

# **GULF OF ALASKA COMMUNITY QUOTA PROGRAM: STATUS AND ISSUES**

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**Alaska's Fishing Communities – Harvesting the Future  
Conference Presentation  
September 21, 2006**

**Anchorage, Alaska**

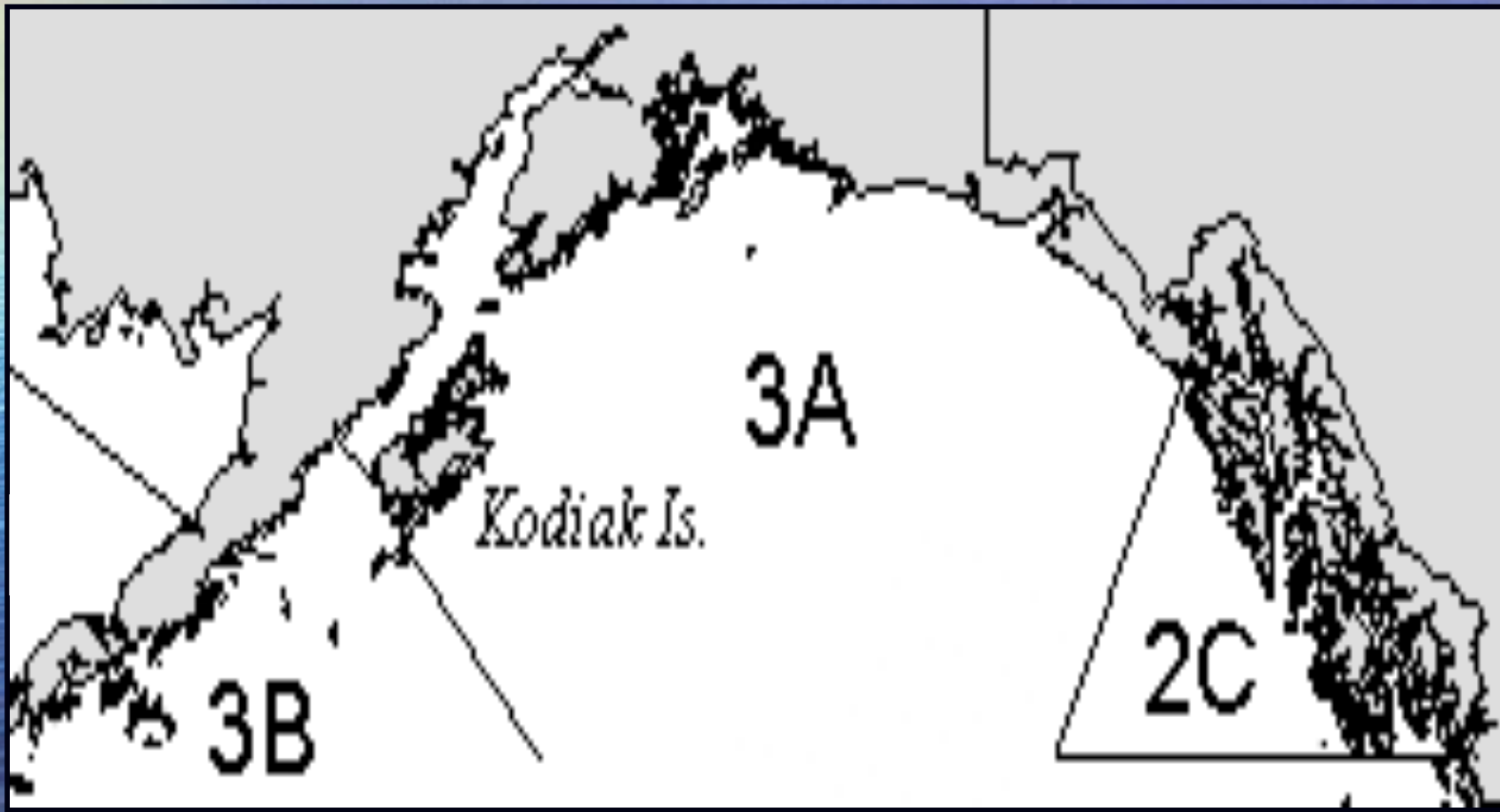
**(The research reported here is funded through the Understanding Alaska's Choices Fund –  
a final report will be available in November, 2006)**

# Program Background and History

## **PROGRAM INTENT**

- To make it possible for small, fisheries dependent communities in the Gulf of Alaska to purchase and fish halibut and sablefish fisheries quota and assist their economies due to loss of IFQs.
- Proposed by the Gulf of Alaska Coastal Community Coalition in 2000
- Authorized by the North Pacific Fishery Management Council in 2002
- Regulations issued by National Marine Fisheries Service in 2004
- State legislature authorized loan program through SB 387

# IPHC Regulatory Areas in which CFP communities are located



# ELIGIBLE COMMUNITIES

## 2B

Angoon  
Coffman Cove  
Craig  
Edna Bay  
Elfin Cove  
Gustavus  
Hollis  
Hoonah  
Hydaburg  
Kake  
Kasaan  
Klawock

Metlakatla  
Meyers Chuck  
Pelican  
Point Baker  
Port Alexander  
Port Protection  
Tenakee Springs  
Thorne Bay  
Whale Pass

## 3A

Akhiok  
Chenega Bay  
Halibut Cove  
Karluk  
Larsen Bay  
Nanwalek  
Old Harbor  
Port Graham  
Port Lions  
Seldovia  
Tatitlek  
Tyonek  
Yakutat

