Zapadni Bay Harbor on St. George Island
- Completed the gear storage warehouse at False Pass.
- In conjunction with the Aleutians East Borough, completed design of a new dock for Nelson Lagoon, and acquired land for the project.

1995 –

- Continued to finance and manage Atka Pride Seafoods (APS), a halibut processing plant in Atka. Although it operated at a loss, it provided a market for Atka fishers who got CDQ halibut quota shares.
- Completed construction of a new dock in Nelson Lagoon in conjunction with the Aleutians East Borough.
- Contracted for construction of three 32-ft. longline vessels, which were completed and delivered to Atka for the halibut fishery. All three are crewed by local residents.
- Contracted for construction of a 26-ft prototype skiff. Delivered to Atka for the halibut fishery, and proved extremely seaworthy and relatively inexpensive.

- Continued work on False Pass water and sewer project, the Atka commercial dock project, and the False Pass gear storage warehouse (which opened in 1995).

1996 –

- Partnered with St. George Fishermen’s Association to form Kayux Development LLC to develop a \$1.7 million harbor on St. George.
- Continued to finance and develop APS (halibut processing plant), and worked to develop a halibut fishing fleet out of Atka.
- With University of Alaska, completed a comprehensive community inventory of member communities. Results indicate level of skills and knowledge as well as needs, desires and fears of residents.

1997 –

- Joined with the Nelson Lagoon Tribal Council to form the Nelson Lagoon Storage Company, a gear storage facility.
- Continued to finance and develop APS (halibut processing plant), and worked to develop a halibut fishing fleet out of Atka.
- Contributed \$800,000 to the construction of a dock and road at Atka.
- Implemented a Small Vessel Acquisition Program to develop the halibut fishing fleet in Atka and the region. Purchased two vessels to fish halibut, sablefish, dungeness crab, octopus, and other species.
- Kayux LLC completed the \$1.7 million harbor development project at St. George.
- Through the product diversification program, AJV funded an assessment of sea urchin resources in the area from Adak east to the Alaska Peninsula. Information will be used to determine the viability of a commercial sea urchin fishery.
- AJV formed the Nazan Bay Inn in Atka.
- Constructed a boat ramp at Nikolski.

1998 –

- Established a web site.
- Double storage capacity to APS. Operated at a profit at APS for the first time.
- Completed water line to Atka dock.
- Expanded water and sewer to Nelson Lagoon dock (worked with Aleutians East Borough).
- Constructed a new outfall at St. George (with St. George Tanaq Corp.).
- AJV and St. George Fishermen’s Assoc. formed Puffin Seafoods, LLC, which bought and handled St. George halibut.
- Completed a sea urchin resource assessment and applied to the state for a sea urchin mariculture program to begin in 2000.
- Purchased a processing barge (the Dipper) for deployment in various APICDA communities.
- Opened the Nelson Lagoon Storage Company, LLC, which stores gear and vessels.

1999 –

- Obtained profitable status with APS.
- Created the Dipper, LLC (processing barge) and Bering Pacific Seafoods LLC to provide processing capacity within the region.
- APS offered 0 percent interest loans to local fishers.
- The small vessel acquisition program was suspended.

2000 –

- Refurbished the F/V Dipper (barge), which processed salmon and cod in the region.
- Continued to operate the Nelson Lagoon Storage Facility as an LLC.
- Joined with Trident Seafoods to do tendering at St. George.
- Provided gear and vessel upgrade loans to region residents.
- Developed plans for a sea urchin fishery.

4 Atka Fishermen's Association

Atka Fishermen's Association (AFA) was established in 1994 to receive halibut CDQ under the Community Development Quota Program. AFA represents the community of Atka, which has a 2000 population of 92. The 1990 population of this community was 589. In 1990, the median household income was \$40,625, with 16.2 percent of the population below the poverty level. 44.7 percent of the adult population was not working in 1990.

This organization is associated with APICDA and is managed largely by APICDA. Separate submittal of annual and quarterly reports and CDPs began in 1995 and disappeared in 1996. After that time, activities of AFA were reported by APICDA.

4.1 Administrative Management Organization

This organization is associated with APICDA. They were given halibut quota in 1995, but are managed largely by APICDA. Their main office is located at Atka.

4.2 Vision Statement

- Provide capital for construction and investment to facilitate community participation in Bering Sea/Aleutian Islands fisheries.
- Provide and promote employment and educational opportunities for local residents in all aspects of the Bering Sea/Aleutian Islands fisheries.
- Become a self-sustaining entity that will foster continued development, participation, and stability for the region's communities and their residents.

4.3 Quota Share

1995 – Received halibut quota share of 460,000 lbs. They harvested 399,522 lbs for a value to fishers of nearly \$400,000.

1996 – Harvested 425,318 lbs of a halibut allocation of 462,000 lbs. (92 percent).

1997 – Harvested 696,034 lbs of 286,420 lbs. of halibut allocation (100 percent).

4.4 Harvest/Processing Partners

Local fishers directly harvested the quota.

4.5 Employment

1995 –

- 42 local fishers received nearly \$400,000 for fish sold to local APS processing plant.
- Over \$150,000 was paid in wages and taxes to 32 Atkan plant employees.

1996 –

- Local fishers received about \$468,000 for fish sold to the local plant.
- 34 Atkans worked at the plant and associated activities, for a payroll of about \$134,000.
- 31 Atkans worked for commercial fishers as a result of or the halibut market provided by the processing plant.

4.6 Investment/Development Programs

1994 – APICDA Joint Ventures, Inc. (AJV) and the AFA established a joint venture, for-profit company to own and operate (50/50) APS. They worked to renovate the plant.

1995 –

- Invested over \$300,000 APS plant upgrades.
- Nearly \$650,000 was earned through sale of fish by APS to a secondary processor.
- The purchaser of halibut from the APS reported that the quality of the headed and gutted frozen halibut from Atka was as good as any fish product they had purchased in Alaska.
- APA has a loan program for local CDQ halibut fishermen to purchase and upgrade
- Vessels and equipment.

1996 –

- \$73,000 invested in the halibut processing plant renovation project.
- Lowered the plants operating costs as a percent of revenue by over 15 percent from the previous year.
- Over \$240,000 in asset value was shifted from APICDA Vessels, Inc. to APS.
- Continued loan program to assist fishers in vessel purchases and upgrades.

5 Bristol Bay Economic Development Corporation

The Bristol Bay Economic Development Corporation (BBEDC) represents the communities of Aleknagik, Clark's Point, Dillingham, Egegik, Ekuk, King Salmon/Savonoski, Manokotak, Naknek, Pilot Point, Port Heiden, South Naknek, Togiak, Twin Hills, and Ugashik. In 1999, the villages of Portage Creek, Ekwok and Levelock joined BBEDC. These communities rim Bristol Bay, in Western Alaska. They have a combined 1990 population of 5,224, with an annual average household income of \$37,359. Seventeen percent of the population was below the poverty level and 44 percent of the adults in those communities were unemployed in 1990. The 2000 combined population for these communities was 5,932.

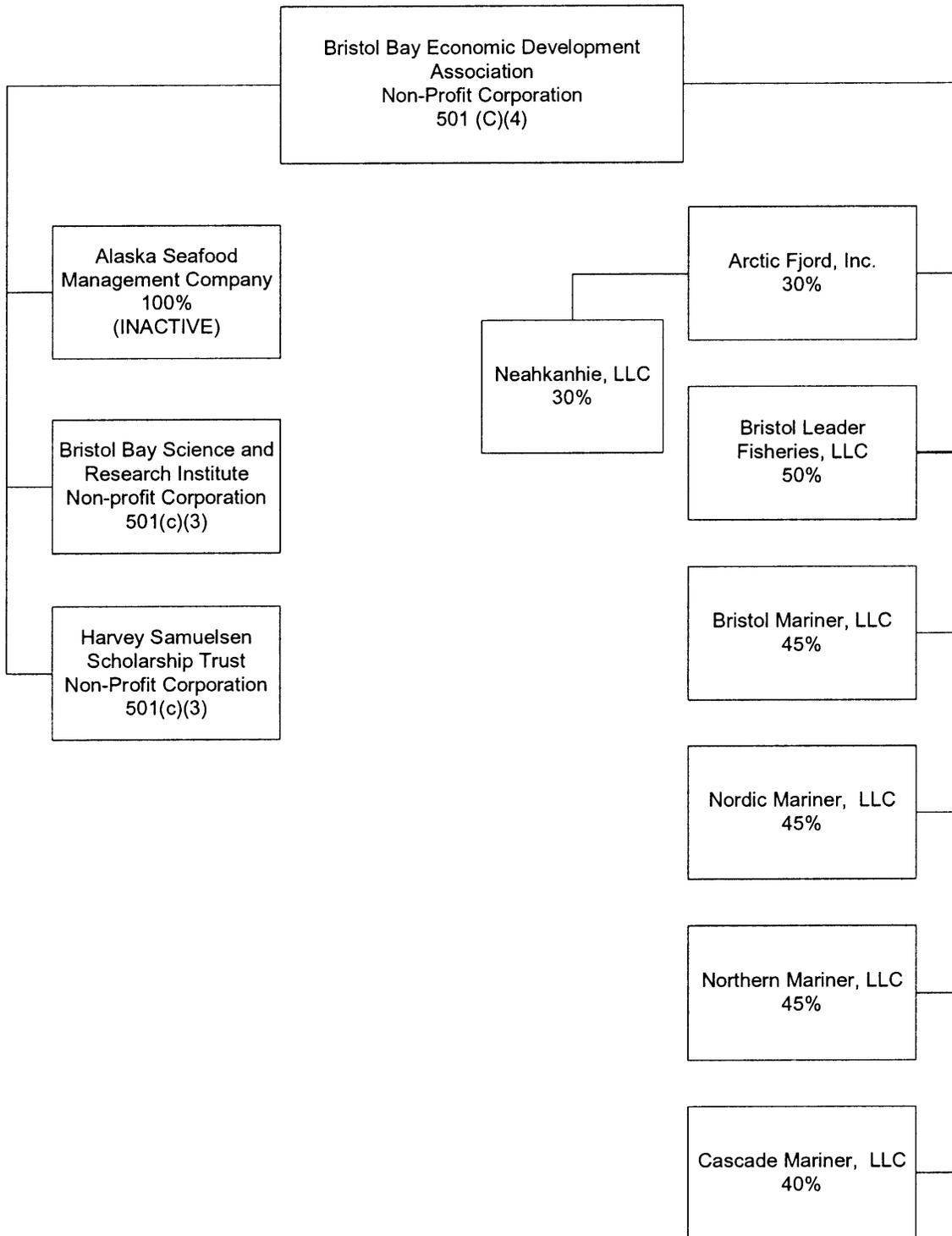
5.1 Administrative Management Organization

In 1992, BBEDC formed as a for-profit corporation with the responsibility of implementing the Community Development Plan. Harvesting, processing and sale of CDQ pollock was to be undertaken by Oceantrawl, Inc. The business plan consisted of forming an investment bank, the Alaska Seafood Investment Fund (ASIF), and will be undertaken by a limited partnership of BBEDC and Oceantrawl. BBEDC will be managed by a board of directors, particularly the executive committee, and a staff. The board consists of one member from each of the 14-member communities.

In June of 1993, BBEDC applied for and received nonprofit status, retroactive to 10/92.

BBEDC is headquartered in Dillingham, with some staff located in Juneau. Figure 5.1 shows the organizational management of the group in 2000.

Figure 5-1. Bristol Bay Economic Development Corporation



Note: changes made in 2001 may not be included.

Source: *Regulatory Impact Review/Initial Regulatory Flexibility Analysis, Amendment 71*. NPFMC and NMFS, November 15, 2001.

5.2 Vision Statement/Purpose

The CDP is designed to provide new economic activity and employment in the region based on commercial fisheries. The Plan will address the needs of BBEDC's 14 member communities by filling significant gaps in the programs carried out by State and federal governments and any other regional development organizations such as the Bristol Bay Native Corporation, or the Bristol Bay Native Association. In problem areas where existing organizations are providing community development services, the BBEDC programs will complement and strengthen such programs rather than substitute for, or compete with them.

Although BBEDC was not initially interested in starting new development programs and investing in business enterprises, their focus changed in 1998, and they are beginning to do both.

5.3 Quota Share

In 1992, BBEDC initially requested a pollock quota share of 33,000 mt. per year. They were allocated just over 20,000 mt. for the first two years. The following table represents BBEDC's allocation and harvest of pollock quota for 1992 through 2000.

Table 5-1. BBEDC Allocation vs. Harvest (in metric tons) of Pollock Quota

Year	Allocation	Harvest
1993	20,289	19,625
1994	20,814	20,648
1995	19,615	19,448
1996	18,418	18,385
1997	17,370	17,351
1998	16,278	10,002
1999	20,832	20,832
2000	23,919	23,899

Source: CDQ Program Office, Alaska Department of Community and Economic Development.

