



November 28, 2023

Second Draft Spend Plan for funds appropriated to address both the 2021/22 and 2022/23 Bristol Bay red king crab and Bering Sea snow crab fisheries disaster determinations. NOAA Fisheries allocated \$94,489,726 for the 2021/22 fisheries disaster and \$96,621,465 for the 2022/23 fisheries disaster.

Written comments are requested on all elements of the proposed spend plan and should be as specific as possible. Comments will be posted online as received and therefore, the Alaska Department of Fish and Game (ADF&G) requests that no business proprietary information, copyrighted information, or personally identifiable information be included in written comments. Comments can be submitted by email to: dfg.com.fisheriesdisasters@alaska.gov or by mail to:

ADF&G, Attn: Darion Jones
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Juneau, AK 99811-5526

Comments must be submitted by December 11, 2023, for consideration in the final spend plan.

Process to develop the spend plan: ADF&G provided an initial draft spend plan for public comment in September 2023 and received 16 written comments on the initial plan (Appendix 1). ADF&G revised the plan based on public comments and is requesting comments on the second draft spend plan before it is finalized and submitted to PSMFC.

In response to comments received on the initial draft spend plan, ADF&G is recommending the following revision:

Research

- ADF&G proposes lowering the research allocation from 18% to 12% based on public comments suggesting a research allocation of 5% to 12%.

Communities

- The community allocation of 5% is proposed to be taken 'off the top', rather than calculated by fishery. ADF&G proposes to distribute disaster funds pro rata to eligible communities based on each community's proportion of the combined total 2019/20 and 2020/21 estimated gross revenue value for both species.
- ADF&G proposes a new 1% set aside for Saint Paul community entities based on comments that Saint Paul is dependent on these fisheries and was disproportionately impacted by losses due to the collapse of the snow crab fishery. As requested in several public comments, ADF&G proposes to make the following entities eligible for payment from the Saint Paul community allocation: Tanadgusix Corporation, Tribal Government for the Aleut Community of Saint Paul, and the City of Saint Paul.

Harvesters

- Based on public comments, ADF&G is proposing to provide vessel owner payments to the person identified in the CFEC database as the vessel owner during the disaster years of 2021 & 2022 for BBR and 2022 & 2023 for BSS, rather than the vessel owner identified in the CFEC database during the qualifying years, 2019 & 2020 for BBR and 2020 & 2021 for BSS.

Processors

- The current draft spend plan includes only PQS holders and processing companies that own processing facilities i.e., ‘active’ processors as eligible for payment. Individuals who lease PQS from a PQS holder and have the resulting Individual Processing Quota (IPQ) custom processed are not currently included in this spend plan because they do not own PQS or maintain a facility used in crab processing. ADF&G is seeking comments on whether to include all IPQ holders and if included, how non-‘active’ IPQ holders should be considered.

Guiding principles for disaster fund distribution: Disbursement of funds is intended to 1) assist fishery participants harmed by the 2021/22 and 2022/23 Bristol Bay red king (BBR) crab and Bering Sea snow (BSS) crab fisheries disasters, and 2) improve fishery information used to assess and forecast future fishery performance and to develop management approaches that avoid and/or mitigate the impacts of future fishery disasters that cannot be prevented.

The proposed categories and allocations were informed by recent Alaska fishery disaster spend plans and comments received from stakeholder input (Appendix 1). ADF&G is proposing to allocate funds for research, communities, and program support off the top and apportion the remaining funds based on the proportion of total estimated revenue loss in the BBR and BSS crab fisheries. For each crab fishery, ADF&G proposes to allocate fishery-specific funds to harvesters, processors, and Community Development Quota (CDQ) groups.

Total estimated funds ^a	\$189,200,079
Research (~12%)	\$22,500,000
Saint Paul Island & Tribal Entities (~1%)	\$1,870,000
Communities (~5%)	\$9,360,000
ADF&G Program support (<0.1%)	\$120,000
Total remaining funds	\$155,350,079

^a Additional funds are taken off the top by Pacific States Marine Fisheries Commission to administer the federal grant.

The impact of the fishery disaster created significant loss of income to those involved in the harvesting and processing sectors and to the communities in which the cultural and basic economic structure is the marine economy. Some of these funds will be allocated to research activities that restore the fishery or prevent a similar failure in the future, but they will also be used to help assist the fishing communities that were affected by this fishery resource disaster by recognizing the loss of incomes. These direct payments will compensate participants consistent with fishery investments and/or historical fishery performance. Historically one of the purposes of disaster funding was to get funds to communities and fishermen as fast as possible. Direct payments provide that method.

Research – ~12% of total funds (\$22.5 million): The 2021/22 and 2022/23 BBR and BSS crab fisheries disaster resulted from natural and undetermined causes which resulted in low stock abundance.

Research funds will be allocated to improve available fisheries information and help prevent and/or mitigate future fisheries disasters. ADF&G is proposing a total of \$22.5 million be allocated for research. Public comments recommended an allocation for research in the range of 5% to 12%. ADF&G proposes a 12% allocation for research to improve fishery information used to assess and forecast future fishery performance and to develop management approaches that avoid and/or mitigate the impacts of future fishery disasters that cannot be prevented. The Magnuson-Stevens Fishery Conservation and Management Act prioritizes specific uses for disaster funds, including scientific research that reduces adverse impacts to the fishery or improves understanding of the affected species or its ecosystem.

ADF&G is proposing that research funds be available through a combination of 1) an allocation to the Bering Sea Fisheries Research Foundation (BSFRF) to coordinate and lead three separate annual surveys, 2) an allocation to ADF&G for research, and administrative staff to lead, oversee, and coordinate all disaster related research and management, and 3) an open and competitive request for proposals (RFP) administered by PSMFC and utilizing the North Pacific Research Board's (NPRB) scientific review process.

Research funds allocated to BSFRF are proposed to support three annual surveys to improve our understanding of BBR and BSS crab population dynamics, ecosystem interactions, and provide new information to help prevent and/or mitigate future fishery disasters. The surveys are intended to use crab vessels and crews impacted by these fishery disasters to serve as at-sea research platforms in coordination with the open call for research proposals. One annual survey is proposed for BBR to extend our knowledge of the distribution of crab in the late winter and early spring when crab is molting and mating and many non-crab fisheries are occurring. The second survey is proposed for BSS to examine the relative importance of areas that are not covered by the Eastern Bering Sea trawl survey. The third survey is proposed to focus on project needs that arise from the competitive RFP. This will help ensure all research projects are integrated and cost-effective. The BSFRF is proposed to lead these surveys as it is best positioned to contract with crab fishing vessels impacted by the disaster and to ensure the core survey design is consistent with the ADF&G research priorities for these crab stocks.

ADF&G will be an integral part of all aspects of this disaster research above and beyond the normal duties of its research and management staff. Significant full time temporary staff will be required for research design and implementation, data collection, storage, and management, along with coordination with all other State and Federal government, university, and industry groups participating in selected research projects from the RFP process.

