


MEMORANDUM

TO: Council, SSC and AP Members

FROM: Chris Oliver   
Executive Director

DATE: October 1, 2005

SUBJECT: Community Development Quota (CDQ) Program

ESTIMATED TIME 2 HOURS (all C-2 items)
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**ACTION REQUIRED**

(b) Report from the Blue Ribbon Panel

**BACKGROUND**

In April 2005, the Council reviewed draft groundfish, halibut, crab, and prohibited species quota allocation recommendations from the State of Alaska CDQ Team. Upon review of those draft recommendations and public testimony, the Council expressed concerns related to the way in which the program standards and evaluation criteria in State regulations are applied in the evaluation of the Community Development Plans and development of the allocation recommendations. The Council was specifically concerned with the ability of the CDQ groups and the public to understand the most important factors for consideration and the relative weighting of the criteria in each new allocation cycle. These concerns were related in a letter to Governor Murkowski, with the suggestion of convening a panel to review the CDQ Program **(Item C-2(b)(1))**.

Subsequent to the April Council meeting, Governor Murkowski appointed a Blue Ribbon Panel (panel) to review and recommend changes to the western Alaska Community Development Quota (CDQ) Program. The panel was facilitated by Carl Marrs and consisted of: Ed Rasmuson (chair), Rasmuson Foundation; Stephanie Madsen, Pacific Seafood Processors Association; Ron Miller, Alaska Industrial Development and Export Authority; Tom Case, UAA College of Business and Public Policy; and Dennis Metrokin, Koniag Corporation. The panel conducted a review of the program over the summer and submitted its final report to Governor Murkowski on September 14, 2005 **(Item C-2(b)(2))**. The panel organized its recommendations into four categories: (1) duration of the allocation cycle; (2) government oversight; (3) approval of CDPs; and (4) use of CDQ funds. Ed Rasmuson will present the report at this meeting.

Note that in May 2005, the panel requested that the Governor postpone any decision to proceed with the current 2006 – 2008 allocation process until the Blue Ribbon Panel submitted its findings and recommendations **(Item C-2(b)(3))**. Shortly afterward, Commissioner Blatchford of the Alaska Department of Commerce, Community and Economic Development sent a letter to each CDQ group, noticing the groups that he would hold the 2006 – 2008 allocation recommendations pending the completion of the panel's report to the Governor **(Item C-2(b)(4))**. At this time, the State has not submitted its final 2006 – 2008 allocation recommendations to NMFS for consideration. Governor Murkowski has also not yet announced whether he supports some or all of the panel's recommendations or whether he wants to forward these recommendations to the Council for further action. These recommendations also may be pursued through Magnuson-Stevens Act amendments rather than as FMP and regulatory amendments through the Council process.

# North Pacific Fishery Management Council

AGENDA C-2(b)(1)  
OCTOBER 2005

Stephanie Madsen, Chair  
Chris Oliver, Executive Director



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April 11, 2005

Governor Frank H. Murkowski  
P.O. Box 110001  
Juneau, AK 99811-0001

Dear Governor Murkowski:

At its recent April meeting, the North Pacific Fishery Management Council (Council) reviewed the State of Alaska CDQ Team's draft allocation recommendations for the 2006 – 2008 allocation cycle for the western Alaska Community Development Quota (CDQ) Program. Included in these recommendations are allocations to the CDQ groups for groundfish, prohibited species, crab, and halibut. The Council also reviewed the CDQ Team's initial allocation recommendations for two new crab species that were included in the program starting in 2005: Eastern Aleutian Islands golden king crab and Adak red king crab. The draft allocation recommendation letter sent to the Council (March 31, 2005) describes the process by which the CDQ Team established its recommendations and provides its rationale for each recommendation based upon the applicable regulations. As you know, State and Federal regulations<sup>1</sup> specify that the State of Alaska shall consult with the Council regarding its allocation recommendations prior to their submittal to the National Marine Fisheries Service (NMFS), and State regulations require that any comments from the Council are incorporated into the written findings submitted to NMFS.

Commissioner Blatchford, Department of Commerce Community and Economic Development (DCCED), presented the CDQ Team's initial recommendations to the Council on April 8, 2005, for the next phase of the CDQ allocations. The Council appreciated the presentation by Commissioner Blatchford, and the extensive dialogue that ensued regarding both the State's allocation process and the rationale used to determine the draft recommendations. We will be transcribing that dialogue and will forward a copy to your office and the CDQ Team in the near future. The Council recognizes that these represent draft recommendations, and that after considering applications for reconsideration from the CDQ groups, the Governor's final allocation recommendations will be forwarded to NMFS with the proposed Community Development Plans.

The Council continues to strongly support the CDQ Program, and is committed to the goal of the program to provide the means for starting or supporting projects that will result in ongoing, regionally based, fisheries-related economies in western Alaska. The CDQ Program has grown to be a major source of revenue, employment, and stability in these rural, fishery-dependent communities, and the growth of the program and the diversity of its effects have been rapid and widespread.

However, while the CDQ Program has provided significant benefits to western Alaska, many concerns have been raised by members of the Council as the program continues to mature. These concerns are related primarily to the way in which the program standards and evaluation criteria in State regulation are applied by the State CDQ Team in its evaluation of the Community Development Plans and development of the allocation recommendations, and include concerns regarding the ability of the CDQ groups to

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<sup>1</sup>6 AAC 93.040(h) and 50 CFR 679.30(c).

understand the most important factors for consideration and the relative weighting of the criteria in each new allocation cycle. The Council therefore encourages the State of Alaska to establish a small "blue ribbon" committee to conduct a thorough review of the CDQ program, and the process by which allocations are determined, in order to ensure that the program continues to grow and operate in a manner that provides the maximum benefit to western Alaska communities. The intent is that upon completion of the review, the committee would provide a report to the Governor, including any recommendations. The Council recommends the following elements be included in such a review and report:

- Review of the State CDQ regulations to ensure that all regulations continue to fit the program as it evolves
- Thorough and independent financial review of the CDQ investments, procedures and commitments
- Prioritization of the goals of the CDQ Program with regard to following:
  - Investment in local community infrastructure
  - Improvement in basic needs for community residents
  - Development of sustainable business ventures in the CDQ regions
  - The need to expand opportunities for CDQ investment and development outside fisheries businesses
  - Other items identified by the Governor

The Council appreciates the effort with which the State of Alaska conducts the CDQ allocation process. I hope that these comments will serve to improve this process for all involved, including the CDQ groups, their industry partners, the State of Alaska, NMFS, and the Council. The Council welcomes any suggestions you may have in this regard, and is willing to provide any additional comments, if the State requests, once your recommendations for the 2006 – 2008 allocations are finalized. The Council's next meeting is June 1 – 8 in Girdwood.