In 1995, quota shares of halibut and sablefish were made available to the CDQ groups. In 1998, crab quotas were awarded. The following table presents allocation and harvest data for those species between 1995 and 2000.

Table 5-2. BBEDC Allocation vs. Harvest (in pounds) of Halibut, Sablefish, and Crab Quota, 1995—2000.

	1995	1996	1997	1998	1999	2000
Halibut						
Allocated	89,130	89,130	158,040	205,710	257,070	257,070
Harvested	87,553	87,426	156,460	175,109	211,525	253,037
Sablefish						
Allocated	181,830	99,208	99,207	91,270	156,263	176,678
Harvested	181,912	99,409	99,207	88,948	96,324	91,161
Crab						
Allocated				1,955,086	1,954,250	600,617
Harvested				1,953,831	1,952,855	598,605

Source: CDQ Program Office, Alaska Department of Community and Economic Development.

In general, BBEDC harvested the majority of their allocation. However, in 1999 and 2000, they were only able to harvest about 62 percent and 52 percent respectively of their sablefish quota.

5.4 Harvest/Processing Partners

In 1992, BBEDC contracted Oceantrawl to harvest, process, and market its pollock quota shares. BBEDC terminated their contract with Oceantrawl in 1995, and group conducted a search for a new pollock partner. That year, they contracted with Arctic Storm to catch and process pollock. BBEDC selected Bristol Leader Fisheries in 1996 to partner in cod, sablefish and turbot quota harvest and processing. In 1997, they selected Kaldestad Fisheries, LLC to harvest and Icicle Seafoods to process crab, and North Pacific Fishing to harvest and process multi-species/ groundfish.

5.5 Employment

BBEDC works with its pollock industry partner to place residents in industry jobs. They planned to place approximately 60 qualified Bristol Bay residents on Oceantrawl vessels in 1992 and 1993, and as many more in 1994 and 1995 as is consistent with the pool of qualified labor and running a profitable business. They have also worked to develop a small boat halibut fishery, and place residents in other fishing industry positions. Because BBEDC did not plan much activity in terms of capital development, very few construction jobs have been created in the region. That focus began to change in 1998, and employment-creating development projects are being planned. The following table presents historical annual employment in administrative, fishing and other positions.

Table 5-3. BBEDC Employment and Wages, 1993—2000.

Employment	1993	1994	1995	1996	1997	1998	1999	2000
Admin. Employment								
Jobs	3	5	5	28	8	11	11	15
Wages	\$105,495	\$138,177	\$157,560	\$388,868	\$289,181	\$352,297	\$393,979	\$504,577
Fishing Employment								
Jobs	40	71	68	137	228	203	210	238
Wages	\$250,892	\$217,192	\$262,154	\$589,290	\$1,185,798	\$925,397	\$1,057,734	\$956,500
Other Employment								
Jobs	-	2	6	-	2	1	1	27
Wages	\$-	\$8,045	\$45,476	\$-	\$6,000	\$40,000	\$43,000	\$77,698
Total Employment								
Jobs	43	78	79	165	238	215	222	280
Wages	\$356,387	\$363,414	\$465,190	\$978,158	\$1,480,979	\$1,317,694	\$1,494,713	\$1,538,775

Source: CDQ Program Office, Alaska Department of Community and Economic Development.

5.6 Training/Scholarship Programs

In their 1992 CDP, BBEDC laid out plans for their training program. The plan follows.

While maintaining compliance with Equal Employment Opportunity laws, BBEDC will:

- Focus basic training programs on disadvantaged individuals to make them more competitive in the job market.
- Target training opportunities equally to eligible CDQ communities.
- Work with the Bering Sea Commercial Fisheries Development Foundation, the Alaska Vocational and Technical Education Center, and the University of Alaska to provide additional training opportunities focused on the non-CDQ communities in the region.

In addition, BBEDC will provide advanced vocational training and academic opportunities by:

- Establishing a scholarship endowment to provide advanced vocational and academic scholarships in perpetuity, and developing an active scholarship recruitment program throughout the region.
- Providing immediate training programs throughout the region to prepare qualified residents for employment by Oceantrawl and other fishing companies.
- Establishing a regional marine vocational training center in cooperation with the University of Alaska regional campus and the Bering Sea Commercial Fisheries Development Foundation.

They will establish:

- Basic and incremental advancement vocational training programs for disadvantaged individuals.
- Advanced technical and vocational training for ten students per year.
- Academic scholarship program with the goal of sending three high school students per year to a four-year academic institution. The program will provide \$5,000 and \$10,000 scholarships.

The group allocates five percent of its annual royalty revenue to the Harvey Samuelsen Scholarship Trust Fund. The following table presents scholarship and training accomplishments between 1993 and 2000.

Table 5-4 shows that while vocational scholarships have dropped off since 1998, the number of students receiving college scholarships has continuously grown with the program.

Table 5-4. BBEDC Training Programs, 1993—2000.

Training	1993	1994	1995	1996	1997	1998	1999	2000
College Scholarships								
Number	4	8	16	30	35	41	44	62
Value	\$20,000	\$40,000	\$60,000	\$76,890	\$76,332	\$84,995	\$90,000	\$92,132
Vocational Scholarships								
Number	49	191	102	89	68	134	18	21
Value	\$82,881	\$21,010	\$129,698	\$14,457	\$19,987	\$58,119	\$73,865	\$40,645
Other Training								
Number	-	328	183	286	210	528	596	513
Value	\$-	\$-	\$16,462	\$120,037	\$127,407	\$271,179	\$55,405	\$79,261
Total Trained								
Number	53	527	301	405	313	703	658	626
Value	\$102,881	\$61,010	\$206,160	\$211,384	\$223,726	\$414,293	\$219,270	\$411,808

Source: CDQ Program Office, Alaska Department of Community and Economic Development.

5.7 Investment Programs

Following is a chronology of BBEDC's investment plans and programs.

1993 –

- Establishment of the Alaska Seafood Investment Fund (ASIF) for long-term investments in fishery-related products.

1994 –

- The Alaska Seafood Investment Management Company (ASIMCo) was created as a joint venture to purchase a crabber/tender. Activities were suspended when the crab population crashed.
- Continued ASIF for fisheries investments.

1995- ASIMCo was restructured to preserve its nonprofit status.

1996- Developed a strategy to move into investments in longliners, crabber/tenders, factory trawlers and value-added ventures.

1997 –

- Purchased the F/V Bristol Mariner and the F/V Bristol Leader.
- Purchased Bering Sea and Gulf of Alaska sablefish and halibut IFQ

1998 –

- Purchased a share of the F/V Northern Mariner, a 120' crab vessel.
- F/V Bristol Leader began fishing in June 1998.
- Purchased Bering Sea and Gulf of Alaska sablefish and halibut IFQs.

1998–

- Purchased Bering Sea and Gulf of Alaska sablefish and halibut IFQs.
- Purchased ownership interest in salmon processor located in Bristol Bay.

2001 –

- Purchased an additional 10 percent of the F/T Arctic Fjord and F/V Neahkahnne (bringing investment to 30 percent in each of the two boats), pollock harvesters.
- Purchased a 40 percent interest in the F/V Cascade Mariner, which harvests crab.

As of early 2001, BBEDC owns all or portions of the following vessels:

- 50 percent of the Bristol Leader – a 167 ft. freezer longliner co-owned by Alaskan Leader Fisheries. It harvests cod, halibut, and sablefish.
- 45 percent of the Bristol Mariner – a 125 ft. crab harvesting vessel co-owned and managed by Kaldestad Fisheries.
- 45 percent of the Northern Mariner – a 110 ft. crab harvesting vessel co-owned and managed by Kaldestad Fisheries.
- 45 percent of the Nordic Mariner – a 121 ft. crab harvesting vessel co-owned and managed by Kaldestad Fisheries.
- 40 percent of the F/V Cascade Mariner – a 100 ft. crab harvesting vessel co-owned and managed by Kaldestad Fisheries.
- 30 percent of the F/T Arctic Fjord – a 270 ft. factory trawler that harvests pollock and other groundfish. It is managed by Arctic Storm.
- 30 percent of the F/V Neahkahnne – a 110 ft. pollock catcher processor. The majority owner is Arctic Storm.

5.8 Development Programs

In their 1992 CDP, BBEDC laid out in their regional fisheries development plan to help target possible ASIF investment in the region and to guide infrastructure development. They planned to investigate viable opportunities for value-added processing of traditional and underutilized species, and other ways to develop the traditional fisheries economy of the region. The group also planned to establish a fisheries infrastructure development matching fund to match state and federal monies for approved capital projects.

Other plans for economic development include a program of business and finance counseling and assistance, as well as set asides for acquisition or financing of IFQs, and for buyback of limited entry salmon permits. A chronology of development projects follows.

1992/93 – Planned Projects

- Develop a regional fisheries development plan to help target possible ASIF investment in the region and to guide infrastructure development.
- Investigate viable opportunities for value added processing of traditional and underutilized species, and other ways to develop the traditional fisheries economy of the region.

- Investigate investments that would utilize CDQs and ITQs (individual transferable quota) for other species.
- Develop infrastructure development priorities within the context of the fisheries development plan and potential ASIF investments.
- Establish a fisheries infrastructure development matching fund to match state and federal monies for approved capital projects.
- Set aside funds for acquisition or financing of IFQs to supplement the activities of the ASIF.
- Develop a business extension program to focus on immediate fishing business needs of BBEDC residents. Where possible, use established outside management and financial resources such as the Alaska Business Development Centers program. Projects might include:
 - Develop a payment tracking system for community fishermen who are in debt to the IRS;
 - Create a limited entry permit brokerage and information service to inform residents when permits become available, and help keep permits in the region;
 - Provide information and assistance to community businessmen interested in the further development of Bristol Bay's underutilized sliver, pink and king salmon runs, and give management help to communities' small value-added businesses; and
 - Provide up to \$25,000 annually in fisheries development grants focused on developing species and value-added products.

1994 –

- Provided regional fisheries development assistance through its herring surveys, salmon market identification and market expansion for both salmon and herring.
- Set up a permit brokerage that has counseled over 300 people on how to hold permits, and pay off tax liabilities, boat and permit loans.

1995 –

- Continued providing regional fisheries development assistance through its herring surveys, salmon market identification and market expansion for both salmon and herring.
- Continued to fund permit brokerage to assist in retention of permits in the region. Assisted over 4,600 people to date.

1996 – Funded permit brokerage to assist in retention of fishing permits in the region.

1997 – Continued funding permit brokerage and counseling services to assist in retention of permits in the region.

1998 –

- Performed an in-region resource assessment.
- Worked to establish a school-to-work curriculum for K-12 students in resident communities.
- Continued funding a permit brokerage service to assist with retention of permits in the region.
- Conducted a small boat test fishery in the NW Hagemeister Straits area.

- Contracted the Alaska Business Development Center to assist with regional business and infrastructure development projects.
- Assisted residents in applying for federal Small Business Association loans made available because of the Bristol Bay fishing disaster.

1999 –

- Worked to establish a school-to-work curriculum for K-12 students in resident communities.
- Continued funding a permit brokerage service to assist with retention of permits in the region.
- Purchased ice machines for eight communities in the BBEDC region.
- Performed in-region resource assessment.
- Contracted the Alaska Business Development Center to assist with regional business and infrastructure development projects.

2000 –

- Continued work to establish a school-to-work curriculum for K-12 students in resident communities.
- Performed market research – explored European markets for region seafood products.

