



II. THE WESTERN ALASKA REGION

The Physical Setting

Renowned for its fierce weather, the Bering Sea's unsheltered ocean waters are home to some of the greatest fishery resources on earth. Vast schools of fish such as pollock and herring cascade the sea's depths while the ocean floor is home to numerous species of groundfish and crustaceans including Pacific cod and the famous Alaska king crab. The rivers emptying into the Bering Sea are visited yearly by millions of salmon migrating upstream to spawn. Feeding on all of this natural bounty are numerous species of marine mammals and sea birds.

The open waters of the Bering Sea annually freeze as far south as the Pribilof Islands and Bristol Bay, and even further south along the coast. Natural deep draft harbors are non-existent north of the Alaska Peninsula due to extreme tides, low terrain and silty bottom floors. The weather has been described as among the worst on earth, with hurricane force winds, mountainous waves, freezing spray, and a winter season of short days and long nights.

The coastline which borders the Bering Sea is barren and almost entirely treeless. It features several thousand miles of coast from the uninhabited tip of the Aleutian Islands to the tiny northern community of Wales astride the Bering Straits. The land mass varies from volcanic along the Aleutian Islands to marshy delta at the mouth of the Yukon and Kuskokwim Rivers. Where the ground is not solid rock, it is often underlain by permanently frozen ground tens or even hundreds of feet deep.

Natural Resources

Reserves of mineral resources along the coast, including deposits of gold, platinum, and tin, exist in limited quantities. Due to the high expense of operating in an harsh environment, very little commercial mining takes place. In terms of oil resources, there is a potential for major offshore petroleum reserves to exist. However, due to the engineering challenges, the sensitive marine environment involved, and high exploration and production costs, very little exploratory drilling has occurred.

Although markedly barren in the winter, the Bering Sea landmass is lush in the summer. Vast flocks of waterfowl migrate north to nest in marshes, along rivers, and lakes. Seabirds nest by the millions in densely packed rookeries. Large animals such as caribou migrate back and forth to summer grazing grounds. During the early summer, schools of herring and millions of salmon migrate to the tributaries that lie along the coastline. They are followed by the numerous fish, mammals, and birds that feed on them.



The Western Alaska Economy

There are five regional centers in the region: Unalaska/Dutch Harbor, King Salmon, Dillingham, Bethel, and Nome. The community of Unalaska/Dutch Harbor is not a CDQ community because of its pre-existing involvement in the Bering Sea groundfish industry. Much of the economy in King Salmon and Dillingham is based on commercial salmon fishing, whereas Nome's economy, originally based on gold mining, has diversified into other sectors. Bethel, though not a CDQ community because it is beyond the 50 nautical mile limit, has some commercial fishing in the summer, but in recent years the fishery has diminished in value. Each of the regional centers functions as a commercial and transportation hub. Residents from outlying communities frequently visit to purchase goods and services not available locally, and also pass through on their way to Anchorage and beyond.



Major regional centers in western Alaska

While several roads exist, only a few serve as links and none connect to the road system outside of the region. Almost all of the towns and villages are geographically isolated from each other. Access is limited to boats in the summer, snow machines in the winter, and depending on weather conditions, airplane. The closest CDQ community to a continuous road system is approximately 300 air miles from Anchorage and the farthest is 1200 or more miles away.

The heavy reliance on air transportation means that the price of goods is substantially higher than in other regions of

the country. In addition, it is very expensive to travel to Anchorage where many rural Alaskan residents purchase their goods. Wages generally are commensurate with the higher costs and help ease the burden of purchasing local consumer items that are quite expensive by normal standards.

The remote and isolated nature of western Alaska limits employment opportunities for most residents to the few jobs that exist within the communities. Much of the employment opportunities revolve around seasonal commercial salmon or herring fishing. The wage economy of western Alaska is concentrated in only a few sectors.



Relatively few locally consumed goods and services are provided in the region; most goods and services are imported. There is a high dependence on income from transfer programs such as the Alaska Permanent Fund Dividend Program, the Alaska Longevity Bonus Program, and Aid to Families with Dependent Children.

State, federal, and local governments provide the majority of regional jobs. Federal employees consist primarily of federal land managers, health care providers, airport personnel, and military personnel. State personnel are employed primarily in schools, various state agencies, health care centers, and airport operations. Local governments employ administrators, school workers, utility operators, and local public safety officers.