The proposed competitive RFP will be open to all entities authorized to receive federal grant funds and based on the themes outlined below. Allowable expenses for selected research projects are qualified for reimbursement by PSMFC up to the amount awarded through the competitive process. Proposals are proposed to be submitted through the NPRB's web-based submission process and will be similar to the typical process for its annual Core research program. Based on consultations with fishery scientists, managers, and various industry stakeholders, all research is proposed to be focused on the following:

Draft Request for Proposals:

ADF&G in collaboration with NPRB and PSMFC would request proposals for cooperative research designed to improve our understanding of Bering Sea crab stocks (Appendix 2). Specifically, proposals would focus on BBR and BSS crab stocks and subsequent ecological impacts or fishery impacts due to extremely low crab abundance across the entire Bering Sea. Proposals may span all typical NPRB

categories (e.g., Oceanography, Fish and Invertebrates, Marine Birds and Mammals, Human Dimensions, Interdisciplinary Studies), but must have a direct link to either BBR or BBS, or both. Proposals that are interdisciplinary in nature, include funding for graduate students, and collaborative are highly encouraged. ADF&G notes that projects related to the Alaska King Crab Research, Rehabilitation and Biology Program may also apply if the project entities are authorized to receive federal grant funds.

ADF&G is requesting input on suggested research themes and the proposed distribution and allocation of research funds.

Saint Paul Island & Tribal Entities- ~1% of total funds (\$1,870,000): ADF&G recognizes the severity of loss from the fishery disasters to the City of Saint Paul and Saint Paul's tribal entities, the Tanadgusik (TDX) Corporation and the Tribal Government for the Aleut Community of Saint Paul. ADF&G proposes direct payments distributed equally to each of these three entities. This does not exclude the City of Saint Paul from applying for funds under the Community allocation.

The City of Saint Paul is almost entirely dependent on the crab fisheries for municipal operations and services. The taxes from crab fisheries fund municipality functions and employment of EMS and policing services, and these disasters caused direct harm to the cities' employees and residents. The City of Saint Paul estimates an average annual revenue loss of \$2 million due to these fisheries disasters.

TDX Corporation provides direct support services to the BBR and BSS crab fisheries in Saint Paul, including land and dock leases, fuel sales and storage, processed crab and crab pot storage, shipping and air carrier support, lodging, and more. The crab fisheries are integral to TDX's business, and these disasters caused direct harm to the Alaska Native Village Corporations' employees and shareholders. TDX estimates an average annual revenue loss of \$2.4 million due to these crab fisheries disasters.

The Tribal Government for the Aleut Community of Saint Paul (the Tribe) owns and manages the local grocery and service-types stores that typically serve the crab fishing vessel crew and processing plant workers. The estimated revenue loss of those sales is anticipated to be nearly \$2 million dollars due to the crab fisheries disasters. The Tribe also estimates up to a 40% loss of annual general funds for the Tribal Government due to the fishery disaster which further affects their ability to make or issue grants to the community.

Communities- ~5% of total funds (\$9,360,000): Municipalities and boroughs rely on revenue generated from BBR and BSS crab fishery landings and other economic activities related to the BBR and BSS crab fisheries. The state's Fishery Business tax rate is 3% for shore-based crab landings and is shared 50/50 with the state and municipalities/boroughs where the landings occur. If landings occur in the bounds of a municipality and borough, landing tax revenues are shared 50/50 between each entity. Some municipalities and boroughs levy an additional local raw fish tax at a rate of 2% to 3.5% depending on the location and species. Public comments recommended community allocations in the range of 4.75% to 8%. ADF&G proposes a 5% allocation to affected communities to help mitigate losses in fish tax and other economic losses due to the fishery disaster.

ADF&G is proposing direct payments to municipalities and boroughs based on the port of landing where BBR or BSS crab deliveries occurred.

The following criterion is proposed for community eligibility:

- BBR or BSS crab must have been landed in the community during the 2019/20 and/or 2020/21 season based on the port of landing from ADF&G Fish Ticket data.

ADF&G proposes to distribute disaster funds pro rata to eligible communities based on each community’s proportion of the total 2019/20 and 2020/21 estimated gross revenue value for BBR and BSS landed in all eligible communities. If landings occurred in a community represented by both a municipality and borough, the funds are proposed to be split 50/50 between the municipality and borough, consistent with the methodology for distribution of the state’s Fishery Business taxes. Landings of BBR and BSS occurred in five communities represented by five municipalities and two boroughs during the 2019/20 and 2021/22 seasons: 1) Dutch Harbor/Unalaska, 2) Akutan, King Cove and Aleutians East Borough, 3) St. Paul, and 4) Kodiak and Kodiak Island Borough.

Fishery-specific Allocations

ADF&G proposes to apportion remaining funds to the BBR and BSS crab fisheries based on each fishery’s proportion of gross revenue loss in the 2021/22 and 2022/23 crab fishing years as compared to the previous five-year average value. The estimated loss in gross revenue for each fishery would be calculated by subtracting the value during the disaster years from the average gross revenue for the previous five-years, 2016/17 through 2020/21.

Fishery	5-yr avg. gross revenue^a	Disaster year gross revenue	Estimated loss	Percent of total loss	Estimated funds
2021/22 BBR	\$50,704,845	\$0	\$50,704,845	32.5%	\$50,412,019
2022/23 BBR		\$0	\$50,704,845		
2021/22 BSS	\$119,128,444	\$27,161,669	\$91,966,775	67.5%	\$104,938,060
2022/23 BSS		\$0	\$119,128,444		
Total			\$312,504,909	100%	\$155,350,079

^a Five-year average of the most recent five years not including disaster years.

Bristol Bay red king crab

ADF&G proposes to allocate BBR crab fishery disaster funds for direct payments to mitigate losses sustained by affected CDQ groups, harvesters, and processors.

Categories	Allocation	Estimated funds
Community Development Program	10%	\$5,041,202
Harvester/Processor Funds	90%	\$45,370,817
Total		\$50,412,0149

BBR Western Alaska Community Development Quota (CDQ) Programs: ADF&G is proposing direct payments to CDQ groups. CDQ groups receive, in aggregate, a 10% allocation of the annual BBR crab harvest limit and depend on revenue generated from BBR crab landings to provide economic and social benefits in member communities consistent with statutory mandates. Based on public comment, ADF&G is proposing direct payments to each CDQ group based on each group’s allocation of the BBR crab fishery in federal regulation and shown in the table below.

CDQ Group Bristol Bay Red	Percent Allocation	Estimated Amount
Aleutian Pribilof Island Community Development Association	17%	\$857,004
Bristol Bay Economic Development Association	19%	\$957,828
Central Bering Sea Fisherman’s Association	10%	\$504,120
Coastal Village Region Fund	18%	\$907,416
Norton Sound Economic Development Association	18%	\$907,416
Yukon Delta Fisheries Development Association	18%	\$907,416
Total	100%	\$5,041,202

BBR Harvester/Processor Funds: Public comment recommended two approaches to allocate disaster funds between the harvesting and processing sectors. Harvesting sector representatives proposed to allocate funds using the Non-Binding Price Formula¹ for BBR crab, which results in a harvester share of 86% and processor share of 14%. Processing sector representatives proposed to allocate 75% to harvesters and 25% to processors to recognize investments that are not fully captured in the Non-Binding Price Formula and ongoing costs to maintain crab processing infrastructure. Lacking additional information to verify proportional impacts of disaster losses between the harvesting and processing sectors, ADF&G is proposing a compromise between the suggested approaches that allocates 80.5% to harvesters and 19.5% to processors.