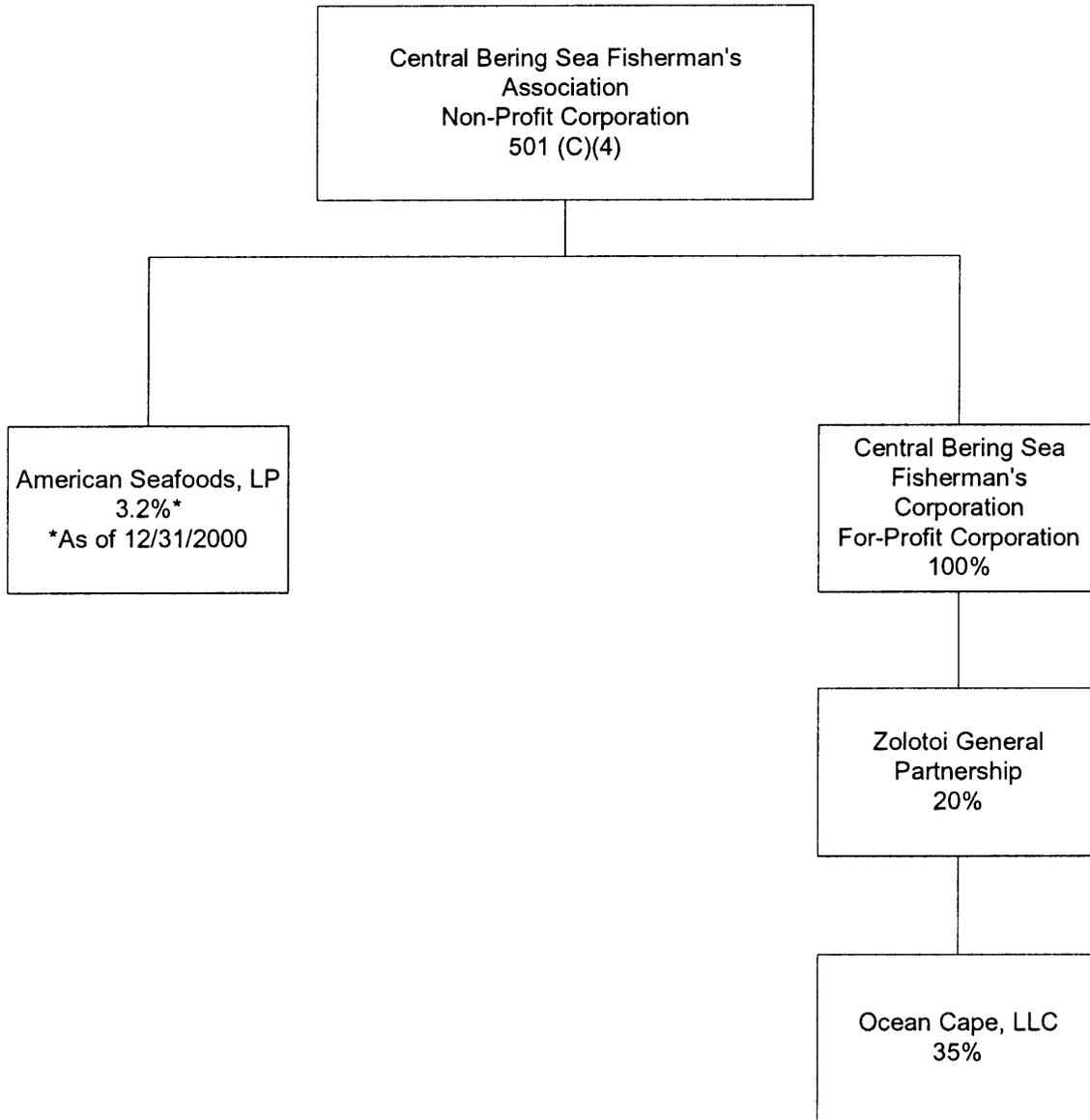
5.9 Central Bering Sea Fishermen’s Association

The Central Bering Sea Fishermen’s Association (CBSFA) represents the community of St. Paul Island in the Pribilof Islands. The 1990 population of St. Paul was 763. The annual average household income in 1990 was \$39,922. During that year, 7.1 percent of the population was below the poverty level, and 32.6 percent of the adult population was unemployed. The 2000 population of St. Paul was 532. CBSFA’s resident population has the highest annual household income of the six CDQ groups.

5.10 Administrative Management Organization

The CBSFA is an incorporated non-profit fishing association. They are headed by a nine-member board of directors. Management of the association is provided by contract with Pribilof Bering Seafoods, who provide technical and administrative services to CBSFA. In 1994, the group amended their CDP to allow them to perform their own management. The group moved its headquarters from St. Paul to Anchorage and back again. They have relied heavily on consultant assistance and have had a history of management and legal concerns. Figure 6.1 shows the organizational structure of the group as of 2000.

Figure 5-2. Central Bering Sea Fisherman’s Association



Note: changes made in 2001 may not be included.

Source: *Regulatory Impact Review/Initial Regulatory Flexibility Analysis, Amendment 71*. NPFMC and NMFS, November 15, 2001.

5.11 Vision Statement

- Develop a stable, self-sufficient, enduring and diversified economy for St. Paul Island not based on fur sealing, as directed by the Fur Seal Act Amendments of 1983.
- Develop an appropriate locally-based, locally-owned Bering Sea fishing fleet, to contribute community economic benefits and stability, local fishing participation, and safe and efficient harvest of local commercially viable species.

- Establish and maintain access to Bering Sea resources as a key component in establishment and maintenance of a long-term economy for St. Paul Island.
- Establish Aleut participation in management and preservation of an ecosystem that supports rational use of renewable Bering Sea resources for the benefit of all persons.
- Convert and merge successful community fishery development plan and quota with NPFMC fishery rationalization plan.

5.12 Quota Share

In 1992, CBSFA originally requested the maximum allowable quota allocation for a single community. Instead of receiving the 34,500 mt (34.5 percent) requested, they received only about 10,000 mt (10 percent). Their allocation was reduced to 8 percent in 1994-95, and to 4 percent in 1996-98. They received an increased allocation of 5 percent in 1999-2000, but the State recommended a reduction to 4 percent for 2001-2002. The following table presents CBSFA pollock allocation and harvest from 1992 through 2000.

Table 5-5. CBSFA Allocation vs. Harvest (in metric tons) of Pollock Quota, 1992—2000.

Year	Allocation	Harvest
1992	10,144	9,756
1993	10,144	10,066
1994	8,326	8,306
1995	7,846	7,771
1996	3,689	3,653
1997	3,474	3,303
1998	3,401	3,309
1999	4,975	4,962
2000	5,695	5,699

Source: CDQ Program Office, Alaska Department of Community and Economic Development.

In 1995, quota shares for halibut and sablefish were made available to the CDQ groups. In 1998, crab quotas were awarded. When halibut quotas were established, the community of St. George (from APICDA) joined with St. Paul to form Pribilof Island Fisheries (PIF) to manage the quota share. The following table presents the allocation and harvest data for those species between 1995 and 2000. PIF halibut allocation and catch is included in this table.

Table 5-6. CBSFA Allocation vs. Harvest (in pounds) of Halibut, Sablefish, and Crab Quota, 1995—2000.

	1995	1996	1997	1998	1999	2000
Halibut						
Allocated	385,000	385,000	580,000	715,000	913,500	913,500
Harvested	388,076	384,585	578,260	713,404	912,204	913,322
Sablefish						
Allocated	0	0	0	51,588	53,175	58,334
Harvested	0	0	0	0	1,537	27,690
Crab						
Allocated				1,874,080	1,838,122	478,564
Harvested				1,872,033	1,836,330	476,468

Source: CDQ Program Office, Alaska Department of Community and Economic Development.

While CBSFA and PIF seem to have had no problems catching the majority of their quota for pollock, halibut and crab, they seem to have had some trouble catching their sablefish quota.

5.13 Harvest/Processing Partners

In 1992, CBSFA contacted with American Seafoods Company, Inc. to harvest and process quota pollock, and later contracted with them to harvest and process miscellaneous other species. In 1997, they selected Ocean Cape, Inc. and the Zolotio Partnership to harvest crab, and Unisea and Icicle Seafoods to process that catch.

5.14 Employment

CBSFA's early CDPs did not state any particular plans or goals for creating employment for their residents. Community members have not been drawn to employment in the pollock fishery although employment opportunities are part of the agreement with their pollock partner. Residents have been more interested in working on their own boats in the halibut fishery. St. Paul harbor development accounts for much of the employment in the "other" category. The following table shows employment and wages paid from 1993 to 2000.

Table 5-7. CBSFA Employment and Wages, 1993—2000.

Employment	1993	1994	1995	1996	1997	1998	1999	2000
Admin. Employment								
Jobs	2	7	6	17	9	8	16	4
Wages	\$111,550	\$173,396	\$262,133	\$259,124	\$185,459	\$226,568	\$208,434	\$116,671
Fishing Employment								
Jobs	7	26	183	154	155	126	125	121
Wages	\$70,000	\$102,673	\$594,114	\$496,769	\$675,503	\$455,826	\$1,095,000	\$1,688,169
Other Employment								
Jobs	12	27	29	9	3	12	37	26
Wages	\$91,342	\$631,475	\$435,436	\$39,971	\$31,739	\$32,894	\$33,507	\$37,724
Total Employment								
Jobs	21	60	218	180	167	146	178	151
Wages	\$272,892	\$907,544	\$1,291,683	\$795,864	\$892,701	\$715,288	\$1,336,941	\$1,842,564

Source: CDQ Program Office, Alaska Department of Community and Economic Development.

5.15 Training/Scholarship Programs

CBSFA had initial plans for a scholarship and training program funded at about \$400,000 per year. However, since they received a much lower quota amount, that program was curtailed. While funding for these programs is much less, the group does, however, continue to work with residents, and recommended the following training programs:

- University programs will be used to educate Aleuts in plant and company management, and marketing. Schools and programs such as University of Alaska, Fairbanks fisheries, biology and food science programs; Oregon State University Seafoods Lab and Food Science Graduate Program; University of Washington Food Science, Marine Affairs and Oceanography program; and community college programs that include study in Japan as part of an Associates Degree program, will be utilized.
- Vocational training for 25 jobs on factory trawlers will take place at the Alaska Vocational Technical Center in Seward. This job training will continue throughout the four year CDQ period.
- Offer internships at American Seafoods Co. corporate headquarters.

The current student loan program offers a loan deferment for students who graduate and return to St. Paul to work.

Table 5-8. CBSFA Training Programs, 1993—2000.

Training	1993	1994	1995	1996	1997	1998	1999	2000
College Scholarships								
Number	7	27	17	12	15	16	39	27
Value	\$11,407	\$44,000	\$47,905	\$19,483	\$36,742	\$30,528	\$74,253	\$45,700
Vocational Scholarships								
Number	6	43	8	-	6	3	4	4
Value	\$11,245	\$80,587	\$28,464	\$-	\$17,587	\$7,600	\$10,663	\$12,025
Other Training								
Number	-	-	-	19	22	15	31	14
Value	\$-	\$-	\$-	\$59,627	\$60,858	\$57,426	\$148,192	\$20,930
Total Trained								
Number	13	70	25	31	43	34	74	50
Value	\$22,652	\$124,587	\$76,369	\$79,110	\$115,187	\$95,554	\$233,108	\$82,255

Source: CDQ Program Office, Alaska Department of Community and Economic Development.

5.16 Investment Programs

Following is a chronology of CBSFA's investment programs.

1994 –

- Purchased their office building. Renovation began.
- Began a joint venture company called Central Bering Sea International. Permission by the Secretary of Commerce for the joint venture was denied. CBSFA is attempting to recover the funds from the venture.
- Purchased a portion of F/V Zolotoi, a crabber.

1996 - Continued to renovate CBSFA's office in St. Paul.

1998 –

- Purchased a live crab facility.
- Conducted a business development feasibility study for Misty Island Seafoods and Toho American to run the crab facility.

1999 - Purchased 35 percent of the F/V Ocean Cape, a crabber.

2000 –

- Acquired an equity interest in American Seafoods LP.
- Suspended Misty Island Seafood operations (live crab facility) – bad year for Opilio.

2001 -

As of early 2001, CBSFA held the following investments in vessels and processing companies:

- 35 percent of the F/V Ocean Cape – a 98 ft. crab vessel.

- 20 percent of the F/V Zolotoi – a 98 ft. crab vessel.
- 3.5 percent ownership in American Seafoods LP This catcher processing company has seven factory trawlers.

5.17 Development Programs

Much of CBSFA's development plans have centered on dredging, building and upgrading the harbor and fisheries infrastructure at St. Paul. Other plans involved support of local fishers through small business infrastructure support and a boat and gear loan program. Following is a chronology of CBSFA's planned and implemented development projects.

1992 – Planned Projects (1992/93)

- Loan program and vessel acquisition assistance (1992/93) – This program does not provide enough capital to meet all the demand for local vessels. However, DCQ dedicated funds and financing assistance, through interest write downs and down payment loans through conventional banks will be used to obtain vessels for local fishers. Use of AIDEA, SBA and/or BIA funds to supplement or leverage vessel loans is also under consideration.
- CBSFA will provide \$250,000 (1993) in CDQ funds to match a \$500,000 HUD Block Grant for a small boat dock. Plans for infrastructure assistance have been placed on hold with the granting of lower than requested quota share.

1992 – CBSFA will provide \$750,000 (1993) of CDQ funds to match state funding for the dredging of St. Paul Harbor. This will allow large factory trawlers and smaller vessels to use the harbor and is the first step in developing a shoreside seafood processing plant. Funds for dredging contributed by CBSFA will be credited towards the CBSFA's one-third equity in the new plant.