A typical community in western Alaska has limited employment sources. At best, this might include posts in a school, post office, local utilities, retail store(s), local government, health aide, public safety officer, airport agent, National Guard, and local road and airport maintenance. Generally speaking, most school teachers hail from outside the region. An end result of the lack of jobs is the steady migration of residents from smaller communities to the larger regional centers in western Alaska where more services, retail centers, and government services exist.

Jobs related to education account for approximately 26% of all regional employment. Each community has its own school, which is often the main employer in the community. In a smaller community, it is not uncommon for several households to share a full-time position in order to divide the benefits equally.

U.S. Census Data for the Western Alaska Region

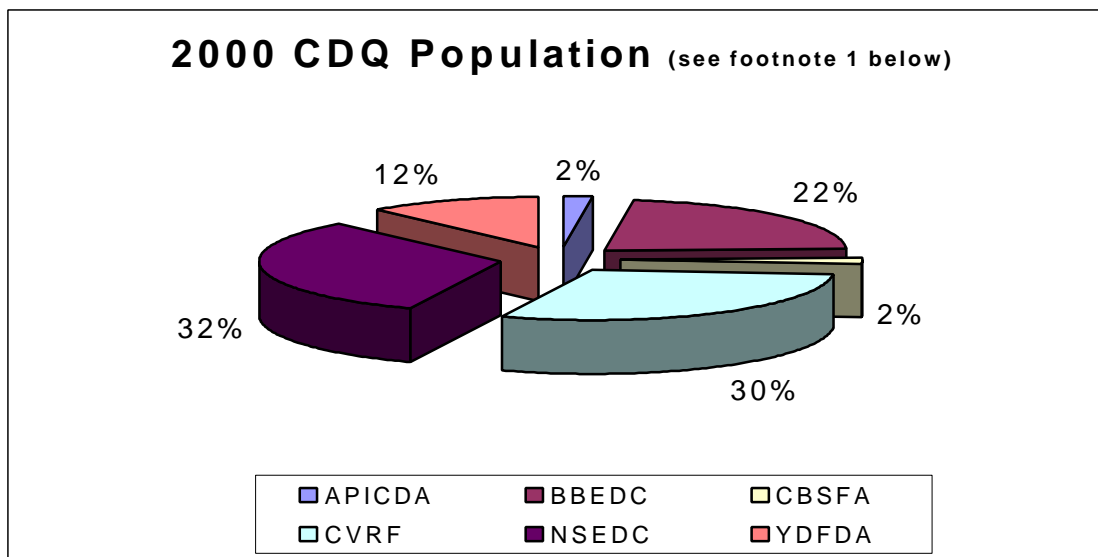
The best available data for describing the population and economy of western Alaska comes from the 1990 U.S. Census, which was taken prior to the start of the CDQ program in 1992. The 2000 U.S. Census data is the most current information following the start of the program. As indicated in the previous handbook, the data tables have been updated. As will be discussed in Chapter VI, the CDQ program has provided significant new employment and income sources, and training and education opportunities for many residents of CDQ communities. In addition, economic changes not related to the CDQ program have occurred in the fishing industry as well as other parts of the economy.



U.S. Census Population¹

There are 65 communities in the CDQ region of western Alaska. These communities had a total population of 23,823 in 1990. As shown in Table II-4, by 2000 the population had increased to 27,073, or 13.6%. The combined population of the villages represented by individual CDQ groups range from 532 for the Central Bering Sea Fishermen’s Association (CBSFA) to 8,488 for the Norton Sound Economic Development Corporation (NSEDC).