Components	Allocation	Estimated funds
Harvesters	80.5%	\$36,523,508
Processor	19.5%	\$8,847,309
		\$45,370,817

BBR Harvesters: Based on public comment, ADF&G proposes to allocate harvester funds into three pools: quota share (QS) holders, vessel owners, and a combined pool for captains and crew. The proposed allocation is 53% to QS holders and 47% to vessels, which includes vessel owners, captains, and crew. Public comments suggest that the reported lease rate from the Crab SAFE report is not indicative of actual cost shares so the percent share between QS holders and vessels is based on exvessel gross revenue minus taxes to determine a net value. This approach accounts for arrangements where there are no lease fees and provides a slightly higher allocation to the vessels given their continued costs. ADF&G proposes to use the 2021/22 and 2022/23 seasons as eligibility criteria for QS holders and vessel owners because those are the seasons included in this fishery disaster. ADF&G proposes to use participation in the 2019/20 and 2020/21 BBR seasons as eligibility criteria for captains/crew because these are the last two seasons that the BBR fishery was open.

Harvester component	Allocation	Estimated funds
QS Holders	53%	\$19,357,459
Vessel owners	30%	\$10,986,271
Captains/crew	17%	\$6,179,778
		\$36,523,508

¹ [§ 680.20\(g\)\(2\)\(ii\)](#) The Non-Binding Price Formula Report is prepared annually for the Bering Sea Arbitration Organization (harvesters) and the Alaska Crab Processors Arbitration Organization (processors).

BBR QS Holders – 53% of harvester funds (~\$19 million). The following criterion is proposed for a QS holder to qualify for a direct payment:

- Must be listed as a QS holder of Catcher Vessel Owner (CVO), Catcher/Processor Owner (CPO), Catcher Vessel Crew (CVC), and/or Catcher/Processor Crew (CPC) quota for BBR for the 2021/22 or 2022/23 season(s).

ADF&G proposes to distribute direct payments to QS holders pro rata based on each QS holder's proportion of the total QS units of all QS holders who apply and are eligible for QS holder direct payments. There were 359 individual QS holders of BBR quota for the 2021/22 and 2022/23 seasons.

ADF&G is requesting comments on whether to establish different direct payment amounts for initially issued QS and purchased QS, or 'recently' purchased QS, as the impacts of the fishery disaster were potentially more severe for QS holders with debt obligations for quota investments. Approximately 42% of the BBR QS held in 2022/23 was initially issued.

BBR vessel-based payments for vessel owners, captains, and crew – 47% of the harvester funds (~\$17 million).

The following criterion is proposed to be used to determine vessel-based payment eligibility:

- The vessel must have been used to harvest BBR in the Individual Fishing Quota (IFQ) fishery during either the 2019/20 or 2020/21 season.

ADF&G proposes to calculate vessel-based payments pro rata to each eligible vessel's proportion of the total 2019/20 and 2020/21 pounds of BBR crab, not including deadloss, landed by all eligible vessels. ADF&G estimates that the owners, captains, and crew of 58 vessels may be eligible for direct payments based on this criterion.

ADF&G received comments in support of dividing vessel-based payments between vessel owners and captain/crew based on 60%/40%, 70%/30%, or 64%/36% split. Based on these public comments, ADF&G proposes a 64%/36% split, which is consistent with BBR exvessel revenue distribution between vessel owners and captains/crew reported in the Crab Economic SAFE report² by NOAA Fisheries. The proposed split would provide vessel owners with 30% of the harvester funds and captains/crew with 17% of the harvester funds.

BBR vessel owners – ADF&G proposes to allocate vessel owners 64% of the vessel's share of the total allocation for vessel-based payments (30% of the harvester funds ~\$11 million).

ADF&G proposes direct payments to vessel owners listed in the CFEC vessel database as the 2021 vessel owner for the 2021/22 season and to the 2022 vessel owner for the 2022/23 season. Although the crab seasons span two calendar years, harvests of BBR crab occur primarily in October and November. If a different owner is listed in each year, ADF&G proposes to divide the vessel owner payment equally. If no vessel owner is listed during the affected year(s), payment would be made to the most recent vessel owner.

If ownership of an eligible vessel was transferred between 2019 and 2023, eligibility for payment will not be impaired by such transfer, and any payments shall be made as agreed between the transferor and transferee if an affidavit is provided at the time of application signed by both the transferor and transferee.

² NOAA Fisheries Crab Economic Status Report: <https://media.fisheries.noaa.gov/2023-06/2022-crabsafe.pdf>

BBR captains/crew – ADF&G proposes to allocate captains and crew 36% of the vessel’s share of the total allocation for vessel-based payments (17% of the harvester funds ~\$6 million).

ADF&G proposes direct payments to captains and crew who worked on an eligible vessel during the 2019/20 or 2020/21 season and who meet all eligibility criteria.

The following criteria are proposed for captains and crew to qualify for a direct payment:

1. Captains and crew must have participated in the BBR IFQ fishery on an eligible vessel as defined above for vessel-based payments. Eligibility is proposed to be verified based on crew contract, crew settlement, or an affidavit from the vessel owner or CFEC permit holder. Eligibility for captains may also be verified from the CFEC permit information on Fish Tickets.
2. Captains must have held a K91T CFEC permit for each season they are claiming eligibility and crew must have held a commercial crew license or a CFEC permit for any fishery for each season they are claiming eligibility. These requirements are met by holding a permit or license in 2019 for the 2019/20 season or in 2020 for the 2020/21 season.

Public comment indicated that payments to captains are typically twice the amount of a crew member, so ADF&G proposes to provide each eligible captain with two ‘shares’ and each eligible crew member with one ‘share’ for each season of demonstrated eligibility. In the example below, the vessel met eligibility criteria for both seasons and

operates with one captain and four crew members each season. A different captain worked each season and two crew members worked both seasons. The maximum number of captain shares is four, two for each season, and the maximum number of crew shares is two. An individual may qualify on the same vessel for a captain share in one season and a crew share in the other season but may not qualify for both a captain and crew share on the same vessel for the same season.

	Season		Shares	Percent of total Captain/Crew funds
	2019/20	2020/21		
Captain A	X		2	16.7%
Captain B		X	2	16.7%
Crew 1	X		1	8.3%
Crew 2	X	X	2	16.7%
Crew 3	X	X	2	16.7%
Crew 4		X	1	8.3%
Crew 5		X	1	8.3%
Crew 6	X		1	8.3%
		Total	12	100%

Direct payments to minors are not authorized by the terms of the Federal grant but may be authorized to guardians in the same household on behalf of an eligible minor.

If no eligible captains or crew apply for a share of a vessel-based payment, ADF&G proposes to share the funds proportionally among all other eligible captains and crew. These unclaimed funds would be additive to the portion of the vessel-based payment for other captains and crew.

BBR Processors: ADF&G is proposing direct payments to Processor Quota Share (PQS) holders during the 2021/22 or 2022/23 season and active processing companies that processed BBR during the 2019/20 or 2020/21 season. ADF&G proposes to split the processor allocation 50/50 between PQS holders and active processing companies. Active processing companies include shore-based processing facilities that processed crab, including custom processing.