1993 –

- CBSFA amended their CDP and was allowed to provide an additional \$250,000 (for a total of \$1,000,000) in matching funds for the dredging of St. Paul Harbor. Dredging began in December, and continued into 1994. CBSFA requested \$7,000,000 from the State for supplemental dredging to improve harbor facilities.
- Installed three seafood outfalls for three processors – expected to be operational in early 1994.
- A freeze on vessel loan activity was in place until early 1999 in order to further evaluate the program.

1994 –

- Seafood outfalls became operational.
- Barge was placed for the 1994 and 1995 crab fisheries.
- Feasibility study was conducted for a seafood processing plant. Results show that the project is not feasible at this time.
- Dock materials were purchase and dock design is complete. Construction is awaiting the completion of dredging.
- Test fishing occurred during the summer season.

- Vessel loan and gear fund loaned \$115,000 to help purchase a 70 ft multi-purpose vessel (F/V Angela Carol) by a local fisher. The boat had numerous repair problems, and was seized by the U.S. Marshall in Seattle for expired insurance. CBSFA may not recover the funds loaned.
- Phase I harbor dredging began, and will be completed in 1995.
- An Impact Fund was developed, and assisted in the tanning of 167 fur seal hides used to create a crafts cottage industry, and develop a partnership between elders and schools.

1995 –

- Phase I of the St. Paul Harbor dredge project is complete.
- Managed a temporary docking facility for the local halibut fleet.
- Joined WAFDA and contributed to its funding.

1996 –

- Established effective measures to lower defaults on boat and gear loans while instituting mechanisms to receive back payments.
- Managed temporary docking facility for local halibut fleet.
- Established effective measures to lower defaults on boat and gear loans while instituting mechanisms to receive back payments.
- Managed temporary docking facility for local halibut fleet.

1997 –

- Held a Bering Sea Exposition on St. Paul Island.
- Managed temporary dock facility for local halibut fleet.
- Promoted development of small boat harbor with Army Corps of Engineers (COE).

1998 –

- Promoted development of a small boat harbor (St. Paul) with the COE.
- Worked with boat repair company to service local fishers.
- Purchased a boat trailer to help fishers berth and remove boats.
- Started a Jr. Achievement program in St. Paul.

1999 –

- Marketed live opilio crab from their crab facility.
- Continued development of a small boat harbor with COE.
- Established a halibut coop, which was instrumental in negotiating higher ex-vessel halibut prices.

2000 –

- Conducted experimental fisheries in the region.
- Conducted an infrastructure needs assessment.
- Continued development of a small boat harbor with COE.

6 Pribilof Islands Fisheries

Pribilof Island Fisheries (PIF) includes the communities of St. George (APICDA) and St. Paul (CBFSA). It was formed in 1995 to receive halibut CDQs.

6.1 Administrative Management Organization

All Board members serve in a voluntary capacity, and PIF did not directly employ any staff or consultants in the first year. Consulting staff services (1 person for a few hours during 1995) are provided by local fishermen's organizations and volunteer labor.

6.2 Quota Share

1995 – Received a quota share of 385,000 lbs.

1996 - harvested 384,584 lbs of their halibut quota (99.9 percent).

1997– Harvested 586,099 lbs of 580,000 lbs halibut allocation.

6.3 Employment

1995 – 150 local fishers earned about \$457,300.

1996 – Directly and indirectly employed 146 residents, for \$454,000 in wages.

1997 – Directly and indirectly employed over 100 residents, with over \$600,000 in wages.

6.4 Development Programs

1995 – Worked with CBSFA to assist local fishers in purchasing Area 4C halibut IFQ. All CDQ halibut was processed locally.

1996 and 97 – worked with CBSFA to assist local fisher in the purchase of 4C halibut IFQ.

6.5 Finances

1995 - PIF raised no funds from their members, but relied on grants from fishermen's organizations.

Coastal Villages Regional Fund

In 1992, when it was formed, Coastal Villages Regional Fund (CVRF), formerly Coastal Villages Fishing Cooperative (CVFC) represented the communities of Cheforak, Chevak, Eek, Goodnews Bay, Hooper Bay, Kipnuk, Kongiganak, Kwigillingok, Mekoryuk, Newtok, Nightmute, Platinum, Quinhagak, Scammon Bay, Toksook Bay, Tununak, and Tuntutuliak. In 1999, the villages of Napaskiak, Napakiak and Oscarville joined the cooperative. CVRF communities are located along the western coast of Alaska near the Yukon and Kuskokwim River deltas. The communities have a combined 1990 population of 6,484. The annual average household income in 1990 for member communities was \$17,475, and 40 percent of the population was below the poverty level. In addition, 62 percent of the adult residents of these communities were unemployed in 1990. The 2000 population of the combined communities was 7,855. The CVRF resident population is the poorest of the six CDQ groups.

6.6 Administrative Management Organization

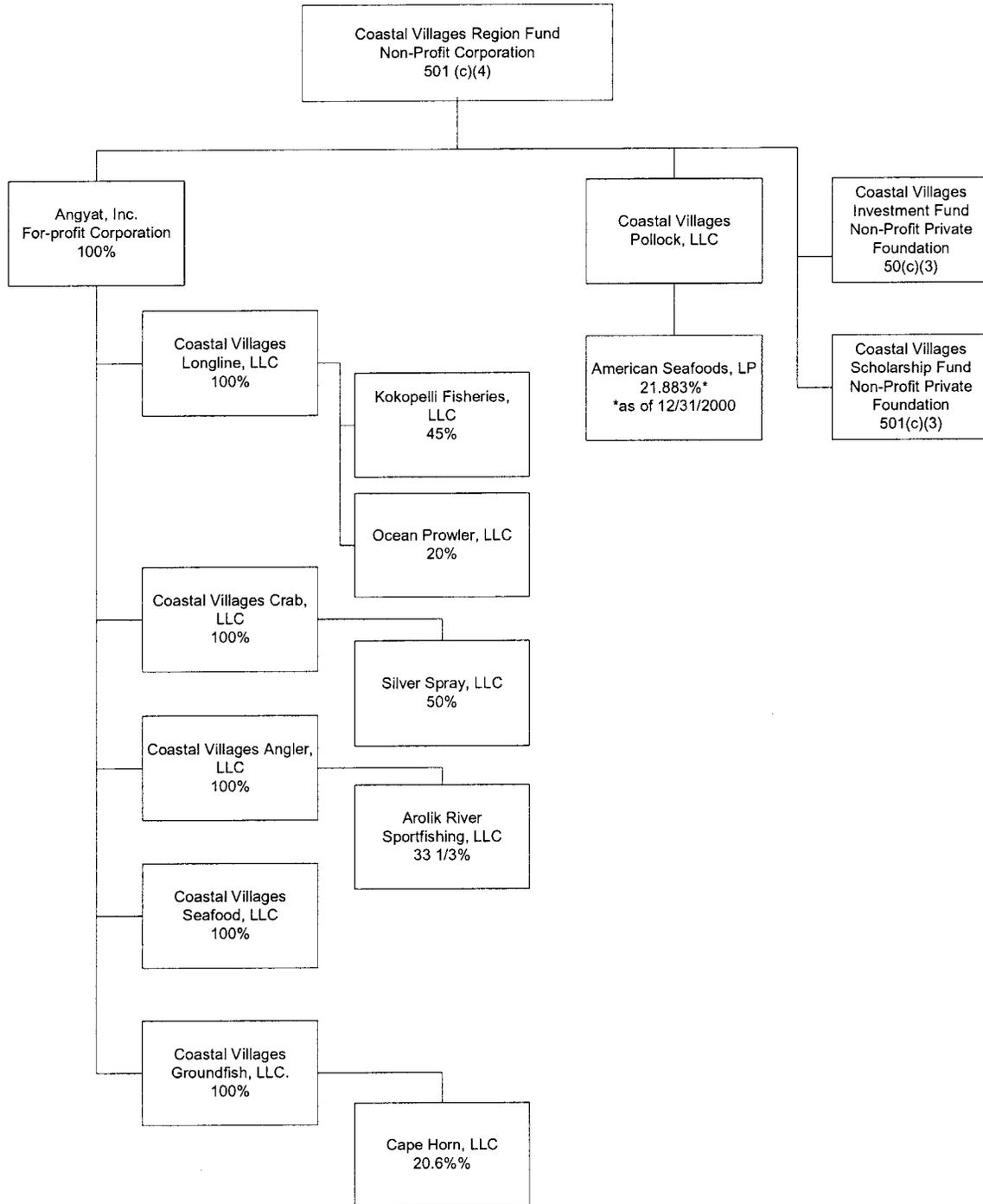
CVFC was formed as a for-profit corporation, managed by a 17-member board of directors (one member from each member community). Financial management was be undertaken with the assistance from Golden Age Fisheries (GAF) and a CPA firm. By 1993, CVFC was developing its management capabilities with assistance from GAF. In 1995, the group reorganized as a nonprofit, and they became Coastal Villages Region Fund (CVRF). Headquarters offices are located in Anchorage, and they have offices in Bethel.

CVRF has several limited liability subsidiaries:

- Coastal Villages Pollock, LLC, which owns 20 percent of American Seafoods, LP.
- Angyat, Inc., a for profit corporation which is a holding company for the for-profit subsidiaries.
- Coastal Village Longline, LLC, a for-profit corporation which owns equity in two long line vessels.
- Kokopelli, LLC, which is under contract to manage and operate a long line vessel.
- Coastal Villages Crab, LLC, which owns 50 percent of a crab catcher and Pacific cod freezer boat.
- Coastal Villages Angler, LLC, which owns part of a sport fish river guiding service.
- Arolik, LLC, which is a joint venture that owns a sport fishing lodge.
- Coastal Villages Seafoods, LLC, which processes salmon on the lower Yukon River.

Figure 8.1 outlines the organizational structure of CVRF in 2000.

Figure 6-1. Coastal Villages Regional Fund



Note: changes made in 2001 may not be included.

Source: *Regulatory Impact Review/Initial Regulatory Flexibility Analysis, Amendment 71*. NPFMC and NMFS, November 15, 2001.

6.7 Vision Statement

Goals and Objectives:

- Utilize CDQs to develop the indigenous fisheries of CVFC region of Western Alaska.
- Provide jobs and expand employment opportunities for the residents of CVFC member villages.
- Develop the technical and managerial potential of CVFC members.
- Accumulate capital for Coast Villages Region fisheries infrastructure development.
- Invest capital in new ventures to further develop the Coastal Villages Region.
- Establish CVFC ownership in onshore processing facilities and offshore harvesting and processing capacity (factory trawlers, long liners, crabbers and processing vessels) capable of fishing in nearshore and offshore fisheries.
- Provide markets for local salmon and herring fisheries.
- Develop an independent management capability at CVFC.

On receiving sablefish and halibut quota in 1995, CVFC developed the following goals and strategies:

- Organize as a for-profit corporation – the creation of a self-sufficient fishing economy will require profits to be sustainable.
- Form a partnership with an established seafood company experienced in both the inshore and offshore sectors – expertise in all aspects of the fishing industry must be learned.
- Concentrate on both the inshore and offshore sectors of the fishing industry – the established and potential inshore and nearshore fisheries are of low value and insufficient by themselves to support a broad-based fishing economy.
- Use the Cooperative as the entity to create the economy – fragmenting the capital available from the CDQ program into 17 separate entities would not provide sufficient financial resources to create lasting ventures in any one of the communities.
- Begin now – the CDQ program is of limited duration and present opportunities for residents of the region are few – a successful program requires CVFC to take the initiative and not wait for opportunities to materialize on their own.

6.8 Quota Share

In 1992, CVFC received 27 percent of the pollock quota. That share dropped to 18 percent in 1996/97. For the 1999-2000 program, CVRF received a 22 percent quota share, and the State has recommended a 24 percent share for 2001/02. The following table presents CVRF pollock allocation and catch from 1992 to 2000.

Table 6-1. CVRF Allocation vs. Harvest (in metric tons) of Pollock Quota, 1992—2000.

Year	Allocation	Harvest
1992	27,390	24,520
1993	27,390	27,518
1994	28,099	28,033
1995	26,480	26,338
1996	23,102	22,978
1997	21,713	20,264
1998	21,259	21,155
1999	21,824	21,821
2000	25,058	24,857

Source: CDQ Program Office, Alaska Department of Community and Economic Development.

CVRF was unable to fully utilize their pollock quota in 1992, but since then, they have fully utilized their quota share.

In 1995, halibut and sablefish community development quota was distributed, and in 1998, crab quota was allocated. The following table presents CVRF allocation and catch data from 1995-2000.

Table 6-2. CVRF Allocation vs. Harvest (in pounds) of Halibut, Sablefish, and Crab Quota, 1995—2000.