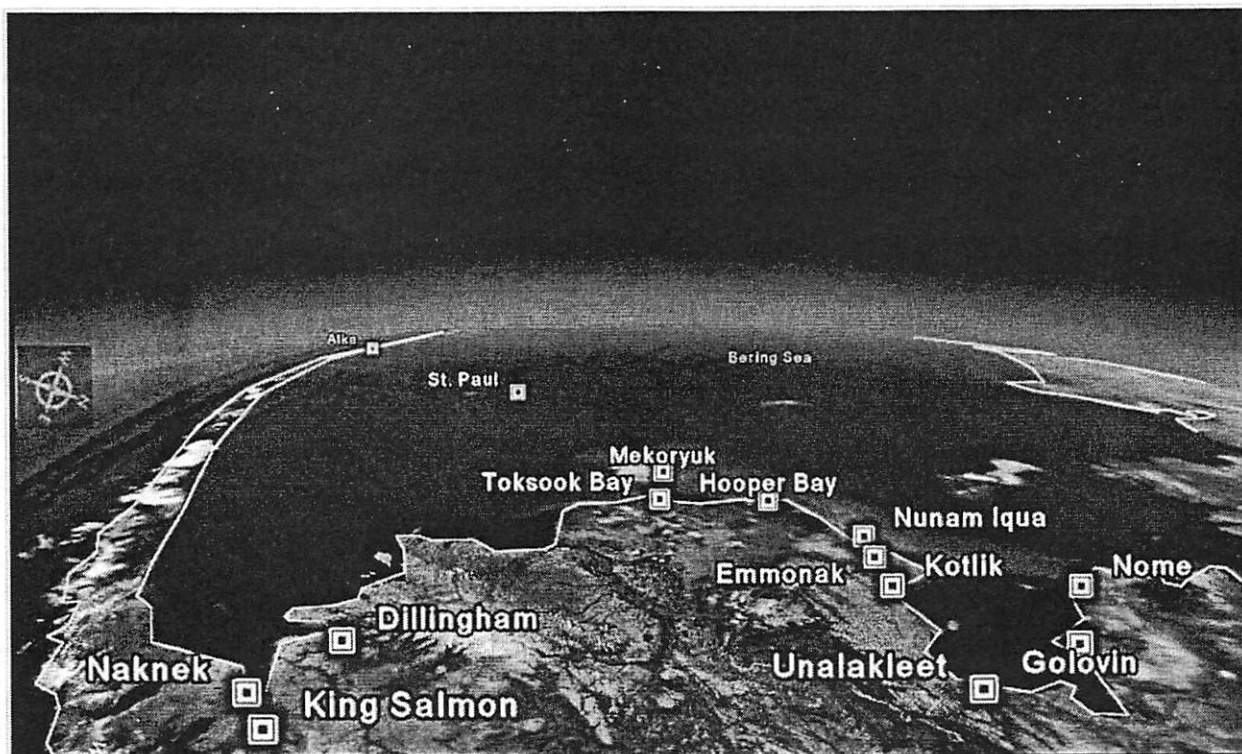
Sincerely,

*Stephanie D. Madsen*

Stephanie Madsen, Chair  
North Pacific Fishery Management Council

Cc: Edgar Blatchford, Commissioner, DCCED  
Dr. Jim Balsiger, Regional Administrator, NOAA Fisheries Alaska Region

# Blue Ribbon Committee on the Western Alaska CDQ Program



## Report to the Governor State of Alaska

August 2005

# **Blue Ribbon Committee Members**

**Ed Rasmuson, Chairman**  
*Chair, Rasmuson Foundation*

**Tom Case, Panel Member**  
*Dean, College of Business and Public Policy University of Alaska, Anchorage*

**Stephanie Madsen, Panel Member**  
*Chair, North Pacific Fishery Management Council*

**Dennis Metrokin, Panel Member**  
*President, Koniag Incorporated*

**Ron Miller, Panel Member**  
*Executive Director, Alaska Industrial Development & Export Authority*

**Carl Marrs, Facilitator**  
*President, Marrs & Company*

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## References:

- a. Federal Regulations
- b. State Regulations
- c. *Amendment 71* – Regulatory Impact Review/Initial Regulatory Flexibility Analysis
- d. *Western Alaska CDQ Handbook*, CDQ Program, Department of Commerce, Division of Banking, Securities, and Corporations
- e. CDQ Groups – *Annual Report* (APICDA, BBEDC, CBSFA, CVRF, NSEDC, YDFDA)
- f. Sarbanes/Oxley

## Appendixes:

- a. Key Statistics – 2004, CDQ Groups, Kurt Martens, CPA
- b. Minutes, Blue Ribbon Panel CDQ Meeting, June 16, 2005, Anchorage
- c. Minutes, Community Meeting, APICDA Region, Atka
- d. Minutes, Community Meetings, BBEDC Region, Naknek, King Salmon, Dillingham
- e. Minutes, Community Meeting, CBSFA Region, St. Paul
- f. Minutes, Community Meetings, CVRF Region, Hooper Bay, Toksook Bay
- g. Minutes, Community Meetings, NSEDC Region, Nome, Golovin, Unalakleet
- h. Minutes, Community Meetings, YDFDA Region, Kotlik, Emmonak
- i. Minutes, Blue Ribbon Panel Executive Session, August 31, 2005, Anchorage

# Statement from the Chair

September 14, 2005

Honorable Governor Murkowski  
Juneau, Alaska 99801

Dear Governor Murkowski:

It is with a great deal of pride and satisfaction that the Blue Ribbon Committee submits to you, the final report of our review of the Community Development Quota Program. Our report lists our Conclusions and Recommendations that, if implemented, we believe will result in a greatly improved program.

We have traveled to at least two communities within each region, with the exception of APICDA, where due to weather conditions, we were only able to land in Atka; and of course St. Paul, which is the only community represented by CBSFA.

We believe, after many hearings and in working with each of the CDQ groups, that we have come forward with some solutions to many of the problems that the State, Federal and the CDQ groups have been wrestling with for many years. We believe that these recommendations will go a long way toward providing stability in the program and allowing an environment for increased cooperation between the CDQ groups in joint business ventures in the future. By lengthening the time between adjustments in allocation, these CDQ groups will have the ability to plan over a much longer period of time. It should also help them in dealings with financial intuitions as they continue to grow.

We would like to emphasize that Federal, State and Local governments must continue to support and fund projects in Western Alaska related to Health, Education, Public Safety and Transportation and not rely on the CDQ program to replace programs that are basic government requirements. However, this is not to say that the CDQs won't match some of those programs in the future.

It is critical that your office set allocations that will be used as the base line. These allocations need to be established before our recommendations can be effective. After many hours of discussion within the committee, we believe that these recommendations must be implemented together and not in pieces. Each recommendation has an impact on the other and for this to be a successful program for the CDQ groups, it should be implemented in its entirety.

