

Testimony of
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For consideration by the
U.S. Commission on Ocean Policy

Regional Public Meeting
Anchorage, Alaska
August 21-22, 2002

**COMMENTS, OBSERVATIONS AND RECOMMENDATIONS FOR THE FUTURE -
WESTERN ALASKA CDQ PROGRAM AND U.S. OCEAN POLICY**

Thank you for the opportunity to address the Commission today as a member of the Management of North Pacific Living Marine Resources Panel I.

For the record, my name is Morgen Crow and I am the Executive Director of the Coastal Villages Region Fund (CVRF or Coastal), an Alaskan not-for-profit company with 20 member fishing communities from Scammon Bay to Platinum whose 8,000+ residents participate in the North Pacific Fishery Management Council's (North Pacific Council) Western Alaska Community Development Quota (CDQ) program. This program is administered by the U.S. Department of Commerce and the State of Alaska. Sixty-five communities in western Alaska are currently eligible and participate in this program.

These comments reflect my experiences with Coastal and the CDQ program for the past four years, countless hours as a fishmonger for J.B. Crow & Sons in western Alaska, and as a provider for my wife and five growing boys.

As requested I have limited my comments to specific issues and recommendations relevant to the charges presented to the Commission in the Oceans Act of 2000 (P.L. 106-256).

Responsible Stewardship of Resources

We believe that the current CDQ program is a successful program. Coastal has been able to participate in the program with its current goals, rules and regulations, and has enjoyed many successes. As direct beneficiaries of persistent efforts by the Honorable Senator Stevens, the Alaska Congressional delegation and other members of Congress to Americanize the Bering Sea fisheries, Alaska residents, thru the CDQ program, have been provided the opportunity to make

significant investments in the North Pacific fishing industry. Coastal has recently taken advantage of such opportunities, and now holds a significant position in the Bering Sea. Direct investments into this well-managed resource have provided the means to generate some of the most rewarding successes and direct benefits to our member communities. We hope that this process can continue to lead to even greater benefits to all CDQ eligible communities and Alaska in the future.

Protection of the Marine Environment

CVRF administers the Community Development Plan (CDP) for 20 of the 65 communities in Alaska along the coast of the Bering Sea currently participating in the CDQ program. The CDP is a plan developed by the people of the region to use a portion of the proceeds from the resources of the Bering Sea to develop a self-sustaining, fisheries related economy in Western Alaska.

Due to geographic isolation and a scarcity of accessible natural resources, basic infrastructure and employment opportunities in our region have historically been well below what most Americans have taken for granted. As a result, the families of the CVRF region still depend on the success of their hunters and fishers in order to survive. Those that have written about the people's way of hunting, fishing and gathering food use the word "subsistence". At the core of the people is the knowledge and belief that taking the minimum required to sustain life is the best way to help Ensure the harvest will be successful in the future. In this part of the world, to take more than is necessary, to deplete the resource, or to affect one food source at the expense of another has mortal consequences beyond financial measures such as stock price and rate of return.

The CVRF Board of Directors is made up of one fisherman from each community. These 20 men and women provide stewardship for the Company, and guide management to make investment decisions that incorporate their core values and beliefs. One investment decision reflective of this guidance is CVRF's resolution to increase its involvement in the Bering Sea pollock fishery through a significant financial investment in American Seafoods Company, an organization with nearly 15 years of experience in the pollock fishery. The returns from this investment will be used to execute Coastal Villages' CDP, and further develop strong, healthy communities.

This investment was possible only because the people of our region who rely on the waters of the Bering Sea for subsistence believe that the fishery is well managed, self-sustaining, and will not threaten the harvest of traditional foods (e.g. salmon, herring, seals). Recent actions taken by the North Pacific Council to further protect pollock stocks and other affected species have only strengthened our original beliefs.

The people of Coastal Villages are participating in the Alaska pollock fishery because it is very healthy today, and conservatively managed for tomorrow. This is just one example of how people in coastal communities in general, and the CDQ program specifically, can enhance the process of continuing to protect our marine environment. If the owners and operators of industry are also residents who harvest directly from those waters to provide for their families, history has shown that a more conservative approach towards full utilization and a constant diligence against pollution of the resource will be applied, compared to a vacant landlord or distant owner.

Cooperation Among Agencies to Ensure Enhancement of Partnerships with State and Local Governments

The CDQ program has also proved to be a catalyst for increased cooperation and partnership between government agencies and local communities. State and federal fisheries managers and western Alaska residents have worked together on fisheries management plans, conservation issues, fish plans and the observer program. CDQ region residents have volunteered for and been appointed to the North Pacific Council and its advisory panels. As a result of working through issues with government managers and participating in the Council process, residents of Alaska's coastal communities have obtained invaluable knowledge and a greater understanding of the process, the players involved, and the competing interests of various Bering Sea user groups. This knowledge has been delivered directly back to western Alaska coastal communities, further improving understanding and building relationships between community governments and the State and federal governments.

Summary

As any independent observer will tell you, the CDQ program has met and surpassed everyone's expectation of what could be accomplished. As we near the end of the first decade of its

existence, western Alaska residents are now a part of the Bering Sea and North Pacific fisheries. Whether through education, training, employment or ownership, the CDQ program is meeting its goals. As to local and regional economic development, the program is beginning to put the pieces together to use the means generated by offshore fishing activity to provide the mechanisms to create self-supporting economies in coastal communities. I am sure that each CDQ group will go about this process in a different manner, however, the bottom line is that without the CDQ program, there would be no tools or mechanisms available. We recommend the following:

1. The CDQ program has been included specifically in the Magnuson-Stevens Act and in the American Fisheries Act of 1999. It has been studied by the National Research Council, which concluded that it is a successful program and should be continued for the long term, if not permanently. We believe that the program has become even more successful and beneficial since that report was completed. We believe the Commission can enhance and accomplish several of the charges in the Oceans Act of 2000 by incorporating the Western Alaska CDQ program into permanent U.S. policy going forward.
2. The stated objective of the CDQ program is to provide western Alaska communities the opportunity and capital for participation and investment in the fisheries occurring just off their coasts. The program has proven extremely successful and each of the groups are now owners of vessels and companies operating in pollock, cod, halibut and other groundfish fisheries. However, as the CDQ groups continue to invest and continue towards fulfilling the goals of the program, barriers to additional investment as a result of various harvesting and/or processing caps adopted by Congress or the North Pacific Council will soon prevent additional growth. In the interest of continuing the responsible stewardship of resources that the CDQ program has just begun contributing to, we ask that the Commission and Congress recognize that the reasons and rationale for applying these caps to other harvesters and processors do not necessarily apply to CDQ program participants. The caps on ownership restrict the abilities of CDQ groups to continue their growth and success. At this time, we recommend that the

Commission and Congress support removal of these restrictions on the CDQ program, and adopt an exemption from the ownership caps for CDQ participants.

On behalf of the CVRF Board of Directors, I would like to thank you for the opportunity to make these comments. We look forward to other opportunities to comment and participate in this process in the near future.

Additional information specific to the Coastal Village Region Fund and the Western Alaska CDQ program can be found at:

<http://www.coastalvillages.org/>

<http://www.dced.state.ak.us/cbd/CDQ/cdq.htm>

<http://www.fakr.noaa.gov/cdq/default.htm>

<http://www.cdqdb.org/>

Also, the National Research Council's report "The Community Development Quota Program in ALASKA", (c) 1999 by the National Academy of Sciences, ISBN 0-309-06082-6 is available at <http://www.nap.edu/>