

COMMON PROPERTY ISSUES AND ALASKA'S BERING SEA COMMUNITIES

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Kelax̂ Exemnâx̂, Kelux̂ Kusuthux̂ ("The morning tastes good," in the Aleut language).

I would like to thank the conference organizers for inviting me here to provide a local-level perspective on the issue of common property resources and on the local impacts of changing property designations. In this instance, I will be speaking about the change in the Bering Sea fisheries off Alaska, from open-access to private and common property.

The very fact that I—a Bering Sea coastal resident—am here making a presentation in this kind of forum is a testament to one of the most significant effects of a changed designation in access and use of the commercially valuable fish off Alaska's shores. As few as four years ago, we would not have been invited to public policy discourses on common property regimes. Now, we are a prime case study in the United States of what some consider an experiment in the utility of public natural-resource allocation to encourage local, self-sustaining economies. From the local community perspective, we enforced the proper implementation of national law.

But, I am getting ahead of myself. I need to preface my remarks on this issue with editorial comments that highlight one of the most salient points about this so-called experiment in which I find myself fully engaged.

The conference organizers requested that all panelists provide an abstract of no more than 100 words—a summary of the key points of my talk, so the panel will have some idea of where I am coming from—and 150 copies of the highlights of my talk, for the conference participants. Mind you, I am no stranger to such a format and such requirements for presenters. I was schooled quite well in these ways. But they pose a slight dilemma for me.

My people, the Aleuts, have lived and thrived in the Bering Sea for nearly 10,000 years—perhaps longer. And we are still there—a remarkable achievement for any Northern Hemisphere people. My people survived and overcame circumstances that would try any soul anywhere, but only because we maintained the integrity of our oral histories and ways of knowing and living. Even after organized, sustained attempts to eliminate our people and our cultural practices, much of it remains intact.

I had a very traditional upbringing and a modern-day education. It has been my challenge to integrate them effectively. In most cases, I succeed. This is not one of those cases.

My traditional upbringing has consistently reinforced the proposition that we must always listen to our elders and our wisdom keepers and respect and honor them. When elders speak in my part of the world, they are our E. F. Hutton. When they talk, we listen.

I used to write all of my speeches until one day when a very respected Athabascan elder—Howard Luke, with whom I had been exchanging tape recordings—stated bluntly on a tape to me, “Anyone who has to read from a piece of paper when speaking before a group of people has no business being up there.” I listened to this elder, and I honor his wisdom by not reading my speeches. Initially, it was with some trepidation, because I receive dozens of invitations every year to make presentations in important forums. But now I owe a huge debt of gratitude to Howard Luke for sharing his wisdom with me, because when I threw away the written speech, I could get back to talking from my heart. Now I find it is more of a challenge to conference organizers than to myself.

In recognition of another cultural prime directive, however, I must leave as much as I can to posterity. So, I compromise by writing what comes to mind on the day of a conference and combining it with what comes spontaneously from my heart. This does not mean, however, that I cannot provide typed text to an audience or panelists in the time frame requested.

Please forgive me for that. I also am breaking a cultural taboo by speaking a lot and making myself the center of attention; it is considered undignified. Anyway, I will attempt to articulate the significance and implication of all this in the context of the topic later.

I am the general manager of the Central Bering Sea Fishermen’s Association (CBSFA), one of six community development quota (CDQ) organizations established in 1992 as a result of action by the North Pacific Fisheries Management Council (NPFMC) through its interpretation of the Magnuson Act. The Magnuson Act, passed into law by Congress in 1976, successfully “Americanized” the Bering Sea and the North Pacific High Seas Fishery within the 200-mile “exclusive economic zone” of the United States

In the years preceding the council’s establishment of CDQ’s, Bering Sea coastal community representatives undertook a serious, concerted and ultimately successful effort to educate fishery policymakers about specific language in the Magnuson Act that mandates the equitable distribution of a common-pool resource—in this case, commercially valuable fish. Failure to equitably accommodate coastal communities with historical and cultural connections to what others call a common-pool resource—a resource in the backyard of those communities—would be in direct violation of the spirit and intent of the equitable distribution language of the Magnuson Act. Distributing Bering Sea common-pool resources worth billions of dollars to a handful of large fish companies with headquarters 1,500 miles outside the area seemed morally

incongruous, particularly while ignoring Bering Sea residents whose ties to the sea go back millennia, when many of those residents live in subsistence economies with no running water or flush toilets.