	1995	1996	1997	1998	1999	2000
Halibut						
Allocated	139,440	139,440	265,520	338,480	419,160	419,160
Harvested	145,440	142,610	265,765	236,635	343,233	418,385
Sablefish						
Allocated	181,912	99,207	99,207	136,906	165,016	240,745
Harvested	181,860	98,394	99,206	133,125	137,343	63,173
Crab						
Allocated				1,716,558	1,760,763	552,137
Harvested				1,710,103	1,759,101	552,033

Source: CDQ Program Office, Alaska Department of Community and Economic Development.

Halibut quota was underutilized in 1998 and 1999, and in 2000, only about a quarter of their sablefish quota was caught.

6.9 Harvest/Processing Partners

In 1992, CVRF formed the Imapriqamiut Partnership (IP) with Golden Age Fisheries (GAF) to harvest their pollock. In 1995, they added F/V Browns Point as a Pollock harvester. In addition, in 1995, CVRF received a separate 7 percent pollock quota share, and chose Westward Seafoods to harvest the quota. The partnership with GAF was dissolved in 1997/98. American Seafoods and Westward Seafoods now harvest pollock quota for CVRF.

When halibut and sablefish quota was allocated, CVRF contracted with Ocean Harvester to fish the quota. In 1997, CVRF developed new business relationships for harvest of the multi-species CDQ allocations with Tyson Seafoods Group, Westward Seafoods, the Silver Spray, Icicle Seafoods and Kokopelli Fisheries.

6.10 Employment

CVRF worked with its pollock industry partners to provide employment opportunities for local residents. In addition, their large halibut quota share has created many halibut-related jobs. Lack of focus on local infrastructure projects has resulted in few non-fishery related jobs.

Table 6-3. CVRF Employment and Wages, 1993—2000.

Employment	1993	1994	1995	1996	1997	1998	1999	2000
Admin. Employment								
Jobs	1	7	6	17	9	8	16	4
Wages	\$31,490	\$173,396	\$262,133	\$259,124	\$185,459	\$226,568	\$208,434	\$116,671
Fishing Employment								
Jobs	142	49	199	162	155	134	157	142
Wages	\$266,123	\$702,197	\$947,994	\$518,141	\$668,419	\$314,453	\$944,441	\$1,591,281
Other Employment								
Jobs	3	4	13	1	3	4	5	5
Wages	\$91,342	\$31,951	\$81,556	\$18,599	\$38,823	\$174,267	\$184,066	\$134,612
Total Employment								
Jobs	146	60	218	180	167	146	178	151
Wages	\$388,955	\$907,544	\$1,291,683	\$795,864	\$892,701	\$715,288	\$1,336,941	\$1,842,564

Source: CDQ Program Office, Alaska Department of Community and Economic Development.

6.11 Training/Scholarship Programs

CVRF worked with industry partners for training and advancement in at-sea positions. They developed management internships at sea and on shore, and career counseling and employment referral programs. In addition, CVRF provided Baader technician training in Germany. The ongoing 4-SITE program has been active in providing training and employment opportunities to residents. In 2000, the CVRF began working with village governments to identify and help meet future training needs.

CVRF provides scholarships through a fund, and work with institutions such as Alaska Vocational Technical School, Sheldon Jackson College, and Salmon Roe University to target training for their residents. CVRF forgives loans from the scholarship fund for individuals who return to the region to work. The following table outlines training program results between 1993 and 2000.

Table 6-4. CVRF Training Programs, 1993—2000.

Training	1993	1994	1995	1996	1997	1998	1999	2000
College Scholarships								
Number	2	4	5	9	7	13	30	20
Value	\$8,000	\$15,808	\$21,502	\$35,449	\$15,505	\$41,831	\$45,473	\$59,944
Vocational Scholarships								
Number	-	-	6	53	84	5	13	2
Value	\$-	\$-	\$40,000	\$64,614	\$5,840	\$18,140	\$37,469	\$7,182
Other Training								
Number	6	8	9	6	5	39	32	24
Value	\$23,963	\$31,951	\$61,957	\$179,403	\$101,358	\$126,433	\$73,470	\$24,193
Total Trained								
Number	8	12	20	68	96	57	75	65
Value	\$31,963	\$47,759	\$123,459	\$279,466	\$122,703	\$186,404	\$156,412	\$144,352

Source: CDQ Program Office, Alaska Department of Community and Economic Development.

6.12 Investment Programs

Following is a chronology of CVRF's investment plans and programs.

1992 – CVFC will invest in several partnerships for fisheries infrastructure. GAF will contribute about \$4,850,000 in investment funds between 1992 and 1995 towards these investments and other CVFC projects.

- The Imapiqamuit Partnership (IP), which will operate factory trawler Browns Point and other leased vessels. \$4,000,000 investment by 1995.
- The Barbara Lee Partnership which will operate the fishing vessel Barbara Lee as a longliner. \$1,000,000 investment by 1995.
- Purchase of ITQ shares. \$7,950,000 investment by 1995.
- Paydown of vessel loans. \$6,150,000 investment by 1995.

1993 –

- Invested \$2,000,000 in upgrade of factory on the Brown's Point (IP).
- Created the Coastal Villages Investment Fund (CVIF) in late 1993. Nonprofit corporation for funding projects that are not likely to be profitable. Partners have agreed to fund this program with a self-assessed tax equal to the Alaska Fisheries Business Tax. With passage of fisheries landing tax legislation, the funding source is changed and future funding will be available through the tax credit provision of that law.
- Investments in longline vessels are being postponed until local residents get the appropriate training and experience.

1994 -

- Applied for CDQ awards for halibut and sablefish. Received 78 percent of halibut CDQ in IPHC area 4E, 24 percent of the halibut in area 4D, and 25 percent of sablefish in the Aleutians. CVFC entered into a business relationship with the F/V Ocean Harvester for area 4D halibut and sablefish. Area 4E will be managed as an “open-to-entry” fishery for CVFC fishers.

1995 -

- Upgraded the Browns Point, a factory trawler owned 50 percent by CVFC in the Imapriqamiut Partnership.
- Renegotiated the Imapriqamiut Partnership, which strengthen CVFC’s position in the ownership of F/T Browns Point.
- Created Coastal Villages Region Fund and its licensing of pollock CDQ to Westward Seafoods.
- Negotiated for the purchase of F/V Ocean Harvester, which harvests halibut and sablefish IFQs and CDQs.

1997 -

- Worked toward the dissolution of the IP partnership
- Invested in F/V Ocean Harvester, a longliner.
- Created Coastal Villages Crab, Inc. to invest in the crab catcher boat the Silver Spray.

1998 – Dissolved the Imapriqamiut Partnership.

1999 –

- Invested in a sport-fishing venture on the Arolik River near Quinhagak.
- Developed a strategic plan to become a key player in Bering Sea Fisheries.
- Invested in a Kuskokwim Bay salmon buyer-processor (Norquest Seafoods).

2000 –

- Coast Villages Pollock, Inc. invested in American Seafoods, LLC. They are 23 percent owners.
- Continued investment in sport fishing ventures.
- Paid off the Silver Spray.

2001 – Purchased a 20 percent interest in the F/V Cape Horn, which harvests multi-species groundfish.

As of early 2001, CVRF owns all or portions of the following:

- 50 percent of the F/V Silver Spray – a 116 ft. crab catcher and Pacific cod freezer vessel.
- 45 percent of the F/V Ocean harvester – a 58 ft. longline vessel that harvests halibut and Pacific cod.
- 40 percent of the F/V Ocean Prowler – a 155 ft. long line vessel that harvests Pacific cod and turbot.
- 23 percent American Seafoods LP (through Coastal Villages Pollock, LLC), the largest offshore fishing company in the Bering Sea. The investment includes seven factory trawlers.

6.13 Development Programs

CVRF developed their initial community development plan in 1992. Their plan for an infrastructure development program is as follows:

- Develop fisheries infrastructure in the indigenous fisheries of the region by purchasing and operating a salmon processor on the lower Kuskokwim, but providing tendering and markets for fishermen in the lower Kuskokwim for the full season and for all species of salmon.
- Improve the quality of the product, enhance the reputation of the region's fish and maximize income to the fishers by providing ice to fishermen delivering to a CVFC processor, giving price bonuses for good quality and properly handled fish, and providing fishermen a share in the profits of the processing operation.
- Develop and fund a financing mechanism to encourage repatriation of salmon and herring permits to residents of the region. \$450,000 investment by 1995.
- Provide herring markets to fishers in the region.
- Develop and fund a financing mechanism to allow fishers to upgrade their fishing vessels. \$450,000.
- Self assess the equivalent of the State of Alaska raw fish tax on CDQ fish and contribute those monies to a fund which will make grants non-profit infrastructure development projects in the region.
- Conduct an annual fisheries survey in nearshore waters in the region to identify unknown and underutilized stocks.
- Investment in the Salmon Roe University who will train Western Alaskans for employment as roe technicians in the Alaska salmon fisheries. \$1,000,000 investment by 1995.
- A salmon processing facility to be located in the lower Kuskokwim. \$4,000,000 investment by 1995.

Following is a chronology of community development projects undertaken by CVRF.

1993 –

- In conjunction with the RAVEN commission established due to the failure of certain salmon runs in the region in 1993, CVFC and GAF have worked on concepts for infrastructure development that will enable CVFC to fulfill its development plan. Included in the conceptual list are an ice machine, a Bethel industrial park, and a nearshore trawl survey.
- Established Coastal Villages Fisheries (CVF), a salmon processing operation serving the lower Kuskokwim River. During the first year, CVF processed 55 percent of the River's catch. Competition created higher prices to the fishermen, and local processing to keep the money in the region.
- Established local halibut buying and processing operations in the Nelson Island/Nunivak Island area. Loans to processors in Tununuak and Tooksook Bay are helping operations in those areas.
- The Coastal Villages Investment Fund made a grant of \$3,600 to the City of Toksook Bay to help its fish processing plant meet ADEC requirements for use in 1994 halibut processing.

1994 – Conducted test fishery for local underutilized species.

1995 –

- Invested in local halibut buying and processing operations in the Nelson Island/Nunivak Island area.
- Provided operating loans and investment capital to Tununak Fish Products and to Toksook Bay halibut buying operations (94 and 94).
- Began a tax, permit and loan assistance program for local fishers.
- Helped local fishermen apply for halibut IFQs, helped them sell the IFQs for top dollar, and then convinced the buyers of the IFQs to sell them back to local fishermen for payments over time. (?)
- Provided loans for fishermen to purchase IFQs and vessels.

1996–

- Facilitated negotiations between regional herring fishing assoc. and processors to ensure markets.
- Provided operating loans and technical assistance to three halibut buying station to provide markets for CDQ halibut.
- Helped find salmon processors to purchase Kuskokwim River Salmon.
- Completed a supply building to support the halibut buying station at Mekoryuk.
- Made loans to two new aluminum welding businesses for boat repair and building at Eek and Hooper Bay.

1997 – Implemented a revolving loan fund.

1998 –

- Engaged in management review and visioning process.
- Completed upgrades at Tununak and Toksook Bay halibut plants.
- Completed feasibility study of value-added salmon operation at Quinhagak.
- Provided operating loans for four halibut-buying stations.
- Assisted residents in the purchase of halibut and sablefish quota shares.
- Provided loans to fishery-related businesses in the region.
- Provided region residents with tax and permit retention assistance.

1999 – Continued to provide region residents with tax and permit retention assistance.

2000 –

- Expanded existing halibut buying operations at Chefornek and Quinhagak.
- Enter into a fish quality control program with the local Alaska Regional Development Organization (ARDOR).
- Sponsors Jr. Achievement in villages.
- Assisted locals with the purchase of halibut and sablefish quota.
- Continued to provide region residents with tax and permit retention assistance.