We have appreciated the assistance from your Administration and have been very pleased to have had the insight of Mark Davis of the Division of Banking and Securities, whose role will increase substantially if you adopt our recommendations. Our thanks also to Gregg Cashen of the Department of Commerce, Nicole Kimball of the North Pacific Fishery Management Council, and Sally Bibb of the National Marine Fisheries Service, for their assistance in helping us to better understand the regulatory process.

Governor, on behalf of the Blue Ribbon Committee it has been an honor to serve you and the State of Alaska. We hope that you will find our efforts worthy and we are and will be, more than happy to continue to assist in making this program a better program for the people of Western Alaska and for all Alaskans.

Blue Ribbon Committee on CDQs

Ed Rasmuson, Chairman



## **Four Key Recommendations from the Committee**

- 1. Our first recommendation is to lengthen the time to Ten (10) years between each reevaluation of the quotas that are given by the state and approved through the National Marine Fisheries Service; then, tie the lengthened terms in which each are measured by to a new set of criteria that is a measurable set of criteria starting now and measured at the end of each period.*
- 2. Our second recommendation is to change the oversight to one of stricter securities oversight. We believe that the State Division of Banking and Securities should play a much stronger role in oversight of the financial well being of the CDQ groups especially in the areas of fraud, mismanagement, and reporting to the communities in which the CDQ's represent.*
- 3. Our third recommendation is to eliminate the duplicative process of the National Marine Fisheries Service. This is a redundant system and is very costly not only to the CDQ groups, but to both governments. If in fact the state agrees to extend the evaluation process on the quotas and to change the criteria in which they are reviewed, there is no need for the NMFS or the State of Alaska to approve Community Development Plans or any amendments.*
- 4. Our fourth recommendation is to put in place a system for allowing investments in non-fisheries related projects, including matching grants or leveraging dollars with other agencies, foundations or non-profit projects, but only within the regions and communities that the CDQ programs serve. We believe that for at least the first period<sup>1</sup> of these recommendations, up to 20% of all net revenues should be allowed to be invested on non-fisheries related grants or projects in the region only, to help support the communities that the CDQ program was designed to serve and enhance the economic or social values of the communities and region that the CDQ group serves.*

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<sup>1</sup> First Period refers to that period of time starting in 2005 and ending with the 2010 census as reported at the end of 2011. For all purposes, the first period would be from now (2005) through 2011, with any new allocation beginning in 2012. The next period would be from 2012 to 2022.

## **2. Introduction**

### ***Purpose of Blue Ribbon Committee***

The formation of this committee was a result of a recommendation from the North Pacific Fishery Management Council to Governor Murkowski. The Governor appointed the Committee in May 2005 and requested the committee to evaluate all aspects of the Community Development Quota (CDQ) and to develop recommendations that take into consideration:

- The original intent of the program
- The extent CDQ groups' actions are in alignment with needs of the coastal communities in their area
- Review of the CDQ regulations to ensure all regulations continue to be appropriate.

The purpose of the formation of this Committee was to review the CDQ Program for Western Alaska and to determine if there are changes that could or should be made to help the CDQ groups operate more effectively in stimulating the economies of each of the CDQ regions and their communities. In addition, we were to look at the controls that are in place to assure State and Federal Governments that these organizations are doing what the laws intended for them to do and to recommend areas that need to be strengthened to ensure that the programs are operated in a legal and prudent business manner. In addition, the Committee is to look for ways that the State and Federal processes that are now in place could be either eliminated or streamlined.

The Committee learned that there are many differing views as to what CDQ means to each individual and that the CDQ groups are mostly respected, but we believe that the vast majority felt that more communication and more transparency was necessary from the CDQ groups to the member communities. Therefore, in consideration of all aspects of the program, the Committee has come to the conclusion there are four major areas that need to be addressed in the existing program to effectuate a positive long term result for both the groups and the communities for which they serve.

### ***Process Used by Committee***

The Committee used the following methods to gather information:

- Map
- CDQ Group List
- Travel/Meeting Chart
- Individual Meetings (CDQ Groups/Other): See appendix
- Public Meetings (CDQ Communities): See appendix
- State supplied documentation
- Public documentation
- Public Feedback

The committee spent a considerable amount of time traveling to communities within the six CDQ regions to better understand how member communities viewed their CDQ organization, how they

interfaced with the group and what changes have occurred in the communities. (See appendix for meeting notes)

### 3. Conclusions and Recommendations

The CDQ program is nearing the conclusion of its thirteenth year of existence. While the successes of the program are manifest throughout Western Alaska in terms of education, employment, in-region development, and profitable investments in the commercial fishing industry, programmatic changes in government oversight have not kept pace with the dynamic growth of the six CDQ groups. Regional differences have led the six groups in different directions requiring adjustments in the administration of the program.

Four key recommendations were developed over the course of the committee's work, which spurred additional recommendations within those key recommendations. Those areas include:

#### Allocation Process

The panel believes there should be a shift in the approach to the program. The current program is a competitive process that occurs about every three years. The groups Community Development Plans (CDP) are used as an application for the allocation. State regulations (6 AAC 93) contain twenty-one criteria to be considered when accessing the CDP to assign the percent of allocation each group will receive. The competitive nature of the program has resulted in increased conflicts among the groups and has inhibited groups from long term planning and the stability that results from that planning. The groups should be evaluated by its individual performance instead of its performance relative to the other groups' performance. Criteria should be measurable and as objective as possible in order to prevent confusion and uncertainty.

#### Duration of Cycle

- ***Extend the allocation cycle to 10 years, to coincide with the completion of the U.S. Census. The first cycle would occur in 2012 and then every 10 years.***

Rationale: Extended cycle promotes stability and allows long term planning.

*Our first recommendation is to lengthen the time to Ten (10) years between each reevaluation of the quotas that are given by the state and approved through the National Marine Fisheries Service; then, tie the lengthened terms in which each are measured by to a new set of criteria that is a measurable set of criteria starting now and measured at the end of each period.<sup>2</sup>*

Most of the people interviewed or who spoke at our meetings felt that the existing criteria are much too subjective; this concern is highlighted during changes in State administrations. It was also felt that by extending out the period between CDQ quota reevaluations it would help to bring a more cooperative working or joint venture environment between CDQ groups and allow for substantially more investment in-region and in the Bering Sea Fisheries, much less adding a much more stable environment to which the groups can deal with financial institutions that help finance their acquisitions in the fisheries.

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<sup>2</sup> Since the United States census normally takes a year or more to be completed, it is understood that this recommendation start as soon as practicable and for the first period which will be short of the ten year normal census period. Therefore re-evaluation and reallocations would occur in 2012.