The following criterion is proposed for PQS holders to qualify for a direct payment:

- Must be listed as a PQS holder for BBR in 2021/22 or 2022/23.

ADF&G proposes to distribute direct payments to PQS holders pro rata based on each PQS holder’s proportion of the total PQS units held by all PQS holders who apply and are eligible for PQS holder funds. There were 13 individual PQS holders during the 2021/22 and 2022/23 BBR seasons.

ADF&G is requesting comments on whether direct payments for initially issued PQS should be different than payments for purchased PQS, or ‘recently’ purchased PQS, as the impacts of the fishery disaster were potentially more severe for PQS holders who may have debt obligations for quota investments. Approximately 72% of the BBR PQS held in 2021/22 and 2022/23 was initially issued.

The following criterion is proposed for active processing companies to qualify for a direct payment:

- BBR must have been delivered to a shore-based processing plant owned by the processing company during the 2019/20 or 2020/21 season.

ADF&G proposes to distribute direct payments for active shore-based processing companies pro rata based on each company’s proportion of the total 2019/20 and 2020/21 pounds of BBR crab, not including deadloss, delivered to all shore-based processing plants. There were five active processing companies during the 2019/20 and 2020/21 seasons.

Bering Sea snow crab

ADF&G proposes to allocate BSS crab fishery disaster funds for direct payments to mitigate losses sustained by affected CDQ groups, harvesters, and processors.

Categories	Allocation	Estimated funds
Community Development Program	10%	\$10,493,806
Harvester/Processor	90%	\$94,444,254
Total		\$104,938,060

BSS Western Alaska Community Development Quota (CDQ) Programs: ADF&G is proposing direct payments to CDQ groups. CDQ groups receive, in aggregate, a 10% allocation of the annual BSS crab harvest limit and depend on revenue generated from BSS crab landings to provide economic and social benefits in member communities consistent with statutory mandates. Based on public comment, ADF&G is proposing direct payments to each CDQ group based on each group’s allocation of the BSS crab fishery in federal regulation and shown in the table below.

CDQ Group Bering Sea Snow	Percent Allocation	Estimated Amount
Aleutian Pribilof Island Community Development Association	8%	\$839,504
Bristol Bay Economic Development Association	20%	\$2,098,761
Central Bering Sea Fisherman’s Association	20%	\$2,098,761
Coastal Village Region Fund	17%	\$1,783,947
Norton Sound Economic Development Association	18%	\$1,888,885
Yukon Delta Fisheries Development Association	17%	\$1,783,947
Total	100%	\$10,493,806

BSS Harvester/Processor Funds: Public comment recommended two approaches to allocate funds between the harvesting and processing sectors. Harvesting sector representatives proposed to allocate funds using the Non-Binding Price Formula³ for BSS crab, which results in a harvester share of 78% and processor share of 22%. Processing sector representatives proposed to allocate 75% to harvesters and 25% to processors to recognize investments that are not fully captured in the Non-Binding Price Formula and ongoing costs to maintain crab processing infrastructure. Lacking additional information to verify proportional impacts of disaster losses between the harvesting and processing sectors, ADF&G is proposing a compromise between the suggested approaches that allocates 76.5% to harvesters and 23.5% to processors.

Components	Allocation	Estimated funds
Harvesters	76.5%	\$72,249,854
Processor	23.5%	\$22,194,400
		\$94,444,254

BSS Harvesters: Based on public comments, ADF&G proposes to allocate harvester funds into three pools: Quota Share (QS) holders, vessel owners, and a combined pool for captains and crew. The proposed allocation is 42% to QS holders and 58% to vessels, which includes vessel owners, captains, and crew. Public comments suggest that the reported lease rate from the Crab SAFE report is not indicative of actual cost shares so the percent share between QS holders and vessels is based on exvessel gross revenue minus taxes to determine a net value. This approach accounts for arrangements where there are no lease fees and provides a slightly higher allocation to the vessels given their continued costs. ADF&G proposes to use the 2021/22 and 2022/23 seasons for QS holders and vessel owners as eligibility criteria because those are the seasons included in this fishery disaster. ADF&G proposes to use participation in the 2019/20 and 2020/21 BSS seasons as eligibility criteria for captains and crew because these are the last two seasons that the BSS fishery was open prior to the fishery disaster.

Harvester component	Allocation	Estimated funds
QS Holders	42%	\$30,344,939
Vessel owners	37%	\$26,400,097
Captains/crew	21%	\$15,504,819
		\$72,249,854

BSS QS Holders – 42% of harvester funds (~\$30 million). The following criterion is proposed for a QS holder to qualify for a direct payment:

- Must be listed as a QS holder of Catcher Vessel Owner (CVO), Catcher/Processor Owner (CPO), Catcher Vessel Crew (CVC), and/or Catcher/Processor Crew (CPC) quota for BSS for the 2021/22 or 2022/23 season(s).

ADF&G proposes to distribute direct payments to QS holders pro rata based on each QS holder’s proportion of the total QS units held by all QS holders who apply and are eligible for QS holder funds. There were 388 individual QS holders of BSS quota for the 2020/21 and 2022/23 seasons.

³ [§ 680.20\(g\)\(2\)\(ii\)](#) The Non-Binding Price Formula Report is prepared annually for the Bering Sea Arbitration Organization (harvesters) and the Alaska Crab Processors Arbitration Organization (processors).

ADF&G is requesting comments on whether to establish different direct payment amounts for initially issued QS and purchased QS, or ‘recently’ purchased QS, as the impacts of the fishery disaster were potentially more severe for QS holders with debt obligations for quota investment. Approximately 46% of the BSS QS in 2022/23 was initially issued.

BSS vessel-based payments for vessel owners, captains, and crew – 58% of the harvester funds (~\$41 million).

The following criterion is proposed to determine vessel-based payment eligibility:

1. The vessel must have been used to harvest BSS in the Individual Fishing Quota fishery during either the 2019/20 or 2020/21 season.

ADF&G proposes to calculate vessel-based payments pro rata to each eligible vessel’s proportion of the total 2019/20 and 2020/21 pounds of BSS crab, not including deadloss, landed by all eligible vessels. ADF&G estimates that the owners, captains, and crew of 66 vessels may be eligible for direct payments based on this criterion.

ADF&G received comments in support of dividing the vessel-based payments between vessel owners and captain/crew based on 60%/40%, 70%/30%, or 63%/37% split. Based on these public comments, ADF&G proposes a 63/37 split, which is consistent with BSS exvessel revenue distribution between vessel owners and captains/crew reported in the Crab Economic SAFE report⁴ by NOAA Fisheries and provides vessel owners with 37% of the harvester funds and captains/crew with 21% of the harvester funds.

BSS vessel owners – ADF&G proposed to provide vessel owners 63% of each vessel’s share of the total allocation for vessel-based payments (37% of the harvester funds ~\$26 million).

ADF&G proposes direct payments to vessel owners listed in the CFEC vessel database as the 2022 vessel owner for the 2021/22 season and to the 2023 vessel owner for the 2022/23 season. Although the crab seasons span two calendar years, harvests of BSS crab occur after January. If a different owner is listed in each year, ADF&G proposes to divide the vessel owner payment equally. If no vessel owner is listed during the affected year(s), payment would be made to the most recent vessel owner.