Table II-1

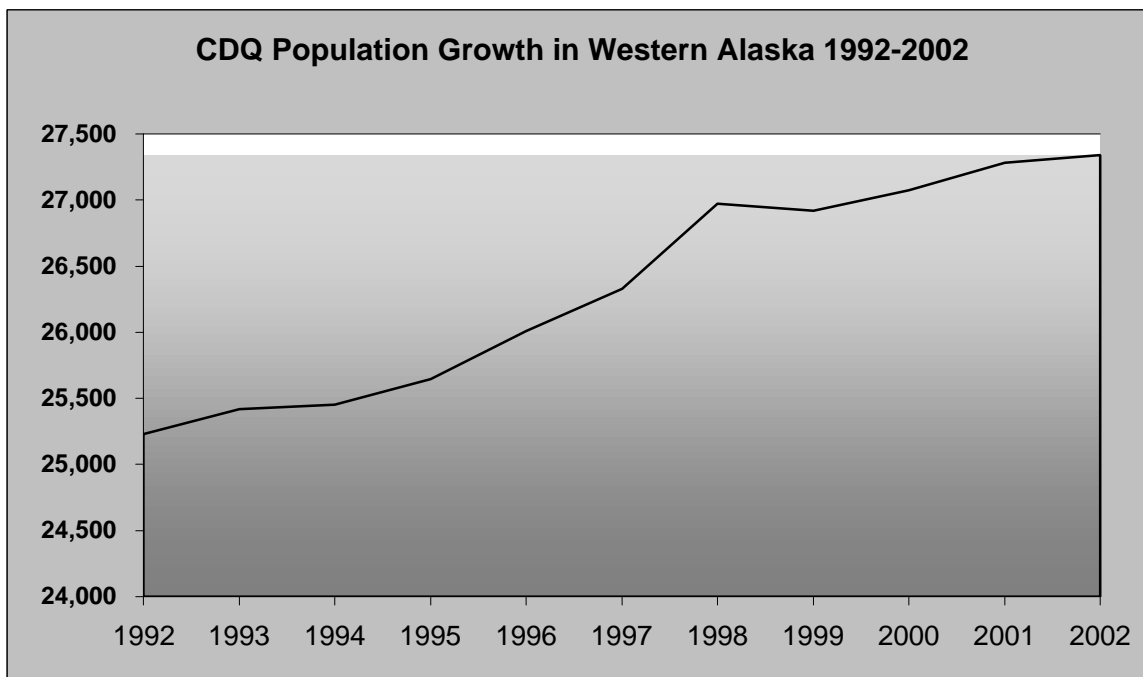


In 1990, approximately 78% of CDQ region residents were Alaska Natives. In 2000, approximately 84% were Alaska Native. All of the groups have a significant population of Alaska Natives and three of the six regions have Alaska Native populations in the 90% or more range. All of the CDQ groups have a relatively large share of population in the 16 year old and under category. The Yukon Delta region has more than 40% of the population in this category. This growth indicates a labor force that will require jobs in the future. It also represents a larger magnitude of employment increase relative to the working age population.

¹ The 2000 U.S. Census reports Akutan’s population at 713. However, this number includes several hundred transient processing workers who clearly do not reside in Akutan. Furthermore, APICDA lists the year-around population of Akutan at 85 in the 2001-2002 CDP and at 90 in the 2003-2005 CDP. Table II-1 shows the adjusted APICDA year-around residents without the transient workers counted by the U.S. Census Bureau as permanent residents. Further population information is included in Appendix J.



Table II-2²



Labor Force and Employment

At the time of the 2000 census, all CDQ communities were experiencing relatively high levels of unemployment, ranging from 12% (BBEDC) to 43% (CVRF). While these high unemployment rates in part reflect the seasonality of employment opportunities and the timing of the census in April, they also show the effects of limited-employment opportunities. It is important to note that unemployment is a product of a federal definition which defines the percentage of those within the labor force who are not working. Generally when people know there are no jobs available, they stop looking, and are not included as being among the unemployed. Because of this distinction, there is a very real possibility that a much higher unemployment rate exists in western Alaska than is recorded.

Income

Table II-3 describes the income characteristics of the CDQ group communities in 2000. All of these regions had median family incomes lower than the state median income of \$41,408 in 2000. The median income of the Central Bering Sea area and the Bristol Bay area was less than 10 percent below the state level, but in the Yukon Delta area and the Aleutian Pribilof area, the median income was only slightly greater than half the state level. The relatively high cost of living in rural Alaska suggests that in real terms, comparing median incomes may actually overestimate the economic well being of residents in these regions. In 1999, the poverty rate for the state was almost 7 percent. The poverty rates in all the CDQ areas was at least twice this rate.

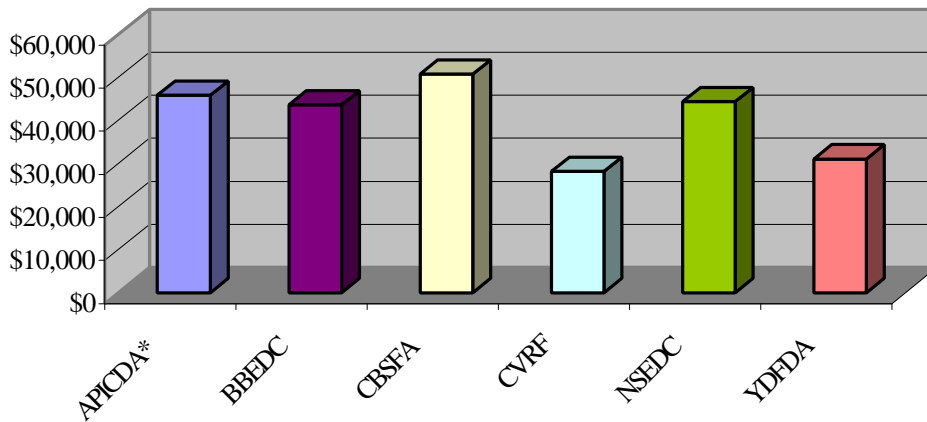
² 1990 and 2000 U.S. Census/DCED. Also, see Appendix J for population detail.