- **Allocations for all species would be split into a 90% fixed or foundation allocation and 10% floating or performance allocation. All groups would receive a fixed allocation that would not be subject to adjustment based on criteria below.<sup>3</sup>**

Rationale: The CDQ program for Pollock and Crab is fixed in federal law at 10% (American Fisheries Act and Crab Rationalization, respectively). All other species are subject to adjustment through the federal regulatory process under the authority of National Marine Fisheries Service and the North Pacific Fishery Management Council. To provide stability to groups beyond the extended cycle, the panel recognizes at this time that Pollock is the economic driver of the program. The panel realizes it has not made recommendations on how to "fix" the 90% allocations, or whether that should be done through MSA or rulemaking.

## Criteria

- **Reduce number of criteria used for evaluating group's performance. Criteria should be measurable<sup>4</sup> and used at the end of the period relative to those criteria as of today<sup>5</sup>.**
  1. **population/poverty level**
  2. **number of jobs created**
  3. **amount of (\$) in-region investments both fisheries and non fisheries**
  4. **amount and number of scholarship and training investments**
  5. **community economic development**

Rationale: The CDQ program has matured and focus needs to shift to the group's success in each of their regions as opposed to being compared to another region. Current criteria is considered by most to be too subjective or outdated.

The CDQ groups will not be competing against each other. They will only be competing against the set of criteria and will be limited to the amount of loss that they could forego in any period.

### Criteria 1 – Population/Poverty

Measure of valuation. Set the population in the CDQ areas now and measure them at the next census. In addition, as a second category to this criteria, we add poverty levels as a percent of population. See attached methodologies.

### Criteria 2 – Jobs Created (Permanent and Temporary)

Number of permanent jobs that exist today that the CDQ's have created both on shore and off shore, then measured at the terms to see if jobs have increased or decreased. As a part of the measurement, the number of jobs that exist during any given year that are temporary should be a

<sup>3</sup> It is intended that each group receive 100% of their allocation during the period. Once the State has fixed the allocation, it would be fixed for a period of 10 years and only readjusted if a group or groups did not meet the criteria that is set. The adjusted allocation would only apply to the following 10 year period. In the case of the first period, the allocation would be for a shorter time and would be limited to 5% of each group's allocation.

<sup>4</sup> The attached Methodologies are developed to ensure consistent reporting and measurements among the groups.

<sup>5</sup> The ranking/weighting used for the formula are subjective only, for example of showing how the formula works, the ranking/weighting was determined by the Blue Ribbon Committee as their view of the importance of each area as it applies to the program as a whole. There was no attempt to set the formula by individual region. In the final analysis it is up to the state administration and the CDQ groups to set the ranking/weighting of the methodology. In addition, all CDQ groups have requested criteria for financial performance and the committee feels that could be another appropriate measure of each individual CDQ group.

factor in this measurement as a percentage of Criteria 2. Temporary jobs<sup>6</sup> should be measured each year to see if over the period they have increased or decreased and how many of the temporary jobs have become permanent. These should be averaged out over the period for the purpose of measuring either the increase or decrease at the end of each period. Both permanent and temporary jobs have a weighting factor in this criteria. See criteria 2 methodologies.

### Criteria 3 – In-Region Investments (Both Fisheries and Non-Fisheries)

Measure total CDQ investments In-Region programs today and measure total invested in the Region at the end of each term. Total expenditures on In-region projects both fisheries and non-fisheries related. Total investments should include all dollars spent on all projects including grants, on fishery related investment, both in-region and the Bering Sea Fisheries. See Criteria 3 methodologies.

### Criteria 4 – Scholarships and Training Investments

Measure total CDQ investments in scholarships given (both number of and expenditures in). The numbers of scholarships are known today and can be measured at the end of the period. This criteria should measure and to the extent possible should include scholarships for all levels of educations whether it be preschool, grade school, high school, colleges/universities, distant education at all levels or vocational training at all levels career advancement courses and career advancements in the areas that the student has applied his or her education. See Criteria 4 methodologies.

### Criteria 5 – Community Economic Development

Should measure the overall economic factors of each region as indicated by the State of Alaska, Department of Commerce and Economic Development. This factor is more difficult to measure in each of the regions. However, these are measurements that can be applied in the regions by all sources that affect the economics of each of the regions less specific funding sources from state. This criteria should have less weight of valuation factor attached to it because to some degree the CDQ groups may have no effect on other dollars spent in their regions, however, if a CDQ group is growing the economies in a region, they will in turn create secondary businesses by virtue of creating greater economies in the region. See Criteria 5 methodologies.<sup>7</sup>

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<sup>6</sup> Temporary jobs – The definition of temporary jobs has not been defined in this document. We believe that definition can be determined by the State through the Department of Labor.

<sup>7</sup> As this new criteria is applied, it should be understood that under no circumstances shall a CDQ group lose more than 10% of its overall quota in any given 10 year period. In other words, even if a CDQ did a very unsatisfactory job in the 10 year period and by mathematical calculations using the criteria above, could have lost more of its allocable quota, its limit is only 10 percent of the prior allocation. Example is: If a CDQ was entitled to 15% of the allocation during the prior 10 year period, but did not meet any of the criteria. The maximum that CDQ group could lose is 1.5% taking them down to 13.5% for the next period. This formula should be adjusted for the first period. For example, 2005 to 2010, the first 5 year period until the next census in 2010. A CDQ should not lose more than 5% of its allocation during the first period.

An additional factor is that these CDQ groups will not be competing against each other. They will only be competing against the set of criteria and will be limited to the amount of loss that they could forego in any period. If there are losses by certain CDQ groups, there will be gains by others, but those gains will also be limited to the extent of their positive performance. See Footnote on Examples Page.

# EXAMPLE

Category Weight	Category Score	Category Allocation	Criteria	Input required in Blue Cells			
10%	97.9%	10%	(1) Population Growth and Poverty Decline				
				<i>Population Growth</i>			
				Beginning	End	% Score	Subcategory Allocation
				515	450	87.4%	26.2%
				<i>Poverty Decline</i>			
				Beginning	End	% Score	
				8.7%	8.5%	102.4%	71.6%
				Percent of population below poverty			
				Category Score			
				97.9%			
30%	99.0%	30%	(2) Job Growth				
				<i>Permanent Jobs</i>			
				Beginning	End	% Score	Subcategory Allocation
				250	255	102.0%	51.0%
				<i>CDQ Permanent Jobs</i>			
				Beginning	End	% Score	
				75	72	96.0%	48.0%
				<i>CDQ Temporary Jobs</i>			
				Category Score			
				99.0%			
35%	120.0%	42%	(3) CDQ Investment in Region				
				<i>Expenditures</i>			
				Beginning	End	Category Score	
				5,000,000	6,000,000	120.0%	
				<i>Expenditures in Region</i>			
				<i>Investments in Scholarships</i>			
				Beginning	End	Category Score	
				5,000,000	6,000,000	120.0%	
				<i>Investments in Scholarships</i>			
				Beginning	End	Category Score	
				5,000,000	6,000,000	120.0%	