If ownership of an eligible vessel was transferred between 2019 and 2023, eligibility for payment will not be impaired by such transfer, and any payments shall be made as agreed between the transferor and transferee if an affidavit is provided at the time of application signed by both the transferor and transferee.

BSS captains/crew – ADF&G proposed to provide captains and crew 37% of each vessel’s share of the total allocation for vessel-based payments (21% of the harvester funds ~\$15 million).

ADF&G proposes direct payments to captains and crew who worked on eligible vessel during the 2019/20 and 2020/21 seasons and who meet all eligibility criteria.

The following criteria are proposed for captains and crew to qualify for a direct payment:

1. Captains and crew must have participated in the BSS IFQ fishery on an eligible vessel as defined above for vessel-based payments. Eligibility is proposed to be verified based on crew contract,

⁴ NOAA Fisheries Crab Economic Status Report: <https://media.fisheries.noaa.gov/2023-06/2022-crabsafe.pdf>

crew settlement, or an affidavit from the vessel owner or CFEC permit holder. Eligibility for captains may also be verified from the CFEC permit information on Fish Tickets.

- Captains must have held a T91Q CFEC permit for each season they are claiming eligibility and crew must have held a commercial crew license or a CFEC permit for any fishery for each season they are claiming eligibility. These requirements are met by holding a permit or license in 2020 for the 2019/20 season or in 2021 for the 2020/21 season.

Public comment indicated that payments to captains are typically twice the amount of a crew member, so ADF&G proposes to provide each eligible captain with two ‘shares’ and each eligible crew member with one ‘share’ for each season of demonstrated eligibility. In the example below the vessel met eligibility criteria for both seasons and operates with one captain and four crew members each season. A different captain worked each season and two crew members worked both seasons. The maximum number of captain shares is four, two for each season, and the maximum number of crew shares is two. An individual may qualify on the same vessel for a captain share in one season and a crew share in the other season but may not qualify for both a captain and crew share on the same vessel for the same season.

	Season		Shares	Percent of total Captain/Crew funds
	2019/20	2020/21		
Captain A	X		2	16.7%
Captain B		X	2	16.7%
Crew 1	X		1	8.3%
Crew 2	X	X	2	16.7%
Crew 3	X	X	2	16.7%
Crew 4		X	1	8.3%
Crew 5		X	1	8.3%
Crew 6	X		1	8.3%
		Total	12	100%

Direct payments to minors are not authorized by the terms of the Federal grant but may be authorized to guardians in the same household on behalf of an eligible minor.

If no eligible captains or crew apply for a share of a vessel-based payment, ADF&G proposes to share the funds proportionally among all other eligible captains and crew. These unclaimed funds would be additive to the portion of the vessel-based payment for other captains and crew.

BSS Processors: ADF&G is proposing direct payments to Processor Quota Share (PQS) holders and active processing companies that processed BSS during the 2021/22 or 2022/23 season. ADF&G proposes to split the processor allocation 50/50 between PQS holders and active processing companies. Active processing companies include shore-based processing facilities that processed crab, including custom processing.

The following criterion is proposed for PQS holders to qualify for a direct payment:

- Must be listed as a PQS holder for BSS in 2021/22 or 2022/23.

ADF&G proposes to distribute direct payments to PQS holders pro rata based on each PQS holder’s proportion of the total PQS units held by all PQS holders who apply and are eligible for PQS holder funds. There were 17 individual PQS holders during the 2021/22 and 2022/23 BSS seasons.

ADF&G is requesting comments on whether to establish different direct payments for initially issued PQS and purchased PQS, or ‘recently’ purchased PQS, as the impacts of the fishery disaster were potentially more severe for PQS holders who may have debt obligations for quota investments. Approximately 68% of the BSS PQS held in 2021/22 and 2022/23 was initially issued.

The following criterion is proposed for active processing companies to qualify for a direct payment:

- BSS must have been delivered to a shore-based processing plant owned by the processing company during the 2019/20 or 2020/21 season.

ADF&G proposes to distribute payments to active shore-based processing companies pro rata based on each company's proportion of the total 2019/20 and 2020/21 pounds of BSS crab, not including deadloss, delivered to all shore-based processing plants. There were five active processing companies during the 2019/20 and 2020/21 seasons.

General direction: ADF&G proposes to reallocate unclaimed funds in any category and/or subcategory among all qualified individuals within the same allocation category/subcategory.

Appendix 1. Public comments received on initial spend plan.



October 20, 2023

Doug Vincent-Lang
Commissioner, Alaska Department of Fish & Game
Attn: Darion Jones, dfg.com.fisheriesdisasters@alaska.gov
P.O. Box 115526
Juneau, Alaska 99811-5526

Re: Comments on Initial Draft Spend Plan for the 2021/22 and 2022/23 Bering Sea Snow Crab and Bristol Bay Red King Crab Fisheries Disasters

Dear Commissioner Vincent-Lang:

Thank you for meeting with a group of crab-dependent community representatives during the Council week regarding our common concerns with the Initial Draft Spend Plan issued by ADF&G on September 28, 2023.

The Aleutian Pribilof Island Community Development Association (APICDA) and the Central Bering Sea Fishermen's Association (CBSFA) are the two Community Development Quota (CDQ) groups within whose regions lie the Alaska crab-dependent communities. We are writing in support of the comment letter from those community entities regarding the additional disaster funding needed to support and preserve essential community services and infrastructure in the face of greatly decreased fish tax revenues and support service activities resulting from the failure of the red king crab and snow crab fisheries.

The community comment letter was signed by the Mayors of the Cities of Akutan, Unalaska, Saint Paul and King Cove, and the Mayor of the Aleutians East Borough.

We also support the 10% CDQ allocation in the draft spend plan, consistent with the percentage that the sector receives under the crab program, as well as the sub-allocations of each group based on their respective interest in the Opilio (BSS) and Bristol Bay Red King (BBR) crab fisheries under regulation.

APICDA serves six communities in the Aleutian Pribilof region. As is the case for other CDQ groups, APICDA has been allocated quota in the BSS and BBR fisheries and, over the years, has made additional investments in crab processing and harvesting quota. Revenue from its crab

and other fishery investments is used to provide community and social benefits in Western Alaska, as mandated under the CDQ program. Three of APICDA's member communities have had active shoreside processing, with one having recent dependency in the BSAI crab fisheries.

CBSFA is the CDQ group for Saint Paul Island in the Pribilofs. Due in part to Saint Paul's proximity to the Bering Sea's crab resources, CBSFA is allocated quota for Bristol Bay Red King Crab, Eastern Aleutians Golden King Crab and Bairdi, as well as 20% of the total Bering Sea snow crab set aside for the CDQ Program. In addition, CBSFA has made considerable investments in crab quota, both processing (IPQ) and harvesting (IFQ). CBSFA manages its CDQ allocations and quota holdings to promote social and economic development in Saint Paul, in fulfillment of the mandates of the CDQ program. We make every effort to direct our crab to the processing plant on Saint Paul, as the community is almost wholly dependent on fish tax revenues from the processing of king crab and snow crab.