7 Norton Sound Economic Development Corporation

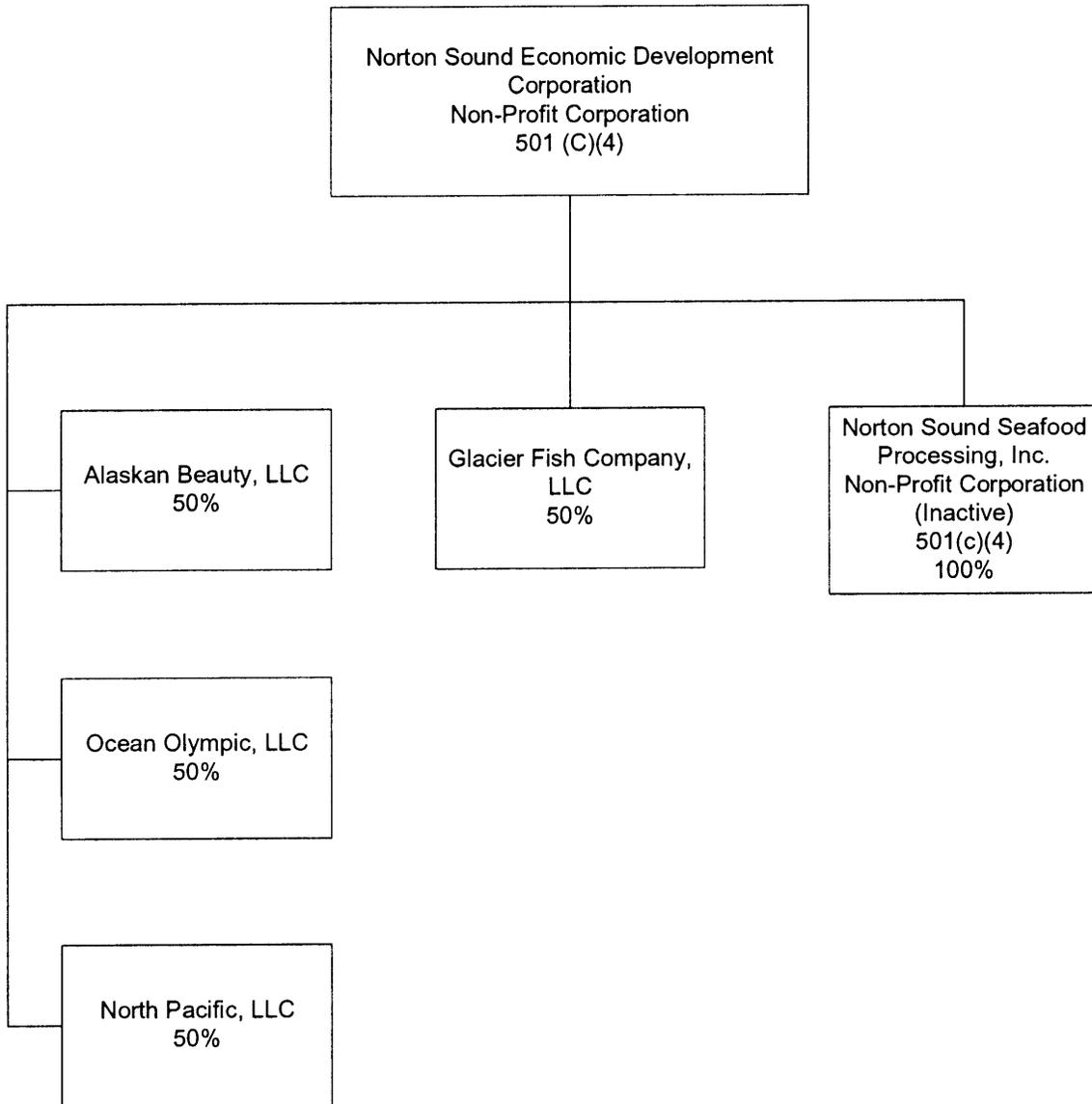
Norton Sound Economic Development Corporation (NSEDC) represents the communities of Brevig Mission, Diamede/Inalik, Elim, Gambell, Golovin, Koyuk, Nome, St. Michael, Savoonga, Shaktoolik, Stebbins, Teller, Unalakleet, Wales, and White Mountain. These 15 communities are located in Norton Sound and on the Seward Peninsula in Western Alaska. The 1990 combined population of the group was 7,621. Also in 1990, the median annual household income for the communities was \$33,290, 22 percent of the population was below the poverty level, and 49 percent of the adult population was unemployed. The 2000 population for these communities was 8,488.

7.1 Administrative Management Organization

NSEDC formed as a non-profit organization in 1992. They are managed by a 15-member board of directors (one board member from each member community). They will receive consulting assistance from the Glacier Fish Company, and an accounting firm. The group has formed several companies to manage its for-profit ventures, including Norton Sound Seafood Products (NSSP), Norton Sound Fish Company (NSFC), and Norton Sound Vessel Management, Inc. NSEDC's main offices are in Anchorage, but they have other offices in Nome and Savoonga, and an employment and training office in Unalakleet.

Figure 9.1 presents NSEDC's organizational structure in 2000.

Figure 7-1. Norton Sound Economic Development Corporation



Note: changes made in 2001 may not be included.

Source: *Regulatory Impact Review/Initial Regulatory Flexibility Analysis, Amendment 71*. NPFMC and NMFS, November 15, 2001.

7.2 Vision Statement

NSEDC's Community Development Plan is oriented toward developing the economies of local communities, with an emphasis on fisheries projects. They will pursue this development through employment creation, self-sustaining fisheries development, education and training, retention and addition of locally held fishing permits, fisheries rehabilitation and enhancement, and provision of value to state and local governments.

7.3 Quota Share

NSEDC initially requested one third of the CDQ reserve, about 33,815 mt in 1992, and 33,000 mt for each year thereafter. They were allocated 20 percent or about 20,300 mt. in 1992-95. For 1996-2000, they were awarded 22 percent of the quota, and the State is recommending an allocation of 23 percent for 2001-02. The following table presents NSEDC pollock allocation and harvest from 1992 through 2000.

Table 7-1. NSEDC Allocation vs. Harvest (in metric tons) of Pollock Quota, 1992—2000.

Year	Allocation	Harvest
1992	20,289	20,283
1993	20,289	20,243
1994	20,814	20,792
1995	19,615	19,581
1996	20,235	20,198
1997	19,123	19,099
1998	18,708	18,299
1999	21,890	21,883
2000	25,058	25,041

Source: CDQ Program Office, Alaska Department of Community and Economic Development.

In 1995, quota shares for halibut and sablefish were distributed. In 1998, crab quotas were awarded. The following table presents allocation and harvest data for those species between 1995 and 2000.

Table 7-2. NSEDC Allocation vs. Harvest (in pounds) of Halibut, Sablefish, and Crab Quota, 1995—2000.

NSEDC	1995	1996	1997	1998	1999	2000
Halibut						
Allocated	46,200	46,200	69,600	124,020	158,340	158,340
Harvested	45,747	46,194	69,509	117,470	156,968	90,357
Sablefish						
Allocated	306,356	179,674	179,674	140,102	150,355	225,312
Harvested	76,455	116,305	144,500	18,324	5,595	104,345
Crab						
Allocated				1,718,549	1,857,507	575,430
Harvested				1,711,524	1,856,676	574,004

Source: CDQ Program Office, Alaska Department of Community and Economic Development.

NSEDC has done a good job harvesting its pollock quota. Halibut harvest has also been well utilized, and targeted toward the residents on St. Lawrence Island, where NSEDC is working to develop the economy based on halibut. Utilization of sablefish quota has been good in some years and poor in others. Catch of only 25 percent of the quota occurred in 1995, and only 9.5 percent of the quota was caught in 1999.

7.4 Harvest/Processing Partners

In 1992, NSEDC awarded the Glacier Fish Company (GFC) the contract to harvest pollock quota. In 1995, NSEDC contracted with Baranof Fisheries and Courageous Seafoods to process and harvest halibut, sablefish, and other species. In 1998, Icicle Seafoods were awarded the crab harvest contract, and Norton Sound Seafood Products was hired to process it. Ocean Peace, Inc. also contracts with NSEDC to harvest and process miscellaneous species.

7.5 Employment

In developing its initial CDP in 1992, NSEDC stated that they expected to directly create 538 permanent full-time, part-time, and seasonal jobs within the region by the end of 1995. An additional 48 temporary construction and fish tech jobs were to be created. Annual income was expected to be \$8,600,000. Total income over the period was to be about \$20,000,000.

NSEDC worked with the pollock fishing industry to create jobs in its CDQ fishing operations. Shoreside processing operations with investments by NSEDC also hire residents. Fisheries infrastructure construction jobs have also provided employment for member community residents. Following is a table presenting historical employment and wages in administrative, fishing and other positions.

Table 7-3. NSEDC Employment and Wages, 1993—2000.

Employment	1993	1994	1995	1996	1997	1998	1999	2000
Admin. Employment								
Jobs	7	12	14	22	14	13	14	17
Wages	\$191,482	\$453,040	\$477,808	\$546,746	\$559,346	\$550,161	\$637,313	\$687,224
Fishing Employment								
Jobs	83	328	172	260	145	288	112	228
Wages	\$570,390	\$1,603,747	\$804,391	\$821,787	\$623,272	\$970,288	\$1,181,102	\$1,071,530
Other Employment								
Jobs	-	251	19	11	11	45	78	10
Wages	\$-	\$473,418	\$116,620	\$11,608	\$69,875	\$142,990	\$229,469	\$80,065
Total Employment								
Jobs	90	591	205	293	170	346	204	255
Wages	\$761,872	\$2,530,205	\$1,398,819	\$1,380,141	\$1,252,493	\$1,663,439	\$2,047,884	\$1,838,819

Source: CDQ Program Office, Alaska Department of Community and Economic Development.

7.6 Training/Scholarship Programs

The 1992 CDP laid out the following plans for NSEDC's training and scholarship program:

- Education and Training Endowment - NSEDC will establish an education and training endowment to fund training at colleges, universities and technical schools, and thus build a regional work force to support their projects even after the CDQ program has ended. \$4,448,250.
- Fisheries Skills Training and Vocational Education - NSEDC will provide interested residents with necessary skills to participate in the fishing industry through a Fisheries Skills Training and Vocational Education Program through the Nome and Bering Strait school districts. \$1,232,000.

NSEDC has a strong training and scholarship program. They offer more scholarships each year than any other group. The following table presents the numbers and expenditures on training and scholarships from 1993 through 2000.

Table 7-4. NSEDC Training Programs, 1993—2000.

Training	1993	1994	1995	1996	1997	1998	1999	2000
College Scholarships								
Number	47	68	89	92	81	72	94	96
Value	\$47,000	\$68,000	\$89,000	\$92,000	\$81,000	\$72,000	\$94,000	\$115,853
Vocational Scholarships								
Number	1	12	10	42	35	38	17	18
Value	\$1,000	\$12,000	\$10,000	\$64,614	\$69,688	\$17,421	\$17,000	\$18,000
Other Training								
Number	106	65	20	84	76	72	69	67
Value	\$144,040	\$121,576	\$172,000	\$107,156	\$20,402	\$132,599	\$94,129	\$112,548
Total Trained								
Number	154	145	119	218	192	182	180	181
Value	\$192,040	\$201,576	\$271,000	\$263,770	\$171,090	\$222,020	\$205,129	\$246,402

Source: CDQ Program Office, Alaska Department of Community and Economic Development.

7.7 Investment Programs

NSEDC’s plan does not emphasize investment as strongly as the plans of most other CDQ groups. Similar to BBEDC, their emphasis has been more on community development. Following is a chronology of NSEDC’s investment plans and programs.

1992 – Plans were made for the future purchase of offshore fishing vessels. NSEDC planned to establish a fund for future purchase of a medium size (150 ft) catcher/processor for groundfish, herring and salmon. (about \$2,000,000)

1994 - NSEDC purchased a 49 percent share with GFC in 139-ft. longliner F/V Norton Sound. NSEDC and GFC formed the Norton Sound Fish Company (LLC) to operate the vessel. The vessel with fish for sablefish and can process salmon.

1995 – NSEDC formed a limited liability company with Glacier Fish Company.

1996 - Operated the factory longliner, F/V Norton Sound, through the Norton Sound Fish Company, which caught and/or processed salmon, cod, sablefish, turbot and other rockfish.

1997 –

- Operated the factory longliner F/V Norton Sound, through the Norton Sound Fish Company, which caught and/or processed salmon, cod, sablefish, turbot and other rockfish
- Purchased 50 percent of the Glacier Fish Company, its longtime pollock partner, for just over \$5 million.

1998 –

- Added a refrigerated-seawater (RSW) barge to its local fleet.
- Invested in a shoreside pacific cod processing facility in Seattle.

1999 –

- Developed the Norton Sound Vessel Management Company.
- Managed share (50 percent) in Glacier Fish Company.
- Analyzed the benefits of investing into crab harvester vessels.

2000 -

- Made improvements to Glacier Fish Company.
- Norton Sound Vessel Management tendered for salmon fisheries.

2001 - Purchased a 30 percent interest in 3 crab boats, the F/V Ocean Olympic, the F/V Alaskan Beauty, and the F/V North Pacific. The other partners are Baranof Fisheries and Courageous Seafoods.

As of early 2001, NSEDC own part or all of the following:

- 100 percent of the Golovin Bay and the Norton Bay – two 38’ tenders constructed specifically for the region. They are managed by the Norton Sound Vessel Management Program.
- 50 percent of the Glacier Fish Company – a catcher processor company with two factory trawlers and a seafood marketing company.
- 49 percent of the F/V Norton Sound – a 139 ft. long line vessel with processing capability.

