

To: The IFQ committee  
From: Adak Community Development Corporation  
Re: ACDC CQE proposal

Adak Community Development Corporation requests that the IFQ committee consider a proposal to suspend the Adak residency requirement for a period of 3 to 5 years.

When the Adak CQE was initiated, the NPFMC waived the requirement for the 1<sup>st</sup> five years (ending in 2019) that transferees be Adak residents for 12 months prior to being eligible to receive and use CQE quota. During those years, ACDC prioritized residents, despite the waiver of the residency requirement.

From the implementation in 2014 through 2019, ACDC transferred CQE quota to 15 Adak residents who accounted for 62% of the harvest and to 5 non-residents who accounted for 38%.

The ability of local resident small boat operators to harvest CQE is closely tied to having a stable processor operating in Adak. Likewise, the ability to place local non-vessel owners as crew is dependent on having vessels that base their halibut fishing out of Adak.

A combination of variety of factors have resulted instability in the operation of the processing plant in Adak. These include:

- The loss of access, intended under Amendment 113, to the federal CV trawl cod fishery.
- The disruption of the live market for Golden King Crab due to the trade wars with China.
- The Covid-19 pandemic.

The Adak processing plant is currently closed, which has led to residents leaving the island, shrinking to pool of eligible persons to use ACDC's CQE quota.

94% of the Adak CQE halibut quota went un-harvested in 2020. This year ACDC has had no applications by local residents as crew asking for CQE quota. Reviewing the list of the residents who received CQE quota in the past, 2/3rds have moved off of Adak. Three of the remaining 5 who have applied in 2019 or 2020 (and who lacked any prior commercial fishing experience) were unable to find a vessel that would take them on as crew.

It will take time and evidence of a stable processor in Adak to attract new residents to the community to replace those who have left the island. Even if a person moved to Adak tomorrow, it would take a year to meet the residency requirement. The Adak CQE program was working as intended until 2019, providing local jobs on local boats. ACDC requests the committee to ask the Council to suspend the residency requirement while the community attempts to rebuild. As an alternative, the Council could consider allowing a 1<sup>st</sup> time applicant a one time year of grace to establish residence.

Submitted by ACDC

Dave Fraser