APICDA and CBSFA strongly support the request of the crab-dependent communities to increase the percentage of the federal crab disaster monies directed to sustain those communities – communities that provide the infrastructure necessary to carry out crab harvesting and processing, in the past and into the future. The communities also agreed that Saint Paul, with its almost total dependence on snow crab processing, should receive special consideration regarding the disaster funding, through an additional percentage of the BBS allocation, or comparable alternative approach.

We note that the North Pacific Crab Association (NPCA) – a trade group of the major crab processors – recognizes the essential role of communities in the crab program, and thus supports the communities' request.

Thank you for your consideration of the great need of Alaska coastal communities. We greatly appreciate the State's efforts in the development of the draft spend plan, and the time your team has taken to engage with impacted participants in these fisheries.

Best regards,

CBSFA
Phillip Lestenkof, President



APICDA
Luke Fanning, CEO





October 19, 2023

Karla Bush
Alaska Department of Fish and Game
Via Email

Re: Supplemental Comments on Draft Spend Plan

Dear Ms. Bush:

Thank you for the opportunity to comment on the draft spending plan for disaster relief funding. UniSea previously commented and would like to add the following comments.

UniSea appreciates the department's efforts to prepare an equitable and comprehensive spend plan. We know that this is a complex issue due to the diverse group of stakeholders and we believe that the State has done an excellent job to date. UniSea appreciates the consideration given to the compromise of the harvester (IFQ) and processor (IPQ) split and supports the proposed allocation.

UniSea supports the coastal communities whose livelihood depends on crab resources. Our operations are embedded in these communities, and we support the plan's proposed allocations to crab dependent communities. We also support the robust allocation to research as it is incumbent upon the entire industry to better understand the stressors that threaten crab sustainability. If the State feels it is appropriate to change in the allocation percentage proposed for crab research, UniSea supports consideration by the department to augment the current proposed allocation percentage to communities.

We thank you for considering our comments and look forward to finalizing the spend plan so that the much-needed funding can be distributed to the stakeholders.

Thank you,

A handwritten signature in blue ink that reads "Tom Enlow".

Tom Enlow
President and CEO
UniSea, Inc.

From: Nina Aviles

Oct 18, 2023

Darion Jones
ADF&G
PO BOX 115526
Juneau, AK 99811-5526

Re: Initial Draft Spend Plan for funds appropriated to address both the 2021/22 and 2022/23 Bristol Bay red king crab and Bering Sea snow crab fisheries disaster determinations.

Thank you for your time in reviewing our letter and for the opportunity to comment. I am the partner of a crabber, a registered nurse and a commercial fisherman for the Bristol Bay Sockeye Salmon Fishery. I write this to you as my significant other is currently docked in Dutch Harbor and preparing to head out for the 2023/24 crab season. Jared is a 4th generation Alaskan and has been fishing the Bering Sea commercially for over 20 years. Supporting sustainability of the crab fishery is our main concern as this has not only been a way of life for our family, it's a heritage. We value the importance of being able to pass on the tradition to our future generations. The shutdown of this fishery for the past two years has been near catastrophic financially for our family, while simultaneously revealing a greater light on how fragile this fishery has become. We are in support of ensuring that we can play an active role in securing its future so that we can continue to participate and provide for our family, as well pass on the tradition and honor of harvesting such an iconic seafood of our state. We are a family that prides itself on living off our land and the rich resources it provides and sharing it with others who are not able to partake in the same way we are able to.

According to research, the fatality rate among Alaska crab fisherman is 80 times the rate of the average worker statistically leading to the most dangerous job that exists in the United States. We would like to request a clause be included so that a beneficiary(s) could be assigned to funds in the event (but not limited to) death, at the time of funds distribution. Which can also include an option to allocate funds towards furthering BBR & BBS research.

I would like to bring to the agency's attention our support of ADF&G's proposal of direct payments to vessel owner captains and crew be issued separately. Given that it is very likely crew contracts that were previously negotiated during those years did not include language in regards to disaster relief fund distribution. Therefore, not allowing for opportunity to maintain transparency, autonomy or integrity should such funds be appropriated. I support that if the applicant is determined to meet all eligibility requirements that funds be directly disbursed to each individual applicant directly.

Please take this research into consideration when making any adjustments for the final draft spending plan. NOAA conducted research regarding the restructuring of commercial crew member opportunities in the Bering Sea and Aleutian Chain Crab Fisheries. In this report it was found that, " crew members expressed concerns for lack of crew shares being allocated to them." Suggesting that these perceptions of unfairness fed into a general sense of dissatisfaction and inequity which contributed to whether or not a crew member would continue to participate in the BSAI crab fishery. Many of whom were fellow Alaskans. Providing direct payment to the crew members would support greater autonomy which reinforces and values a crew member's commitment to the fishery and its longevity. It is important to recognize that the time spent away from family, the tolls taken on the bodies, minds and health could never be monetized. However, the funds that could be recovered through this relief fund would begin to allocate important funds towards a Magnuson-Stevens Fishery Conservation and Management Act, with the hope that we can create a stronger more sustainable fishery

that is focused on maintaining a robust economic future for Alaskan fisherman while simultaneously offsetting the negative impact the closure has made on several Alaskan families. The very generations of families who have supported and who wish to continue doing so. According to the Bering Sea Fishermen's Association, The Magnuson-Stevens Act's (MSA) fishery disaster provisions recognize the vital position of fisheries-dependent communities and their heightened vulnerability to commercial fishery failures. The need to provide for the sustained participation of fisheries-dependent communities in federal fisheries management actions is also captured in the MSA's National Standard 8. The State of Alaska has benefitted from successful fisheries investments made by communities through the 3% of shared fisheries taxes derived from the crab fisheries as well as from the businesses that have been attracted to the State's commercial fisheries. Undoubtedly, thriving fishing communities have been a net benefit to the State.

I would also like to respond to ADF&G's request for comment regarding the methodology used to determine payments to captains and crew. We would like to support the base of captain and crew payments with the same method that was used for the 2019/20 Bering Sea Tanner crab spend plan in which it utilized a share-based approach where crew received one share and captains received two shares for each season that they met the eligibility criteria.

According to research, the fatality rate among Alaska crab fisherman is 80 times the rate of the average worker statistically leading to the most dangerous job that exists in the United States. We would like to request a clause be included so that a beneficiary(s) could be assigned to funds in the event (but not limited to) the applicant being incapacitated at the time of funds distribution. Which can also include an option to allocate funds towards furthering BBRKC & BBSC research.

Sent from my iPhone



October 20, 2023

Alaska Department of Fish and Game
Attn: Darion Jones
P.O. Box 115526
Juneau, Alaska 99811-5526

Re: Comments on the Draft Spend Plan for the 2021/22 and 2022/23 Bristol Bay Red King Crab and Bering Sea Snow Crab Fishery Disasters

Dear Ms. Jones,

Thank you for the opportunity to comment on the first draft of the spend plan for the 2021/22 and 2022/23 Bristol Bay Red King Crab (BBR) and Bering Sea Snow Crab (BSS) Fishery Disasters. Alaska Bering Sea Crabbers (ABSC) is a non-profit industry trade association representing the majority of independent crab harvesters who commercially fish for king, snow (opilio), and Tanner (bairdi) crab with pot gear in the Bering Sea and Aleutian Islands Crab Rationalization Program. Our harvesters were directly harmed by the subject fishery disaster. ABSC appreciates that the State highlighted specific areas that would be particularly helpful to provide input. We've worked to respond to those requests in addition to offering general comments on the draft spend plan below. Several comments and context from our July 14, 2023, letter giving input on the development of the spend plan are relevant and that letter is herein incorporated by reference (see p.42 of the [draft spend plan](#)).