7.8 Development Programs

Community Development was the major emphasis of NSEDC’s 1992 CDP. Their plans included the following:

- Market Development - NSEDC will develop the region’s salmon and herring fisheries by providing reliable markets in 1993, and exploring long-term solutions for marketing problems. \$1,800,000.
- Salmon Rehabilitation and Enhancement - NSEDC will conduct a comprehensive assessment of rehabilitation and enhancement needs of salmon stocks and river systems in the region and fund site-specific salmon rehabilitation and enhancement projects as identified. \$1,000,000.
- Revolving Loan Program for Permits, Vessel Upgrades and Gear - NSEDC will provide low interest loans for regional fishermen to purchase Norton Sound herring and salmon limited entry permits, improve fishing vessels, and purchase gear for these and other fisheries. \$800,000.
- Revitalization of Local Shoreside Fish Processing – NSEDC will investigate the needs of underutilized fish processing facilities in Unalakleet, Golovin, Shaktoolik and Moses Point, and undertake funding and reconstruction of the facilities. They will investigate future funding for suggested infrastructure projects in Koyuk, St. Michael, Savoonga and Gambell. \$4,440,000.

Following is a chronology of development programs.

1993 –

- Loaned 118 people money (\$180,887) to purchase herring and salmon gear. \$51,881 in payments made by the end of 1993.
- Developed a “five cent per pound incentive program.” Paid 93 fishers in six villages a total of \$48,261.

- NSEDC organized local halibut fishers to form the Ivisa Cooperative to develop a commercial halibut fishery in the region. Also attempting to develop winter and summer crab fisheries in Norton Sound.
- Produced a Norton Sound – Bering Strait Salmon Resource Inventory informational summary.
- Formed the Norton Sound Crab Co. to provide markets for live King Crab. Also operated a processing plant in Nome.

1994–

- The Norton Sound Crab Co. began to operate.
- NSEDC successfully promoted the St. Lawrence Island Halibut fishery before the IPHC to extend the experimental halibut fishery around St. Lawrence Island in 1994. 35,000 lbs were allocated to the area to enable the residents of Savoonga and Gambell to establish a foothold in a major fishery for years to come.
- Loaned 3 people money (\$21,181) to purchase Limited Entry Norton Sound Salmon Permits.
- Funded local participation in a joint salmon rehabilitation and enhancement program.
- Organized salmon and herring buying/processing operations.
- Conducted market research for various products from the Norton Sound fisheries.
- Provided funding for the following:
 - ♥ # Nome Eskimo Freezer Facility (\$567,575);
 - ♥ # Nome Floating Dock Project (\$65,000);
 - ♥ # Shaktoolik Facility Improvements (\$20,000); and
 - ♥ # Unalakleet Fish Plant Improvements \$(99,300).

1995–

- Continued assistance to develop the St. Lawrence Island Halibut Project.
- Operated the factory longliner, F/V Norton Sound, through the Norton Sound Fish Company, which caught and/or processed salmon, cod, sablefish, turbot, and other rockfish.
- Operated the Norton Sound Seafood Products, Inc., which purchase, processes and sells salmon, herring and crab.
- Assisted in salmon permit buybacks.

1996 –

- Continued assistance with the St. Lawrence Island Halibut Project.
- Operated the Norton Sound Seafood Products, Inc., which purchases, processes, and sells salmon, herring, and crab.
- Assisted in salmon permit buybacks.
- Continued boat and gear loan programs.
- Formed the Bering Strait/Norton Sound Regional Aquaculture Association (BS/NSRAA) for fisheries rehabilitation and enhancement.
- Funded the construction of the Savoonga Halibut Processing facility.
- Completed a comprehensive salmon restoration program with the Department of Fish and Game.

1997 –

- Continued assistance to develop St. Lawrence Island Halibut Project
- Operated Norton Sound Seafoods Products, Inc., which purchases, processes and sells salmon, herring, and crab from the Norton Sound area.
- Assisted in salmon permit buybacks
- Continued boat and gear loan program.
- Build two 38' tender vessels to aid commercial fishing activities in the region (the Golovin Bay and the Norton Bay).
- Continued with salmon enhancement and restoration activities.
- Funded a halibut resource study near of Wales, Diomedea and Teller.
- Provided funding for a Nome inner boat harbor sheet piling project, a feasibility study for a crab processing facility at Golovin, and construction of a Fish Plant in Unalakleet.

1998 -

- Assumed all business activities of Norton Sound Seafood Products.
- Invested \$500,000 in the Nome small boat harbor.
- Financed an experimental kelp poundage fishery in Norton Sound.
- Continued assistance to develop St. Lawrence Island Halibut project.
- Operated Norton Sound Seafoods Products, Inc., which purchases, processes and sells salmon, herring, halibut, and crab from the Norton Sound area.
- Provided an additional \$600,000 to the educational endowment fund.
- Performed a crab survey in Norton Sound.
- Provided a loan to Unalakleet IRA for upgrade of the Unalakleet fish plant.
- Purchased 2 fork lifts for the Savoonga halibut buying station and for Norton Sound Seafood Products Nome plant.
- Started a small business development and assistance center.

1999 -

- Several projects were funded in their ongoing salmon rehabilitation and enhancement program.
- Continued assistance to develop St. Lawrence Island Halibut Project.
- Operated Norton Sound Seafoods Products, Inc., which purchases, processes and sells salmon, herring, halibut, and crab from the Norton Sound area.
- Developed the Norton Sound Fund (a private non-profit program).

2000 –

- Operated a revolving loan program for fishery projects.
- Completed a crab tagging survey
- Completed a Salmon Lake rehabilitation project with U.S. Bureau of Land Management.

- Purchase a crane for the Nome waterfront.
- Contributed to the Nome navigational improvement project.
- NSEDC and Glacier Fish Company marketed 50 percent of the CDQ crab catch.
- Small business assistance program was discontinued.
- Performed fisheries management and research activities.
- Provided a community benefit share in lieu of fish taxes.

8 Yukon Delta Fisheries Development Association

The Yukon Delta Fisheries Development Association (YDFDA) represents the communities of Alakanuk, Emmonak, Kotlik, and Sheldon Point. In 1999, Grayling and Mountain Village joined the YDFDA communities. These communities are located on or near the Yukon River delta in western Alaska. The 1990 combined population for these communities was 2,638. The median annual household income in 1990 was \$22,712, with 24 percent of the residents living below the poverty level. In 1990, 63 percent of adult residents of these communities were unemployed. The combined 2000 population for these communities was 3,123.

8.1 Administrative Management Organization

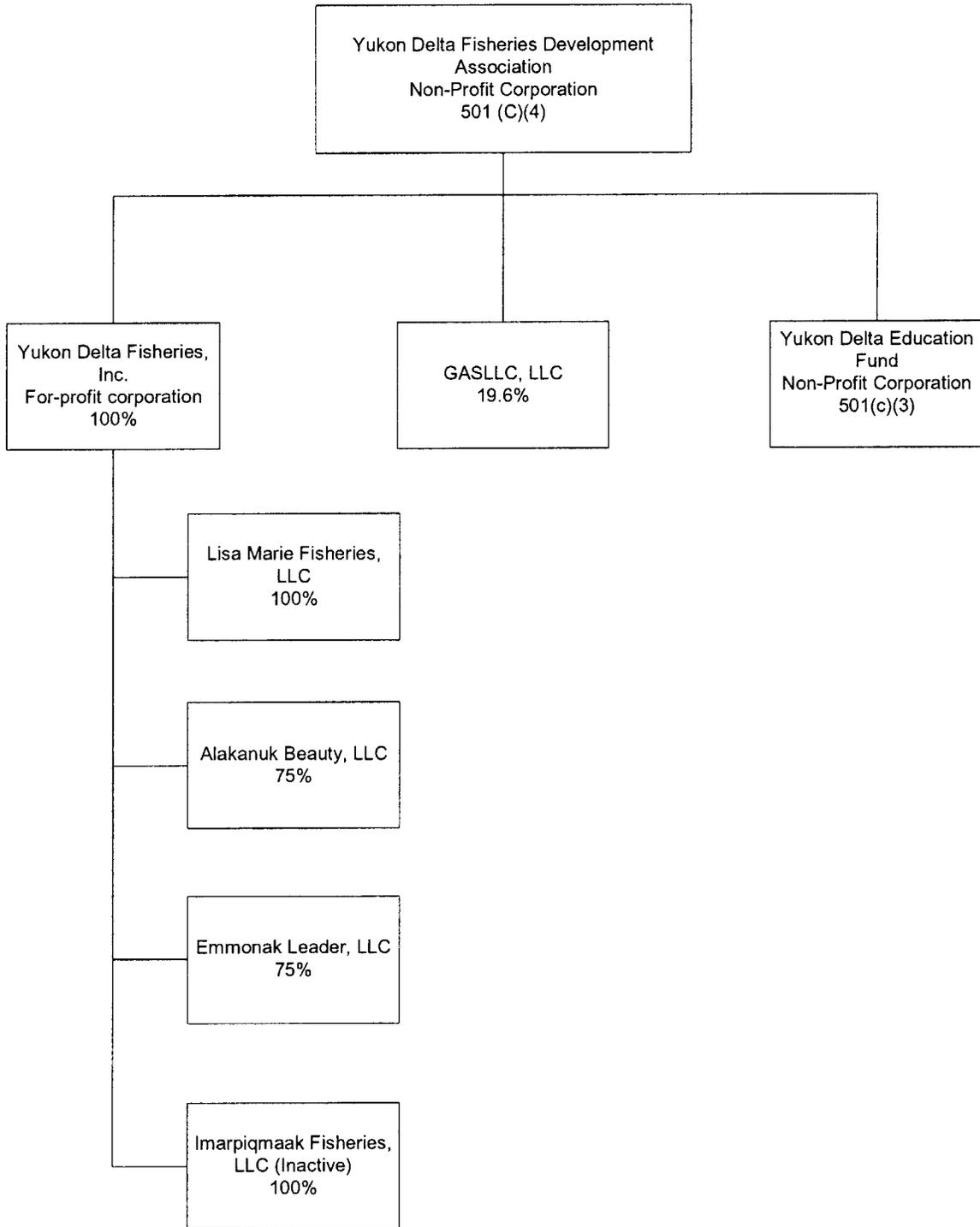
The YDFDA was founded as a not-for-profit corporation. The management of the Association resides at three levels: 1. Ten member Board of Directors 2. Members from each member community); 2) Executive Director; and 3. Initiative Managers. The headquarters office was located in Seattle, Washington until 2001, when it was moved to Anchorage. Additional offices are located in Seward, Emmonak, and Seattle.

YDFDA has three for-profit subsidiaries:

- Yukon Delta Fisheries, Inc., which owns and operates a fleet of small fishing boats.
- Lisa Marie, LLC, which owns a combination trawl, hook and line, and pot vessel used to harvest quota and train residents.
- Ocean Logic, LLC, which owns a computer software development company in conjunction with APICDA and Parity Software. This partnership is currently being dissolved.

Figure 10.1 presents the 2000 organizational structure of YDFDA.

Figure 8-1. Yukon Delta Fisheries Development Association



Note: changes made in 2001 may not be included.

Source: *Regulatory Impact Review/Initial Regulatory Flexibility Analysis, Amendment 71*. NPFMC and NMFS, November 15, 2001.

8.2 Vision/Goals

YDFDA's vision is to use the income, training, and commercial stature of a groundfish CDQ allocation as the catalyst to create and sustain about 200 new full-time jobs and \$6 million in annual wages, salaries, and proprietor income by the year 1995. This achievement would reduce the unemployment rate to between 8 and 10 percent, and create about 1.7 jobs per household in the member communities. Specific objectives follow:

- Stabilize, enhance, and diversify the economy of the Lower Yukon River Delta Region by participating in the Bering Sea groundfish industry.
- Maximize the social and economic benefits to the Lower Yukon River Delta Region from the harvesting and processing of Bering Sea fisheries.
- Safeguard the benefits achieved in the prior two objectives through responsible participation in a range of Bering Sea resource management institutions.

8.3 Quota Share

YDFDA initially asked for a quota share of 17,755 mt of pollock quota per year. They were allocated about 5,000 mt. per year (5 percent) through 1995. As with the other associations, YDFDA revised their completed CDP according to the new allocation. For the 1994-95 round, the group was allocated 7 percent of the total CDQ. They received 13 percent in 1996-98, and 14 percent in 1998-2000. The State has recommended a pollock CDQ allocation of 14 percent in 2000-02. The following table presents pollock quota allocation and catch between 1992 and 2000.

Table 8-1. YDFDA Allocation vs. Harvest (in metric tons) of Pollock Quota, 1992—2000.

Year	Allocation	Harvest
1992	5,073	5,073
1993	5,073	5,073
1994	7,285	7,249
1995	6,865	6,730
1996	11,949	11,848
1997	11,291	11,291
1998	11,054	11,023
1999	13,930	13,842
2000	15,946	15,896

Source: CDQ Program Office, Alaska Department of Community and Economic Development.