## EXAMPLE

			<u>Expenditures</u>			<u>Subcategory</u>	<u>Subcategory</u>	
			<u>Beginning</u>	<u>End</u>	<u>% Score</u>	<u>Weighting</u>	<u>Allocation</u>	
		<i>Scholarship funding</i>	250,000	275,000	110.0%	20%	22.0%	
			<u>Number of Scholarships</u>					
			<u>Beginning</u>	<u>End</u>	<u>% Score</u>			
		<i>Number of scholarships</i>	82	80	97.6%	20%	19.5%	
			<u>Ratio</u>					
			<u>Beginning</u>	<u>End</u>	<u>% Score</u>			
		<i>Ratio of graduates to number of scholarships</i>	49%	50%	102.5%	60%	61.5%	
		<i>Number of graduates</i>	40	40				
						<u>Category Score</u>	103.0%	
10%	107.1%	11%	<b>(5) Community Economic Development</b>					
			<u>Local Revenue</u>					
			<u>Beginning</u>	<u>End</u>	<u>% Score</u>			
		<i>Total Local Revenue (1)</i>	4,500,000	4,000,000	88.9%	50%	44.4%	
			<u>Median Household Inc.</u>					
			<u>Beginning</u>	<u>End</u>	<u>% Score</u>			
		<i>Median Household Income</i>	39,873	50,000	125.4%	50%	62.7%	
						<u>Category Score</u>	107.1%	
<p>(1) As defined in Summary of U.S. Census and Alaska Dept. of Community and Economic Data Related to the Community Development Program of Western Alaska, December 2001, Northern Economics, Inc. Excludes Outside Revenue such as Revenue Sharing, State Fish Tax, Municipal Assistance, etc.</p>								
<p>100% Must = 100%</p>								
<p><b>Total Score</b> 108%</p>								

Footnotes for Example Above: 90% of all species allocations to each CDQ group (90% of the baseline) would be fixed in Federal regulations. These allocations would be in effect in perpetuity or until subsequent rulemaking is approved to make changes.

10% of all species allocations to each CDQ group would be floating; based on each group's performance relative to the five criteria and sub criteria. Each group would be evaluated against its own performance over the 10 year cycle. Eg: if a group operated at status quo or improved in one or more of the 5 criteria, it could not lose any of its (baseline) 90%. If a group did worse in one or more of the 5 criteria, it could lose all or a portion of the 10%. 10% of each group's allocation for each species is the maximum amount of quota at stake with each new allocation cycle.

For example, if Group A was previously allocated 2,000 metric tons of Pollock, that group could not gain or lose more than 200 mt of Pollock in the new allocation. The change in the Group's allocation would apply to each species that is allocated to all six groups.

To determine the new allocation, the proposed methodology contains five primary categories that will be evaluated together, as a whole, to measure the success of the CDQ Company at the end of each allocation period. Each category will be scored separately and then added together to create a single overall score for each CDQ Company. Each category has been given a weighting, indicating its relative importance in the overall score of the CDQ Group.

The categories and associated weightings have been provided by the Blue Ribbon Committee and are subjective as to how the committee views their relative importance:

- Population Growth and Poverty Decline (10%)
- Job Growth (30%)
- CDQ Investment in Region (35%)
- Investments in Scholarships (15%)
- Community Economic Development (10%)

Each of the above categories has between one and three subcategories. The scores of the subcategories are also weighted based on relative importance to the overall category. The scores of the subcategories are determined by comparing the data at the end of the census period to the data at the beginning of the census period.

Example: 10% of Group's A's pollock allocation is 2,000 mt.

Group's population declined 515 to 450 an 87.4% decline X subcategory weighting 30% equals 26.2% rating.

Group's % of population below poverty level declined 8.7% to 8.5% an 102.4% X subcategory weighting 70% equals 71.6% rating.

26.2% plus 71.6% equals 97.9% rating X 10% total category rating.

The score for this category is added to the score for each of the other four categories to generate the overall Group score. If the overall group score is less than 100%, a reallocation will occur. For example, if the overall group score was 94.8%, the following would be the reallocation formula:

$94.8\% \times 2,000 \text{ mt} = 1,896 \text{ mt}$  allocation of pollock for next cycle, representing a 104 mt loss. This formula would be applied for all species.

The CDQ allocations are still a zero sum game. If one or more groups experience a reduction in their allocations, that 'extra' quota should be divided by the formula or equally among the remaining CDQ groups..

If all groups performed at status quo or improved relative to the 5 criteria, no changes would be made to the 10% floating allocations. If all groups did worse, no changes would be made to the 10% floating allocations.

The baseline would begin at the beginning of each cycle.



## Agency Oversight (including State of Alaska and National Marine Fisheries Service)

If the recommendations are adopted, the oversight of both the state and federal agencies would be reduced. The panel strongly believes that agency oversight has become burdensome and duplicative. The program and the CDQ groups have matures, so that less oversight is necessary.

*Our second recommendation is to change the oversight from a review process to one of stricter securities oversight. We believe that the State Division of Banking and Securities should play a much stronger role in oversight of the financial well being of the CDQ groups especially in the areas of fraud, mismanagement, and reporting to the communities in which the CDQ groups represent.*

The panel has several recommendations on agency oversight.

- **Banking and Securities would have two oversight responsibilities:**
  - **Any investment proposed by a group over two million dollars would be submitted to the department for a “third party” review of the proposal prior to its being undertaken.<sup>8</sup> The department would offer their opinion in writing to the CEO and CFO who in turn will have the responsibility to report to the board members the findings of the department, but the Department of Commerce or the Division of Banking & Securities would not have the authority to either disapprove or approve the investments.**
  - **Financial reporting requirements would be revised to require the groups to modify the reporting requirements to that which is more in line with the reporting requirements of Alaska Native Corporations in their proxy statements. A report to the communities that is separate from their Annual Report, each CDQ Group should include current requirements as well as additional requirements disclosing the top five paid executives including all compensation. In addition, such a report should include a line item for all compensation of all other executives and staff, all board compensation, all consulting compensation, all professional fees, legal fees and accounting fees within the general and administrative expenses. As part of the report, the same should be listed for all subsidiaries. A cumulative total would be provided if a person receives funds from more than one entity. This would also require listing all relatives of an officers or board members of a CDQ group or CDQ subsidiary, such as brothers and sisters, son, daughter, etc. that are working for the CDQ or its subsidiaries.**
  - **As part of the recommendation, we recommend the Division of Banking and Securities establish severe penalties for non-compliance and bring Alaska’s regulations more in line with Sarbanes/Oxley Federal Law<sup>9</sup> in regards to non compliance by officers and directors.**

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<sup>8</sup> Such review should not take more than 10 working days and all information pertaining to deals that the groups are investing in shall be held highly confidential until either the deal is concluded or for one year unless the group or groups working the deal request a longer period. The State needs to maintain such confidentiality to assure that competitors to the groups do not receive an advantage to any deal that is in any offering that has been sent to the State for such a review.