As usually is the case in these kinds of situations, however, the fishing industry would not voluntarily agree to relinquish a portion of what they believed to be their access right to a finite resource, regulated through the setting of fish quotas. Thus, government coercion was required. Gordon Tullock was quoted in a paper as saying, “Government is nothing more than a prosaic instrument designed to coordinate human behavior through potential resort to coercion when the costs associated with reliance upon voluntary agreement are considered to be excessively high by a group of people possessing sufficient power to get and enforce the rules under which rules are made.”

This was the circumstance coastal communities found themselves in—then and today. Had the NPFMC not acted the way they did in agreeing to allocate 7% percent of the total allowable catch of pollock (a bottomfish) in any given year in the Bering Sea, coastal communities and the government would be in court over the interpretation of the Magnuson Act, as well as over indigenous people’s rights against activities that affect their cultures and livelihoods.

Even though these issues were acted on in favor of the Bering Sea coastal communities in 1992, the CDQ groups face future court challenges. Efforts to derail the program in the reauthorization of the Magnuson Act are before Congress as we speak. It was only two weeks ago that we prevailed in a lawsuit filed in Washington state against proceeding with development of government regulations that will allow CDQ groups to share in the take of crab and other fin fish. The end to lawsuits against this program is not in sight.

We, the CDQ groups, are the organizations that all special fishing interests love to hate. Nevertheless, we remain undaunted in our belief that, in time, our participation will benefit the fishing industry and fishery management throughout the United States.

Back to the CDQ story. The six CDQ groups are membership organizations composed of subsistence and commercial fishers in all communities within 50 miles of the federally regulated portion of Bering Sea fisheries.

CDQ organizations are probably the most regulated fishery group in the nation. We not only have to abide by federal fishery regulations that apply to all U.S. fisheries but also are required to abide by a host of additional regulations promulgated by the U.S. Secretary of Commerce and implemented by the State of Alaska, which has broad license to interpret these regulations. The federal regulations specify: (1) how CDQ organizations are to be created, (2) how individuals can qualify to run for a membership-elected board of directors, (3) how and in what form applications for fish quotas are to be submitted by these groups, (4) what reports to submit, (5) what

kinds of activities we can engage in, and (6) who can be members. The mandate to CDQ organizations is to engage meaningfully in fishery development in a manner that develops sustainable economies.

At the outset, CDQ organizations were established by vote of the local fishers. After this sanctioning by the potential membership, a board of directors and officers were elected. The officers, with oversight from the board of directors, constructed community development plans (CDP's) for submission to the state.

These CDP's must include: (1) resumes of key personnel; (2) detailed annual budgets for investments and operations; (3) delineation of goals, objectives and milestones to achieve the stated mission of the organization; (4) detailed narratives explaining how and for what any revenues are to be used; and (5) a detailed explanation of contracts with what are called CDQ partners. After securing the approval of this CDP by the board of directors, the organization is required to secure a resolution of support from the local governing body—in CBSFA's case, the city of St. Paul—which conducts a public hearing on the CDP. The CDP then functions as an application for fish quotas; it goes to the state, which determines if the organization has met the federal requirements. The state submits its recommendation to the U. S. Secretary of Commerce, who has ultimate authority. To ensure compliance with federal regulations, the state also submits its recommendation for the level of fish quota to be granted to the CDQ organization.

The NPFMC has set a quota cap of 7 percent of the annual total allowable catch for pollock fish stocks. Since the inception of this program in 1992, this has translated into about 700,000 tons of fish annually, to be divvied up among the six qualified CDQ organizations on a competitive basis.

Once a community development quota is allocated, the groups can either fish their quota directly or join up with a private company that specializes in the particular fishery. Most CDQ groups have opted to receive a royalty payment from private CDQ partners and receive anywhere from \$210 to \$310 per ton.

The CDQ organizations are required by federal regulation to invest these revenues in fishery-related enterprises that directly benefit their membership. CDQ groups are required to comply with approved budgets, plans and milestones that are meticulously monitored by the state. We must submit quarterly reports and narratives that detail our expenditures, the status of achieving milestones, the number of people employed and the amount of payroll. To that, we must attach financial statements. We also are required to submit midterm and year-end reports, audit reports, special audit reports, and budget comparisons. Line-item expenditures cannot exceed 20 percent of the line item in an approved budget unless the CDQ seeks approval of a plan amendment—submitted to the state and *through* the state to the U.S. Secretary of Commerce. To be found “out of compliance” with your budget or plan, as approved, results in the state's recommending a cut in the allocation to the group.