In 1995, quota shares for halibut and sablefish were distributed. In 1998, crab quotas were awarded. The following table presents allocation and harvest data for those species between 1995 and 2000.

Table 8-2. YDFDA Allocation vs. Harvest (in pounds) of Halibut, Sablefish, and Crab Quota, 1995—2000.

	1995	1996	1997	1998	1999	2000
Halibut						
Allocated	76,230	76,230	114,840	128,790	164,430	164,432
Harvested	75,697	74,437	114,840	131,395	163,942	164,429
Sablefish						
Allocated	337,212	221,563	221,563	140,102	173,724	201,392
Harvested	94,098	76,655	104,413	18,624	30,911	55,808
Crab						
Allocated				1,627,692	1,760,763	550,242
Harvested				1,613,553	1,758,274	548,627

Source: CDQ Program Office, Alaska Department of Community and Economic Development.

YDFDA has made excellent utilization of their allocations of pollock, halibut and crab. Harvest of sablefish has routinely been poor.

8.4 Harvest/Processing Partners

In 1992, YDFDA contacted with Golden Alaska Seafoods, Inc. to harvest and process their pollock quota share. The M/V Golden Alaska is a mothership with a fleet of 3 catcher boats. For a time, they also used American Seafoods and Westward Seafoods to help harvest pollock.

Currently, YDFDA still uses Golden Alaska for pollock. In addition, they contract with Peter Pan Seafoods, Inc. and Icicle Seafoods to process halibut, sablefish, crab and other species which are harvested by Lisa Marie Fisheries, Inc. The Kodiak Fish Company, and O'Hara Corp. harvest and process miscellaneous species for the group.

8.5 Employment

In their 1992 CDP, YDFDA set our ambitious employment goals based on the 17 percent quota allocation originally requested. The group planned to create and sustain about 200 new full-time jobs and \$6 million in annual wages, salaries, and proprietor income by the year 1995. Immediate employment opportunities have been established through the harvesting/processing partner's operation. By 1995, YDFDA expects to directly employ 20 native workers in harvesting, processing, processing equipment and vessel maintenance, meal production, deck operations and quality control. Wages for those positions should equal \$175,000 per year. In general, for all job creation benefits, the following goals are set:

- 1993 – 30 full time equivalent (FTE) jobs for a annual payroll of \$630,000;
- 1994 – 58 FTP positions for an annual payroll of \$1,900,000;
- 1995 to 2000 – 66 FTE positions (a total of 156 different positions) for an annual income of \$2,000,000 in 1995, and up to \$2,500,000 by 2000.

Since they received only a 5 percent quota allocation initially, their plans were dampened some. The following table presents employment and wage accomplishment for 1993 through 2000.

Table 8-3. YDFDA Employment and Wages 1993—2000.

Employment	1993	1994	1995	1996	1997	1998	1999	2000
Admin. Employment								
Jobs	3	4	5	14	5	10	11	6
Wages	\$43,489	\$75,414	\$103,794	\$142,236	\$245,556	\$420,339	\$392,308	\$367,695
Fishing Employment								
Jobs	44	30	61	130	149	159	83	72
Wages	\$219,613	\$228,381	\$514,490	\$1,068,419	\$1,305,462	\$1,093,591	\$1,077,162	\$880,902
Other Employment								
Jobs	8	37	42	13	23	22	21	16
Wages	\$52,864	\$392,918	\$504,704	\$142,361	\$280,337	\$259,958	\$300,942	\$321,601
Total Employment								
Jobs	55	71	108	157	177	191	115	94
Wages	\$315,966	\$696,713	\$1,122,988	\$1,353,016	\$1,831,355	\$1,773,888	\$1,770,412	\$1,570,198

Source: CDQ Program Office, Alaska Department of Community and Economic Development.

YDFDA has worked with its pollock partner to employ residents, and wages paid in those jobs is some of the highest in the industry. Employment opportunities through the multi-species fishing program and independent programs were developed through YDFDA programs. Although the group has not engaged in large projects employing construction workers in the region, they have placed workers in “other” employment around the region through working with small businesses. Considering their small quota allocation, this group has performed relatively well in providing employment for residents.

8.6 Training/Scholarship Programs

YDFDA’s original 1992 CDP included the following plans for training initiatives.

Approximately 25 distinct training initiatives will produce a comprehensive fisheries training program to provide training for 257 of our residents by 1995. Training has begun and a team of trained native workers is ready to fully participate in the 1992 CDQ season. The comprehensive training program will consist of the following components:

- Introductory training for 30 people annually throughout the program to be provided under contract by the Seattle Coastal Community College and based on the Western Alaska Fisheries Development Foundation’s program, which has a successful record of accomplishment. An initial crew of 20 is being trained in November for the 1992 season.
- Advanced crew training for 20 people annually throughout the program and consists of the of the intermediate programs available from commercial vendors such as the North Pacific Fishing Vessel Owners Association. It will concentrate on vessel operations, seamanship, fishing, and vessel safety.
- Processing plant training will be given for about 13 employees (3 offsite and 10 onsite) of the processing plant at Emmonak.
- Specialized ongoing training will occur on a case by case basis for residents in technical positions. This training could include certification on quality testing procedures, gear maintenance, and processing equipment maintenance, and will be used to support the small business development program.

In 1996, the group began providing Baader training in Germany for operations and maintenance of the Baader 212 system. They began providing scholarships for post secondary education in 1997.

Relative to their small quota allocations, this group has put the greatest percentage of funding into training programs. The following table presents results of the YDFDA training and scholarship program between 1993 and 2000.

Table 8-4. YDFDA Training Programs, 1993—2000.

Training	1993	1994	1995	1996	1997	1998	1999	2000
College Scholarships								
Number	-	-	-	-	6	14	18	35
Value	\$-	\$-	\$-	\$-	\$30,000	\$32,500	\$54,000	\$139,300
Vocational Scholar.								
Number	-	-	10	21	31	17	26	25
Value	\$-	\$-	\$90,918	\$156,290	\$104,192	\$64,282	\$116,212	\$203,994
Other Training								
Number	88	109	80	90	81	71	39	33
Value	\$106,948	\$272,859	\$107,447	\$75,021	\$31,901	\$32,913	\$189,159	\$245,817
Total Trained								
Number	88	109	90	111	118	102	83	93
Value	\$106,948	\$272,859	\$198,365	\$231,311	\$166,093	\$129,695	\$359,371	\$658,984

Source: CDQ Program Office, Alaska Department of Community and Economic Development.

8.7 Investment Programs

YDFDA's original philosophy focused on community development activities, and providing opportunities for local fishers to own and operate small fishing vessels. This philosophy changed somewhat in later years of the program. Following is a chronology of YDFDA's investment activities.

1993 – Purchased the F/V Blue Dolphin, a crabber, longline vessel.

1997 - Purchased the F/V Lisa Marie, a longliner/processor in a joint venture with APICDA.

1998 – Operated the Lisa Marie in halibut, sablefish, and pacific cod fisheries.

1999 - Operated the Lisa Marie in halibut, sablefish, and pacific cod fisheries.

2000 -

- Purchased 19.6 percent of Golden Alaska Seafoods LLC – the M/V Golden Alaska.
- Through Yukon Development Fisheries, Inc., purchased 75 percent of Alakanuk Beauty LLC, and Emmonak Leader LLC (F/V American Beauty and F/V Ocean Leader).

As of early 2001, YDFDA owns all or a portion of the following vessels:

- 100 percent of the F/V Blue Dolphin – a 47 ft. longline/crab vessel.
- 100 percent of the F/V Lisa Marie – a 78 ft. trawl, pot, and longline vessel.
- 75 percent of the F/V Emmonak Leader – a 103 ft. mid-water trawler that will deliver pollock to the Golden Alaska mothership.

- 75 percent of the F/V Alakanuk Beauty – a 105 ft. mid-water trawler that will deliver pollock to the Golden Alaska mothership.
- 19.6 percent of the M/V Golden Alaska, LLC - which owns and operates the 308 ft. M/V Golden Alaska pollock mothership.

8.8 Development Programs

YDFDA's initial CDP emphasized community development above investment projects. Although that philosophy changed somewhat in later years, their community development programs have performed quite well, relative to their small quota share. Following are plans for development projects laid out in the 1992 CDP:

- YDFDA will install and operate a community-based, value-added processing and cold storage plant in Emmonak. This facility will consist of prefabricated plant and cold storage facility capable of processing up to 4 million pounds of locally supplied groundfish into high-value products. By 1995, sustainable benefits will include seasonal positions with a local payroll of \$1 million. The operation will retain all CDQ-generated equity and produce additional long-term income to facility further operations.
- Establish a \$900,000 revolving fund to finance the buy back of local salmon permits by young fishermen and crew members. This program protects all of the YDFDA's CDQ equity, while creating 72 sustainable seasonal jobs and \$413,000 in community income.
- Establish a \$1.6 million self-liquidating fund to finance a fleet of ten independent community-based small scale longline boats. By 1996, this initiative will allow for the development of a fleet of owner-operated vessels, produce 20 full-time sustainable jobs, allow YDFDA to develop a value-added processing industry, and directly create \$700,000 in community income.
- Long-term cash flow and profits from all operations will, by the year 2000, create income to YDFDA of about \$3.6 million. If the CDQ program ends, fisheries development gains will be protected, equity will exist to replace and upgrade aging plants and equipment, and additional incomes will be available to expand Association initiatives. Interest income from these funds will be enough to support a modest program designed to maintain and safeguard program benefits achieved through 1995. Therefore, some of the income from YDFDA's self-sustaining post-1996 operations has been allocated into fishery-related training and scholarship programs, and into providing matching funds for regional economic development programs such as the State's ARDOR program.
- Undertake and report on two exploratory and demonstration fishing initiatives in the Eastern Bering Sea. These initiatives include a small-scale near-shore survey using longline and pot gear, and a longline and pot fishing demonstration program.

Because YDFDA received a greatly reduced pollock quota than initially requested, their development plans were somewhat curtailed. Following is a chronology of these activities.

1992 – One small longline boat was purchased.

1993 –

- Used four boats to perform exploratory Eastern Bering Sea research (two purchased and two leased). Also used these boats for longline and vessel operation training, and to help Savoonga area fishermen catch their halibut quota.
- Salmon permit buyback program – no permits were available for buyback.
- Two vessels purchased to be community based. These vessels were used in training and experimental fishing.
- Five 32-foot vessels have been built by Kvichak Marine Industries, one is still being built, and two more are planned. The vessels will be owned by Yukon Delta Fisheries Inc., a wholly owned subsidiary of YDFDA.
- \$250,000 loan authorized to Yukon Delta Fish Marketing Coop to renovate existing salmon plant to a multi species, value added, freezing and processing facility.

1994 -

- YDFDA used eight vessels to conduct research fisheries for crab, sablefish, cod and halibut around the eastern Bering Sea, Nunivak Island and Norton Sound.
- YDFDA built seven new 32 ft. fishing boats for use by local fishermen.
- YDFDA Authorized a \$250,000 loan to Yukon Delta Fish Marketing Coop for their community based processing plant in Emmonak.

1995 -

- Engaged in resource surveys for crab, shrimp, snail and pacific cod.
- Working with State DCED Division of Investments to loan money for salmon and herring permit buybacks and purchase of fisheries related business equipment.
- Provided loan to Emmonak Coop to expand its salmon processing plant to include value added features to its products.
- Assisted in the development of small businesses that support local fisheries.

1996 –

- Engaged in several resource surveys.
- Provided a loan to Emmonak Co-op to expand its salmon processing plan to include value-added features to its production.
- Assisted in development of small businesses that provide services to local fishermen.
- Continued the Salmon and Herring Permit buyback and ITQ acquisition program.

1997 -

- Engaged in several resource surveys
- Continued work on loan guarantee program with Division of Investments
- YDFDA's small boat fleet continued to fish for pacific cod, crab and herring.

- Assisted in developing small businesses that provide services for local fisheries.
- Assisted with fisheries development and marketing in resident communities.
- Funded a feasibility study for a proposed Kotlik Value added project.

1998 –

- Engaged in several resource surveys.
- Continued work on loan guarantee program with Division of Investments
- Assisted in developing small businesses providing services for local fisheries.
- Continued buybacks of salmon and herring permits.

1999–

- Continued to assist in developing small businesses which provide services for local fisheries. Provided infrastructure loans and grants.
- Provided permit and ITQ loan guarantees for region residents.
- Provided funding to the Kotlik fisheries project and to the Emmonak Tribal Council's Value-added fish plant.

2000–

- Funded fisheries projects for the Kotlik Fisheries Cooperative and the Emmonak Tribal Council.
- Funded small business fisheries infrastructure development.