<sup>9</sup> It is not the committee’s recommendation that the State invoke Sarbanes/Oxley as passed by the U.S. Congress, but to use the federal law as a guide to set penalties against officers and directors of the CDQ groups for illegal acts while serving their stakeholders in a capacity of director or officer. We believe that the Division of Banking and Securities has the background and capacity working with the Department of Law to draft regulations that could be strictly enforced.

Rationale: The panel understands that if agency oversight is reduced that the transparency of information to the communities or stakeholders of the groups is critical.

We reached this conclusion for a variety of reasons, least of which is by stretching out the number of years between allocation review and changing the measuring criteria from the twenty one points that are mostly subjective to objective and measurable criteria. Thus, there is no need for the kind of review and oversight that the Department of Commerce, Community and Economic Development has today. However; we believe that because you lessen that type of role for the CDQ groups to operate under, it requires strengthening the securities rules under which they operate. We believe it is imperative that these CDQ group's operations become as transparent as possible. By that we believe it is important that each of them provide a more detailed report to the Division of Banking and Securities and to their communities. We believe an annual report that not only reviews what they are investing in and what their revenues and incomes are in any given year, should also include line items such as the top five (5) paid executives which would include all compensation. In addition, such a report should include a line item for all compensation of all other executive and staff, all board compensation, all consulting compensation, all professional fees, legal fees and accounting fees within the General & Administrative expenses. As a part of that report, the same should be listed for all subsidiaries, including executives, staff or Board members from the parent company serving in any capacity of and being paid by the subsidiaries, in addition to compensation received from the parent company. In addition, any consultant, professional, attorney or law firm or accountant or accounting firm that is paid by the subsidiary in addition to being paid by the parent. All relationships of officers and directors to each other, other employees, consultants, or relationships with partners should be disclosed as a part of the annual report to the communities. In essence, the reporting rules that Alaska Native Corporations are required to use in their proxy materials should be modified to conform for reporting purposes by the CDQ groups without jeopardizing their non-profit status.

We believe that by using Banking and Securities as well as better reporting of General and Administrative cost to the communities (i.e., stakeholders) there is very little need to have the sort of review process and approval process that the state has to go through now. We recommend as part of the process the CDQ groups be required to submit to Banking and Securities, any investments that they are in the process of making and allowing Banking and Securities a limited number of days to review and comment on such investments. This provision is not intended to grant Banking and Securities any authority to either approve or deny such investments, but only to give guidance to the investing CDQ groups as to potential problem areas that the CDQ group may have in such investment. Such review by Banking and Securities shall be sent to and the President/CEO and Chief Financial Officer of the CDQ group or groups contemplating such investments. Such reports should be reported to the Board of Directors of the CDQ groups by its president/CEO or Chief Financial Officer as soon as practical. We believe it was prudent in the early startup phases of the program that the state had a roll in directing CDQ groups as to what they should be spending monies on within the communities, but we don't believe that type of oversight is necessary now. Therefore, the role that the Department of Commerce, Community and Economic Development plays should be reduced and there should be no requirement for approval of investments by the CDQ groups in either fishery or non-fisheries related programs or projects.

## Approval of CDP including substantial amendments

*Our third recommendation addresses the need to eliminate the duplicative process of the National Marine Fisheries Service. This is a redundant system and is very costly not only to the CDQ groups, but to both governments. If in fact the state agrees to extend the evaluation process on the quotas*

and to change the criteria in which they are reviewed, there is no need for the NMFS or the State of Alaska to approve CDPs or amendments.

## Use of funds

*Our fourth recommendation addresses the need to establish a system for allowing investments in non-fisheries related projects, including matching grants or leveraging dollars with other agencies, foundations or non-profit projects, but only within the regions and communities that the CDQ programs serve. We believe that for at least the first period of these recommendations, up to 20% of net revenue from a CDQ group should be allowed to be invested in non-fisheries related grants or projects in the region only, to help support the communities that the CDQ program was designed to serve and enhance the economic or social values of the CDQ communities and region that the CDQ group serves.*

- Revise regulations to limit use of CDQ funds to fisheries related projects with the exemption of up to twenty percent of the net revenues could be used in-region on non fisheries related projects. It is not the intent of this provision to limit the amount of dollars that are used to continue the programs of the groups such as additional acquisition of onshore fisheries development or offshore Bering Sea fisheries. It is intended to allow the groups to invest in in-region projects that are important to the boards and management and communities of the region without hurting the ongoing investments in the Bering Sea or other onshore fisheries related businesses.

If this recommendation is adopted the goal and purpose statement of the program (50 CFR 679.1(e)) would need to be amended as suggested below and also as part of Amendment 71.

- Revise the goal and purpose statement as follows:

“The goals and purpose of the CDQ Program are to allocate CDQ’s to qualified applicants representing eligible western Alaska communities as the first priority, to provide the means for investing in, participating in, starting or supporting commercial fisheries business activities that will result in ongoing fisheries based economies, and as a second priority, to strengthen the non fisheries related economy in the region.”

The panel believes that CDQ investment capital should not be used for community infrastructure projects that the Federal and State governments have an obligation to provide and fund. Except perhaps for meeting “matching funds” requirements after other sources have been exhausted.

Rationale: There was strong support in all regions to allow flexibility in the use of some limited funds to enhance the general economy of the regions. Many areas have needs that would be achievable if CDQ funds could be used to match other opportunity funds.

And finally, this committee’s comprehensive review of the CDQ program is the first review since the National Research Council was requested by Congress to review the program as part of the 1996 reauthorization of the Magnuson-Stevens Act. The committee believes a program such as this should have periodic reviews.