Table II-3³

Source: 2000 U.S. Census/DCED

Median HH Income



Social Conditions

In 1990, more than 25% of the people in the 65 CDQ communities lived below the poverty level. From the 2000 US Census, 26% people live below the poverty level. Many older people speak English as a second language or don't speak it all. Much of the housing available in the communities is substandard and amenities that most U.S. citizens take for granted, such as running water and electricity, may not exist. The result has been poor health conditions, high rates of infectious diseases, and lower living standards.

Table II-4

Source: 2000 U.S. Census/DCED

Characteristics of the 65 CDQ Communities in 2000	
Total population	27,073 ⁴
Average community population	416
Native Americans as % of the population	84%
Houses with no plumbing	37%
Houses with no phone	29%
Persons below poverty level	26%

Western Alaska continues to suffer the social ills associated with poverty and isolation, with many communities experiencing abnormally high rates of drug and alcohol abuse. Young people suffer from high rates of teen pregnancy and suicide, and prevalent throughout the region is the feeling of despair and hopelessness.

³2000 U.S. Census/DCED.

⁴Taken from 2000 U.S. Census.

Subsistence

Western Alaskans derive a large part of their food from subsistence hunting, fishing, and gathering. Based on information from a subset of CDQ communities, the average annual subsistence harvest is roughly 437 pounds per person. The majority of the harvest is salmon. Per-capita subsistence harvests tend to be largest for residents of smaller communities with residents who have fewer employment opportunities, limited access to retail stores, and who are generally Alaskan Natives.



An Inupiat family tends to fishing nets.⁵

Subsistence harvests provide a large portion of the nutritional needs of western Alaska residents. Equally important is the cultural and emotional needs that subsistence activities satisfy. It is not uncommon for western Alaskans to prioritize participating in subsistence activities over time spent in a wage labor job. The priority Alaska Natives place on subsistence hunting and fishing is reflected in some CDQ communities as Alaska Natives prefer to subsistence hunt or fish vs. working on a factory trawler in the Bering Sea away from their family. This can be confusing to outside individuals who are not familiar with the Alaskan Native culture.

Commercial Salmon and Herring Fisheries

Salmon and herring fishing occur in many parts of western Alaska. With the notable exception of Bristol Bay, most salmon fisheries are not high value fisheries and generate relatively low income. Local participation in the larger regional fisheries has decreased over time and the necessity of a limited entry fishing permit (prohibitively expensive in the more lucrative fisheries) has discouraged local participation. Over the past two decades roughly 25% of the most valuable salmon fishing permits have migrated to out-of-region residents. At least one CDQ group has addressed this issue. BBEDC has created the Bristol Bay Permit Brokerage in an effort to retain local ownership of fishing permits in the Bristol Bay region.

In 1992, about 20% of the region residents owned fishing permits that were licensed crewmen. Though the ownership of permits did not change through 2002, the

⁵ Picture was obtained from the Internet site for the University of Connecticut Libraries. (www.lib.uconn.edu/ArcticCircle/CulturalViability/Inupiat/)



value of the permits dropped and the number of residents fishing dramatical drop in ex-vessel value to the fishermen. Most fishermen and the vast majority of processing industry employees come from outside of western Alaska. Since most local residents own few assets, the means of acquiring salmon fishing permits simply does not exist. Often residents are put in the position of having to choose between a short intense working season at relatively low wages, or harvesting salmon for winter food.

Western Alaska commercial salmon harvests have plummeted in recent years and local fisheries have seen a significant drop in market value to the point of being designated as state and federal disasters. In some fisheries, all harvests, including subsistence activities, were either closed or severely restricted. Over 93 communities in western and interior Alaska have been declared salmon disaster areas in 2001.

With global production of farmed salmon steadily increases, it has become difficult for western Alaska salmon fishermen to present a quality product at a price that will produce a profit. However, CDQ groups who are amassing more capital each year, are seeking ways to upgrade the market position of western Alaska fisheries, including the construction of local salmon and halibut buying stations and processing plants throughout the communities. Several groups have taken an active approach in addressing historically low salmon prices.