RESEARCH

The Alaska Department of Fish and Game (ADFG) specifically requested comments on the *“suggested research themes and the proposed distribution and allocation of research funds.”*

ABSC signed a joint comment letter with several communities, processors, and CDQ groups recommending a maximum 10% allocation for research. ABSC views this as a compromise given it is the maximum among public comment received to inform the original development of the spend plan which ranged from 2-10% for research. ABSC thinks the ADFG spend plan draft amount of 18% (~\$34M) is far too high and is not fair given substantial research dollars are coming from other sources (like Congress, North Pacific Research Board, and other disasters). While we recognize and support the need for research to avoid future disasters, at least 90% of the fishery disaster money should go to those stakeholders most affected by the disaster.

Further, ABSC supports at least 75% of research funds going directly through the Bering Sea Fisheries Research Foundation (BSFRF), similar to what was done for the 2019/20 Bairdi spend

plan where all research funds are directed through BSFRF. Directing research funds through BSFRF further helps affected processors and fishermen who traditionally fund that research organization. ABSC recommends that the remainder of the research allocation go through a request for proposal (RFP) open-bid process for grants through the North Pacific Research Board (NPRB) as a third-party scientific review process. Finally, ABSC understands that some funds will need to go toward building capacity to work on these crab research projects over the next few years. We encourage, where possible, to lean on existing expertise and capacity already available within the government, academia, private sector, and stakeholders/communities to make efficient use of these temporary funds. If there are leftover research dollars towards the end of the disaster fund cycle, those funds should go to BSFRF to be spent. ABSC encourages a publicly available tracker of research fund spending on projects and capacity/staff.

Regarding suggested research themes or priorities, ABSC supports pot surveys using crab vessels run through BSFRF, including a lottery-style vessel bid process, in collaboration with state, federal, and academic research partners. This creates a win-win situation where crab vessels and crews are paid to be research platforms at a time when their main income is severely limited. Plus, it provides a platform well suited to conduct crab research. In reviewing the research priorities on pages 72-73 of the [draft spend plan](#), we note the following important research themes appear to be missing (not listed in priority order):

- estimates of unobserved fishing mortality on BBR and BSS by all gear types,
- risks of fishing impacts on molting/mating crab populations
- understanding temperature and pH drivers on crab
- essential fish habitat by crab life stage
- effect of predation and prey availability by life stage
- for BSS, improved estimates of maturity
- for BBR, testing crab enhancement
- research on the human dimensions for crab fishermen and fishing communities to better adapt and to avoid future fishery disasters (For example, how to diversify to better weather disasters? What changes to the rationalization program are needed to build resilience? How to protect independent harvesters and others disproportionately affected through fishery disasters? What are the barriers to adaptation?)
- further development and use of management strategy evaluations (MSEs) for crab stocks, especially methods that expedite the evaluation of new methods for crab management.

HARVESTERS

ADFG specifically requested comments on *“whether a minimum number of QS units should be considered for eligibility to provide for more efficient distribution of funds.”*

ABSC maintains our original position from our letter dated July 14, 2023. No, there should not be a minimum number of quota share (QS) units to be eligible. Creating a minimum threshold causes fairness issues especially with crew who tend to have smaller amounts. If someone needs the funds enough to apply with a small amount of QS units and they would be eligible, then they should be able to apply and receive funds.

ADFG specifically requested comments on “*whether direct payments for initially issued QS should be different than payments for purchased QS, or ‘recently’ purchased QS, as the impacts of the fishery disaster were likely more severe for QS holders who may still owe lenders for quota investments.*”

ABSC appreciates that the state is trying to get disaster funds to those most in need. However, ABSC opposes this because it creates two classes of QS holders and is difficult to discern whether recently purchased QS is truly more severely impacted. For example, some may purchase new quota with cash and have no debt, indicating they are a recent purchaser but less harmed. Others may have taken out a second mortgage to buy QS and the loan is not tied clearly to the QS, indicating they are a recent purchaser that is more harmed but where it is harder to directly track that harm.

ADFG specifically requested comments on “*the methodology used to determine payments to captains and crew.*”

ABSC maintains our original position from our letter dated July 14, 2023 – the methodology should be in proportion to vessels landings and crew time/pay onboard through a spreadsheet submitted by the vessel owner. This more accurately pays captains and crew based on their losses from the disaster than the point system.

ABSC notes there is an error for vessel owner qualifying years for both BBR and BSS. Corrections are offered below to more accurately reflect the vessel owners affected by the fishery disaster years of 2021/22 and 2022/23. However, the formula for vessel-based payments should remain as proposed in the draft spend plan.

BBR (p.6)

ADF&G proposes direct payments to vessel owners listed in the CFEC vessel database as the 2021 ~~2019~~ vessel owner for the 2021/22 ~~2019/20~~ season and to the 2022 ~~2020~~ vessel owner for the 2022/23 ~~2020/21~~ season.

BSS (p.10)

ADF&G proposes direct payments to vessel owners listed in the CFEC vessel database as the 2022 ~~2020~~ vessel owner for the 2021/22 ~~2019/20~~ season and to the 2023 ~~2021~~ vessel owner for the 2022/23 ~~2020/21~~ season.

ADFG specifically requested comments on “*whether BSS relief payments for those vessel owners, captain and crew should be reduced by deducting harvest in the GOA Tanner crab fishery from the vessel-based calculation for the BSS crab fishery.*”

No, those vessel owners, captains, and crew that found other work, whether it was tendering, working in oil, GOA Tanner, or elsewhere should not be penalized. It is too difficult to determine which vessels owners, captains, and crew found other work and how much to reduce their disaster payments by. In addition, it is not fair to penalize those that found other

work, especially with fishery disasters not paid for by the government in a timely manner and payouts so far removed from the actual disaster.

HARVESTER/PROCESSOR SPLIT

ABSC stands by a data-driven approach as outlined in our July 14, 2023, letter for sharing between harvesters and processors and does not support the compromise position in the draft spend plan. Using the processor's own data from their COAR report to determine the split yields similar results to the original ABSC harvester position (BBR 86%/14%, BSS 78%/22%) with COAR data resulting in:

- BBR at 88% harvester and 12% processors; and
- BSS at 80%/20%.

See Attachment C in ABSC's July 14, 2023, comment letter for more data.

The processors cited extra costs as the rationale for their recommendation of a 75%/25% split without providing data to back their position. In reality, both harvesters and processors have faced increasing costs so that rationale doesn't hold up without providing data to back it from both processors and harvesters. However, for processors that handle multiple species, it is difficult to attribute added costs to any one species. That is why the rationalization program adopted a revenue-sharing arbitration formula instead of a profit-sharing formula.

ABSC hears the state lean on data-driven approaches in Council and crab TAC-setting work and we encourage the state to use a data-driven approach here, too, in selecting the harvester-processor split.