## Blue Ribbon Panel CDQ recommendations and current authority

### Issues related to the allocation process

Recommendations	Magnuson Stevens Act	Federal regulations	BSAI Fishery Management Plans (FMP)	State regulations	Council recommendation on BSAI Am. 71 (June 2002)
<b>ALLOCATION PROCESS</b>					
1. Extend the allocation cycle to 10 years, to coincide with the U.S. Census. The first cycle would occur in 2010 and then every 10 years.	No changes necessary.	Would require adding to Federal regs at 679.30 to clarify the duration of the allocation cycle. Cycle duration is not explicit in current regs (it is set at the discretion of State).	Council discretion.	Would require amending State regs to clarify the duration of the allocation cycle at 6 AAC 93.020. Currently regs do not define the duration of the cycle.	The Council recommended establishing a 3-year allocation cycle in Federal regulations. The Council also recommended allowing the State to recommend mid-cycle adjustments under extraordinary circumstances. The Council would have to approve the State's recommended reallocations.
2. Allocations would be split into a fixed allocation (90%) and a floating allocation (10%). All groups would receive a fixed allocation that would not be subject to adjustment based on evaluation criteria (see #3 below).	No changes necessary.	Would require amending Federal regs at 679.30. Currently all of the 47 CDQ quota categories are allocated competitively through a NMFS administrative determination. Percentage allocations could be listed in Federal regulations or continue to be done through an administrative process.	Council discretion.	Would require amending State regs to clarify that only a portion (10%) of the allocations will be evaluated on a competitive basis and recommendations would be submitted to NMFS on that portion only.	The Council recommended status quo on this issue (to continue the current allocation process by which all of the allocations are made based on a competitive process).
3. Reduce number of criteria used for evaluating the groups' performance (re: the 10% floating allocations). Criteria should be measurable and applied at the end of the period relative to a measure of those criteria today. Five criteria: 1) population/poverty level; 2) # jobs created; 3) amount (\$) in-region investment; 4) scholarships & training; 5) community economic development.	No changes necessary.	Council and NMFS discretion. Federal regs do not currently include the CDQ allocation evaluation criteria used by the State.	No changes necessary.	Changes to evaluation criteria would be required at 6 AAC 93.040. These criteria would be applied at the end of the allocation cycle, for the purpose of allocating the (10%) floating portion of the allocations.	The Council recommended reducing the evaluation criteria to 10 factors (as opposed to the current 20) and publishing them in Federal regulation. Many of the criteria remain subjective in nature. (The criteria are listed in the Council motion on Am. 71 under Issue 5).

\*Note that 'no changes necessary' means that the current language in the statute, FMP, or regulations would not be inconsistent with the proposed change. It does not prohibit amendments from being made to that particular authority, but it is not necessary to implement the change.

**Blue Ribbon Panel CDQ recommendations and current authority**  
**Issues related to oversight of the economic development aspects (use of revenues) & purpose**

Recommendations	Magnuson Stevens Act	Federal regulations	BSAI Fishery Management Plans (FMP)	State regulations	Council recommendation on BSAI Am. 71 (June 2002)
<b>GOVERNMENT OVERSIGHT</b>					
<p><b>1. Remove all requirements for Federal and State agencies to approve the CDPs or any plan amendments. No prior approval process remains.</b></p>	<p>No changes necessary.</p>	<p>Would require amendments to remove any current role for NMFS that would be either delegated to the State or removed altogether. Would also require removal and/or revision of language at 679.30 that refers to: the CDP as an application for CDQ allocations; the elements required in the CDP, specifically the 'request for CDQ and PSQ allocations;' the review and approval of proposed CDPs; and the current technical and substantial amendment process.</p>	<p>Would require FMP amendment to remove current language that refers to the requirement of a fisheries development plan approved by the Governor of Alaska.</p>	<p>State regs would be amended to change the purpose of and requirements for the CDP. Must eliminate all 'review and approval' provisions in current State regs.</p>	<p>The Council did not recommend reducing NMFS's or the State's role in any aspect of the CDQ Program under Amendment 71.</p>
<p><b>2. The State of Alaska (Banking &amp; Securities Division) would have two roles: 1) any investment over \$2 m would be submitted for 3rd party review; and 2) receive and review an annual financial report. Financial reporting requirements would mirror those for ANCSA corporations, and would include the salaries of the top 5 paid executives.</b></p>	<p>Unknown.</p>	<p>NMFS regulations would not contain these requirements because NMFS would not be regulating, monitoring, or enforcing these requirements.</p>	<p>Would require amendments if these requirements delegated specific oversight responsibilities to the State. NOAA GC guidance is required.</p>	<p>State regulations would have to be amended to include these new requirements. Currently, State regulations at 6 AAC 93.055 reference Federal requirements for the CDP amendment process.</p>	<p>Under Issue 6, related to the extent of government oversight, the Council selected Alternative 2, which included a recommendation by the State to increase the threshold for substantial amendments from \$100,000 to \$250,000. Note that this recommendation continued the current process whereby the State reviews substantial amendments and submits a recommendation to NMFS, and NMFS approves or disapproves the amendment.</p>

\*Note that 'no changes necessary' means that the current language in the statute, FMP, or regulations would not be inconsistent with the proposed change. It does not prohibit amendments from being made to that particular authority, but it is not necessary to implement the change.

Recommendations	Magnuson Stevens Act	Federal regulations	BSAI Fishery Management Plans (FMP)	State regulations	Council recommendation on BSAI Am. 71 (June 2002)
<b>GOVERNMENT OVERSIGHT continued</b>					
<p>3. Limit use of CDQ funds to fisheries related projects, with the exemption of up to 20% of net revenues that could be used in the region on non-fisheries related projects. CDQ investment capital should not be used for community infrastructure projects that the State/Federal govt have an obligation to provide and fund, except in the case of providing 'matching funds'.</p>	<p>No changes necessary.</p>	<p>Council discretion to recommend. This element could likely be delegated to the State, and NMFS regulations would be revised to remove any role for NMFS in regulating, monitoring, or enforcing allowable expenditures and investments by the CDQ groups.</p>	<p>Would require amending the groundfish and crab FMPs if this responsibility is delegated to the State. Would be Council's discretion about what specific roles would be delegated to the State, including any requirements for the State to report back to the Council and NMFS.</p>	<p>State regs would be amended to explain how the State would regulate, monitor, and enforce this requirement. Would likely be through an after-the-fact review of each group's annual report, to determine if the group exceeded the 20% limit.</p>	<p>The Council recommended revising Federal regulations to clarify allowable investments. Each CDQ group would be allowed to invest up to 20% of its previous year's <i>pollock CDQ royalties</i> in non-fisheries related investments. These non-fisheries investments must be <i>economic development projects</i> in the region of AK represented by the CDQ groups and be <i>self-sustaining</i>.</p>
<p>4. Revise the purpose of the program to: 'The goals and purpose of the CDQ Program are to allocate CDQ to qualified applicants representing eligible western AK communities as the first priority, to provide the means for investing in, participating in, starting or supporting commercial fisheries business activities that will result in an ongoing, regionally based fisheries economy and, as a second priority, to strengthen the non-fisheries related economy in the region.'</p>	<p>No changes necessary.</p>	<p>Would require amending Federal regs at 679.1(e): "The goals and purpose of the CDQ Program are to allocate CDQ to eligible western AK communities to provide the means for starting or supporting commercial fisheries business activities that will result in an ongoing, regionally based, fisheries-related economy."</p>	<p>Would require amending the BSAI groundfish FMP in Section 3.7.4 and adding the purpose to the crab FMP.</p>	<p>State discretion. The purpose of the program is not currently in state regulations.</p>	<p>The Council recommended changing the purpose of the program in the BSAI FMP and Federal regs. The Council recommendation under Am. 71 is the same as the Blue Ribbon Panel recommendation.</p>
<p>5. Periodic reviews of the CDQ Program.</p>	<p>No changes necessary.</p>	<p>Council and NMFS discretion.</p>	<p>No changes necessary.</p>	<p>State discretion.</p>	<p>The Council did not address whether periodic reviews of the program should be required.</p>

\*Note that 'no changes necessary' means that the current language in the statute, FMP, or regulations would not be inconsistent with the proposed change. It does not prohibit amendments from being made to that particular authority, but it is not necessary to implement the change.