## 3B

Chignik  
Chignik Lagoon  
Chignik Lake  
King Cove  
Perryville  
Sand Point

# ISER RESEARCH ON CFP

- \* To determine the status of the program in various communities
- \* To identify issues with the program
- \* Through questionnaire interviews with key persons in each community and with other organizations (GOACCC, CRRC, SEITC)
- \* Through interviews with State and Federal officials involved in the CFP program
- \* Conducted by Dr. Steve J. Langdon and Emilie Springer
- \* Initiated in June 2006 with ISER "Understanding Alaska's Communities Fund" monies

# ISER RESEARCH FOCUS

- \* Topics covered in questionnaire
- \* Awareness of and involvement with program
- \* Nature of CQE organization
- \* Funding/financing availability for program
- \* Planning for catching and processing of quota
- \* Interest in program in the communities
- \* Potential economic significance of program
- \* Issues associated with program implementation
- \* Suggestions for the program

# PROGRAM STATUS

- \* All but one of the communities expressed awareness of the program; several had limited knowledge or only recent knowledge.
- \* Over 75% of the communities have considered the program.
- \* Approximately half of the communities have spent substantial amounts of time and money looking into the program.
- \* A few communities are not interested for various reasons.
- \* Nine communities/organizations have been NMFS certified to purchase quota
- \* CRRC, GOACC and SEITC have made substantial efforts to find a way to make the program work

**BOTTOM LINE: NO HALIBUT OR SABLEFISH QUOTA HAS YET TO BE FISHED BY ANY CQE!**

# PROGRAM ISSUES

- \* No funds available for direct purchase
- \* Loan terms are prohibitive:
  - Too much match required
  - Term for repayment is too short
  - Interest rate too high
- \* Price of quota share is too high to “pencil out”
- \* Little quota share available to buy
- \* Treated as business rather than community development
- \* Limiting regulatory provisions – blocs, skiffs, etc

# PROGRAM SUGGESTIONS

- \* Add additional quota and make direct allocation to CQEs
- \* Provide \$50,000 start-up funding based on plan
- \* Provide grants, not loans
- \* Reduce match required
- \* Provide grace period of 5-7 years for repayment
- \* Award quota like Bering Sea CDQ program
- \* Create rural equalization program
- \* Apprenticeship program needed as a way to get quota – free up quota to allow entry for apprentices
- \* Collect small 500 lb unused blocs and assign them to CQP

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# **THEMES FROM RESPONDENT COMMENTS**

## **1. NEED FOR EARNINGS OPPORTUNITIES**

**“We need a method for guys to make money and it’s really important to get guys fishing opportunities. The cost is stopping us; the cost is extremely frustrating.”**

**Jack Wick, Larsen Bay**

**“We need this program because we have no form of employment! This would be a great opportunity to get other people in our community and keep our young people.”**

**Pete Kompkoff, Chenega Bay**

## **THEMES FROM RESPONDENT COMMENTS**

**2. Need for entry opportunities in fisheries, especially for young people**

**“Our allocation program provides half the quota for new, younger entrants. It is an extremely important element of the program in our view.”**

**Brian Templin, Craig**

**“It would be of interest to young people who haven’t thought of commercial fishing. They would start to look at it as a viable job opportunity. Then, if they like it, they would look into getting their own boat.”**

**Melanie Green, Nanwalek**

## **THEMES FROM RESPONDENT COMMENTS**

### **3. NEED FOR PROGRAM CHANGE TO MEET OBJECTIVES**

**“The concept is beautiful but the mechanics are not workable. The program would have to be completely changed in order for it to work.”**

**Herb Wright, Point Baker**

**“As it sits now, it is set to fail. The price of IFQ is so great that it is virtually impossible to make money.”**

**Bill Wilson, Metlakatla**

# **THEMES FROM RESPONDENT COMMENTS**

## **4. FRUSTRATION AND ALIENATION**

**“ [NPFMC council] know the dilemma and they have to do something about it. They need to make it work. But my opinion is that everything is planned to fail for us.”**

**Jack Muller, Ouzinkie**

**“People who grew up in the coast communities had salmon, crab, halibut, whatever available to them and should still have it available. It is nor right that we have to buy into this. It is God given for the people who live here.”**

**Ivan Lukin, Port Lions**

# Some Observations

- \* Opportunities for entry participation in fisheries are virtually nonexistent and they are the most available opportunities in villages.
- \* There are strong small-scale fisheries capabilities in the villages due to deep subsistence heritage of marine resource characteristic of most of them.
- \* The traditional pattern is for broad participation by many.
- \* The program was authorized in order to meet National Standard 8 – “take into account the importance of fishery resources to fishing communities in order to (A) provide for the sustained participation of such communities, and (B) to the extent practicable, minimize adverse economic impacts on such communities.”
- \* The evidence suggests strongly that the Community Quota Program has not fulfilled National Standard 8 and is in need of major modification to accomplish these critical objectives.

# Acknowledgments

**We would like to thank all of the respondents who took time to answer our questions, share information, and provide their perspectives.**

**We would like to thank the conference organizers and sponsors for making discussion of these issues possible.**

**We would also like to thank Fran Ulmer, ISER Director, for authorizing this research.**

**We look forward to talking with others in the near future to learn more about this important program, its operation and future.**