To date, the secretary's approval of state recommendations has—in my opinion—appeared to be *proforma*.

In spite of the morass of regulations, oversight and requirements we must meet. . .in spite of the well-financed opposition by all other special fishing interests, CDQ groups are beginning to make a difference in their communities and in national fishery policymaking. We now have some financial wherewithal. All groups have invested in community dayboat fisheries; some, in the fish-processing sector and fishery infrastructure. All groups finance or underwrite boat loans for their membership and fund scholarships, training and internship programs for members and their families.

CBSFA, the organization I represent, has the smallest quota allocation of all CDQ's. We receive 4 percent of the 7 ° percent cap or roughly \$800,000 per year.

And yet, we have financed or underwritten small boat and gear loans for 28 individuals who skipper boats that range in size from 24 to 38 feet in length. Last summer this mini-fleet employed 100 people in a town of 700 and generated \$1 million of ex-vessel fish landings in just three weeks. This is money that went directly to local people.

CBSFA also provided \$750,000 to infrastructure improvements in the St. Paul boat harbor, which helped make this port the frontline service base for the entire Bering Sea crab fleet and the No. 2 port in Alaska in terms of tax dollars to state coffers. The improved port services brought \$70 million of private sector investment to St. Paul in one year alone.

As a result, from having no economy in the 1980s, St. Paul now has progressed to having one of the most robust economies in rural Alaska, with an average per capita income of \$34,000. That's a remarkable accomplishment for any community anywhere, particularly considering that it was done in less than half a generation! And it is a testament to the ingenuity (and incredibly hard work) of my people.

Given our cultural paradigms, we support the education and training of our posterity. This year alone we are providing scholarships and loans to 14 young people in institutions of higher learning. This is the largest number of students we have ever had in such institutions at the same time. One college student is graduating this year with a degree in international marketing, after spending a year at Nygoya University in Japan.

As a role model, such students are worth their weight in gold. When I graduated from the University of Washington in Seattle in 1972, I was only the fourth such graduate in the history of all Aleut communities.

To the outside world, these may seem like small accomplishments. But to us, they are nothing short of incredible.

I said that CDQ groups had made an impact on national fish management, and I mentioned that the most salient point of my presentation involves cultural paradigms. Let me explain.

Coming from a cultural legacy of stewardship of the environment, the CDQ groups were successful in securing language in the Magnuson Act reauthorization now before Congress. That language mandates a significant reduction in the wanton waste of fish commonly referred to as “bycatch.” It also requires the U.S. Secretary of State to pursue bilateral agreements with Russia on conservation in the Bering Sea.

Bering Sea trawlers throw away 750,000 tons of targeted fish stocks each year. These fish are either too small or too large for the processing machinery. Or, they are commercially valuable, but unauthorized species.

We do not know how many hundreds of thousands of tons are discarded that are not commercially valuable. They are not counted. We also do not know how many millions of tons of bottom dwellers are thrown away on the Russian side.

As indigenous residents in the Bering Sea, we understand that everything is connected in creation. We have enough humility to acknowledge that we do not have the wisdom to decide which species are more important than others in terms of protecting the integrity of an ecosystem. But, we also know that the wanton waste called “bycatch” will ultimately come back to haunt us. And we know that the viability of our cultures, language and ways of living depend on the health of the Bering Sea.

In 1993, Bering Sea residents successfully secured funding from the State Department to mobilize a multi-disciplinary group of scientists to assess the state of health of the Bering Sea ecosystem, to assess research gaps and to make recommendations for management regimes.

Similarly, we have been using an ecosystem approach to research and management in the Bering Sea. As we speak, the NPFMC is in the process of mobilizing an ecosystem committee to the council.

These things were brought to the forefront by an indigenous group of people with a particular world view.

We need diversity of views in dealing with the daunting challenges throughout the world. But the world is rapidly becoming a monoculture—with singular ways of thinking and doing things. Nature teaches us that diversity is necessary for survival. If we do not have a diversity of world views, humankind will become extinct.

The participants in the western Alaska CDQ program have world views that may prove invaluable to fish management. We have already proven that in the actions we have taken to date.