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**Blue Ribbon Committee  
On CDQ's  
301 West Northern Lights Blvd # 412  
Anchorage, Alaska 99509**

May 26, 2005

RECEIVED

Honorable Frank Murkowski Governor  
State of Alaska  
Juneau, Alaska 99811

MAY 31 2005

SOA / DEPT OF COMMERCE  
CDQ PROGRAMS

Dear Governor Murkowski:

You have appointed us as a Blue Ribbon Committee to organize, review and ultimately recommend to you potential changes to the existing CDQ programs in Western Alaska.

This change will require us to hold a number of meetings both in Anchorage and in the communities around Western Alaska that are affected by the CDQ programs. For the Blue Ribbon Committee to be effective, we will need to review all policies, regulations and laws both State and Federal so that we can make informed recommendations to you on changes that may be necessary to streamline the programs. The support from your departments and your office is critical. We will need access to all audit records, audit reports, financials, operation plans and long term plans on how the CDQ's intend to carry out their mission to enhance the future of these communities.

We also request that you hold up any decision to proceed with the existing reallocation of the CDQ quota programs (with the exception of the Adak red and Eastern golden king crab allocations) until the Blue Ribbon Committee can assess the program and send its finding and recommended changes to you. It would be in the best interest of all to have any such changes considered by Commissioner Blatchford in his recommendation to you. We do not believe that holding up the decision on the existing quota reallocations and leaving it status quo, would result in any harm to the CDQ program and its partners.

Respectfully Yours



Blue Ribbon Committee on CDQ's  
Edward Rasmuson  
Chairman



OFFICE OF THE COMMISSIONER

*Frank H. Murkowski, Governor*

May 31, 2005

Ragnar Alstrom, Executive Director  
YDFDA  
301 Calista Court, Suite C  
Anchorage, AK 99518-3028

Dear Mr. Alstrom:

As you are aware, when members of the North Pacific Fishery Management Council (Council) reviewed the State's draft allocation recommendations, they formally recommended that Governor Murkowski establish a "Blue Ribbon" CDQ Review Panel (Panel) to review the program in its entirety. In a letter dated May 26, 2005, Ed Rasmuson chairman of the Panel asked that, with the exception of the new species allocations of Eastern Aleutian Islands Golden and Adak red king crab for 2005, the 2006-2008 allocations be held until the Panel can assess the program and send its findings to the Governor.

Accordingly, I will be holding the 2006-2008 Multi Species Community Development Quota (CDQ) allocation, with the exception of the two new crab allocations for 2005, in my office pending the completion of the Panel's report to the Governor. After reviewing the Panel's recommendations I will forward my final allocation recommendation to the Governor.

I agree with the Council and Panel that this review is necessary to ensure continued CDQ program success in bringing economic development to rural Alaska for a long time into the future. Given the fact that the CDQ Program is one of the most successful state/federal programs in this state's history - I look forward to improving it.

Regards,

Edgar Blatchford  
Commissioner

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# News & Announcements

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## Gov. Accepts CDQ Panel Report

FOR IMMEDIATE RELEASE: October 4, 2005 No. 05-166  
Governor Moves Forward with CDQ Blue Ribbon Recommendations

(Juneau) – Governor Frank H. Murkowski accepted the recommendations of the CDQ Blue Ribbon Panel's report on the Western Alaska program this week and relayed his decision regarding allocations. The report offers four key recommendations affecting federal and state regulations.

At a meeting with Commerce Commissioner Bill Noll, Fish and Game Commissioner McKie Campbell, and Senior Fish Policy Advisor Alan Austerman, Murkowski directed the group to implement the changes outlined in the report so that 2007-11 allocation recommendations would be submitted by May 2006. The 2003-05 allocations will be extended through December 2006.

The governor created the Blue Ribbon Panel in April 2005 and asked it to conduct a thorough review of the CDQ program, including its regulations, investments, goals, timeline of allocations and state oversight.

"This is one of the most successful economic development programs in Western Alaska today. But in the last 13 years, it has outgrown the current management process," said Murkowski. "I've instructed the lead agencies to move ahead to adopt and implement all of the suggested recommendations the State has the legal authority to enact."

Noll said his department, along with the Departments of Law and Fish and Game, will work diligently to implement the recommendations using the Governor's desired timeline.

"This program positively affects more than 25 percent of rural Alaskans—it deserves the energy it's being given," said Noll. "To make the changes, we plan on revising state regulations in an expedited manner."

Campbell, who sits on the North Pacific Fishery Management Council, said the state will be working closely with appropriate federal agencies to assist in making any necessary changes to federal regulations so that the Panel's recommendations become a reality.

### Key Blue Ribbon Panel Recommendations:

1. Lengthen the time between quota allocations from three to ten years, and change the criteria used.
2. Change oversight to give the State Division of Banking and Securities more oversight of the financial well being of the CDQ groups.
3. Streamline the oversight process between the state and the National Marine Fisheries Service for Community Development Plans.
4. Expand investment opportunities to include regional economic and social development projects that are non-fisheries related.

The Western Alaska CDQ program allocates about 10 percent of the Bering Sea groundfish, halibut and crab harvest to 65 Western Alaska coastal communities, which are represented by six regional CDQ groups.

Since its inception in 1992, the CDQ Program has grown to be a major source of revenue, employment and economic sustainability in Western Alaska fishery-dependent communities. During the life of the program, nearly \$650 million in revenues and over \$125 million in wages, education, and training benefits have been generated by the six CDQ groups on behalf of nearly 29,000 residents. In 2004, the CDQ program generated over \$130 million in revenues to the six CDQ groups. About 1,800 new jobs are generated annually by the CDQ Program.



"By adopting the panel's recommendations, we can ensure the growth and long-term success and sustainability of this critical Western Alaska program," said the governor.

According to the CDQ Panel's facilitator, Carl Marrs, the panel left unused \$42,300 that will remain in the state's coffers of the \$275,000 allocated to the group. With the allocation, the panel members traveled to each of the six regions identified in the CDQ program and held numerous hearings during nearly four months of work.

For more information or for a summary of the report: Jennifer Payne, 907-269-4568 To contact the Blue Ribbon Panel facilitator, Carl Marrs: 907-743-2809 or 907-360-0279 (cell)

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