Western Alaska
CDQ Program

State of Alaska
Department of Community & Economic Development
The CDQ program was formally approved in 1992 by the North Pacific Fishery Management Council and implemented by Governor Hickel with the goal of promoting self-sustaining fisheries related economic development in western Alaska.

In 1998 the American Fisheries Act (AFA) was passed by Congress requiring all vessel owning entities in the Bering Sea to be 75% American-owned.

The AFA allowed CDQ groups the opportunity to invest in the Bering Sea fishery. Currently all CDQ groups have investments in Bering Sea pollock, Pacific cod, and crab vessels.
CDQ Program

- The CDQ program is allocated a portion of all groundfish, halibut, and crab species in the Bering Sea.
- 65 coastal communities in the Bering Sea organized into 6 regional CDQ corporations with approximately 27,000 residents are eligible.
- The CDQ program was created to enhance the participation of western Alaska communities in the Bering Sea groundfish industry.
- The CDQ program provides the means for funding local projects with the intent of creating a self-sustaining fisheries economy in one of the poorest regions of the State.
- Investments may be made in fishing vessels, fishing companies, and infrastructure needed to support a fisheries economy.
CDQ Program

- The State is responsible for monitoring the performance and regulatory compliance of each CDQ group, reviewing financial statements, approving substantial investments, and participating in the allocation decision-making process.
- CDQ groups submit applications for allocations on a competitive basis every 3 years, which provide the means for completing community development projects.
- The State approves Community Development Plans (CDP’s) and periodically reconsiders the allocation of quota based on past performance and future plans.
As of 2003, the asset value of the six CDQ corporations exceeded $260 million.
Since 1992, over $500 million in revenues have been generated with revenues exceeding $88 million in 2003.
CDQ Program

Since 1992, over $110 million in wages, education, and training benefits have been generated for over 25,000 residents.
Revenues from the CDQ program primarily consist of royalties earned from leasing quota to fishing companies.
The CDQ program has matured over the last twelve years allowing groups to acquire equity ownership in pollock, cod, and crab companies which provide a means to create a self-sustaining fisheries economy in western Alaska.
Western Alaska communities have many social and economic needs which underscores the importance of this program to the region.

The benefits from the CDQ program provide hope for western Alaska communities and will play a vital role in the future economic development of this region.

In June of 2002 the North Pacific Fishery Management Council recommended CDQ groups be allowed to invest up to 20% of annual audited pollock CDQ royalties in sustainable in-region non-fisheries related economic development projects.

Revised State CDQ regulations providing for this allowance were sent out for public notice on June 4th and NMFS regulations should be implemented by the end of 2004.
CDQ Program

- CDQ groups have requested an allowance for non-fisheries projects to allow for diversification of their economic development opportunities in western Alaska.
- CDQ groups will be major economic engines in western Alaska provided by increasing ownership of the Bering Sea fishery.
- The State is hopeful the allowance for sustainable non-fisheries related economic development projects will be successful in providing additional economic development opportunities and in-region benefits to local residents of western Alaska.
- Please visit the CDQ program website for more information at: www.dced.state.ak.us/bsc/CDQ/cdq.htm