COMMUNITIES

ABSC accepts the 5% for communities as listed in the draft spend plan as the maximum that should go to communities. Even though the data from our original July 14, 2023, letter shows 4.75% is more accurate and already generous compared to landing taxes/fees, ABSC recognizes that 5% could be considered within the margin of error of what we found data for. We suggest basing disaster payouts on need by looking at revenue lost from each community.

Thank you for considering our comments.

Sincerely,



Jamie Goen
Executive Director
Alaska Bering Sea Crabbers



October 20, 2023

Alaska Department of Fish and Game
Attn: Darion Jones
P.O. Box 115526
Juneau, Alaska 99811-5526

Dear Mr. Jones:

Tanadgusix Corporation (TDX) respectfully submits the following comments in response to the Alaska Department of Fish & Game's (ADF&G) Initial Draft Spend Plan for funds appropriated to address both the 2021/22 and 2022/23 Bristol Bay red king crab (BBR) and Bering Sea snow (BSS) crab fisheries disaster determinations.

TDX is the Alaska Native Village Corporation representing shareholders from Saint Paul Island, Alaska. Saint Paul Island is located in the Central Bering Sea, the heart of both affected fisheries. TDX provides direct support services to multiple participants in the BBR and BSS crab fisheries including: land & dock leases and fuel storage to the largest crab processor in the Bering Sea; processed crab storage and shipping support; crab pot storage; fuel sales to the crab fishing fleet; lodging for itinerant crab harvesting and processing workers in Saint Paul and Anchorage; passenger and freight air carrier support, including passenger customer service, baggage and freight handling, and Jet-A fuel sales. The BBR and BSS crab fisheries are integral to TDX's business, and its contribution to the quality of life for Unanga shareholders on Saint Paul Island.

EXECUTIVE SUMMARY

1. The Research Set-Aside Must be Lower: TDX objects to the proposed unilateral increased set-aside for research, from the private stakeholder-recommended 2 – 10 percent, to 18 percent. This proposed increase, which potentially doubles the recommended set-aside, is arbitrary and not supported in the Spend Plan with research project cost estimates. Research project descriptions in the Spend Plan are vague such that they do not justify a set-aside of one fifth of the Congressional appropriation. Furthermore, this increased government set-aside includes additional embedded and unquantified administrative costs and cuts critical relief that would otherwise help stakeholders who directly participate in the affected fisheries. ADF&G should instead supplement a 10-12 percent research set-aside with state-appropriated funds, which are not available to private stakeholders suffering from the fisheries disaster.

2. Community Designated Funds Must be Available to Other Community Entities (Besides Municipalities and Boroughs) Affected by the Fishery Disaster: Community entities, other than municipalities and boroughs, must be eligible to receive disaster relief funds. TDX recognizes that municipalities and boroughs often provide valued public infrastructure to affected fisheries, which are financed by tax revenues. The 5 percent set-aside for Communities in the draft Spend Plan does not address the full scope of economic loss to affected communities. TDX provides multiple supports and services to fisheries that municipalities and boroughs do not. TDX directly serves BBR and BSS crab harvesters, processors, their personnel; and the sea cargo carriers and passenger/cargo airlines that support them. The fisheries disaster caused direct harm to TDX, its employees, and shareholders, slashing TDX's Saint Paul Island BBR and BSS crab-related revenue by an average of \$2.4 million per year*. From the first day crab was processed on Saint Paul, TDX has provided critical support services to the BBR and BSS crab fisheries, for which TDX has *earned* revenue and profit. This relationship was by the design of the US Congress, who was responsible for the Northern Fur Seal harvest on Saint Paul and therefore supported the economic transition to fishing and supporting the fishing industry. This fisheries disaster has financially devastated TDX's Saint Paul Operations, causing economic harm to its shareholders and employees. This economic harm is separate and distinct from that suffered by the City of Saint Paul, CBSFA and the Tribe. TDX and other entities that serve the affected fisheries must be eligible to directly receive relief funds appropriated by the Congress to the same extent contemplated for municipalities and boroughs.
3. Direct "Savings" from Reduced Research to Community Designated Funds: The small allocation to Communities minimizes their contribution to the success of the affected fisheries. Reducing the research set-aside from 18 percent to 12 percent will make \$11 million available for private stakeholders.
 - a. TDX recommends \$1.9 million of the \$11 million in savings be used to reinstate/implement the stakeholder recommendation to allocate 1 percent of total disaster funds to Saint Paul Island (on the basis that Saint Paul's economy is entirely dependent upon the BBK and BSS crab fisheries). Unilaterally discarding this stakeholder recommendation because Central Bering Sea Fisherman's Association (CBSFA) stands to receive a direct allocation ignores the devastating reality faced by all Saint Paul stakeholders. Furthermore, Saint Paul Island's, ergo TDX's, unique relationship to the BBR and BSS crab fisheries was by design of the US Congress, who financed the transition from federally sponsored Northern Fur Seal harvests to fishing, when it discontinued the harvest. The Spending Plan's implication that 5 percent is enough because CBSFA stands to receive funds, is insufficient. CBSFA is but one of many entities that have suffered because of the disaster.
 - b. TDX recommends further, that from the remaining \$9.1 million "savings" from a reduced research set-aside, \$2 million be directed to Communities under the BBR distribution for a total \$7 million, and \$2 million be directed to Communities under the BSS distribution

for a total \$7 million. The remaining \$5.1 million should be distributed pro-rata to all other categories of recipients other than research.

DISCUSSION

Eligibility for Community Designated Funds Must Reach Beyond Municipalities and Boroughs:

The 2021/22 and 2022/23 BBR and BSS crab fishery disasters struck a devastating and continuing economic setback to the Saint Paul Island community. Saint Paul’s economy is entirely dependent on commercial fishing, especially Bering Sea crab fisheries.

Accordingly, TDX collaborated with our community partners, i.e., the City of Saint Paul; CBSFA; and the Aleut Community of Saint Paul Island (Tribe) to support an emergency declaration. The result of this joint effort was a letter dated *October 24, 2022*, signed by the Mayor and City Manager, to the Secretaries of U.S. Department of Commerce and U.S. Department of the Interior; Governor Dunleavy; and the Alaska Congressional delegation. The letter requested disaster declarations for these fisheries. TDX is grateful that these public officials shared our concern and advocated for fishery disaster declarations, and that ultimately, such disasters were declared by the U.S. Department of Commerce. The resulting funds represent critical economic relief to the citizens and entities of Saint Paul Island; and will help mitigate economic harm from losses incurred in these crab fisheries.

*As outlined in our shared October 26, 2022, letter, TDX has and will continue to lose significant revenue because of these crab fishery disasters. Below is an excerpt from the October 2022 letter as it applies to TDX revenue:

“Tanadgusix (TDX) Corporation, the Alaska Native Village Corporation for Saint Paul, formed under the Alaska Native Claims Settlement Act, also supports the crab fishery on Saint Paul Island. TDX estimates a 100 percent loss of revenue for services and sales provided to the crab processor and fishing fleet. Such services and sales include moving and storage of crab pots; fuel sales to Trident Seafoods, fishing boats and electricity generation specific to fisheries; and lodging of itinerant workers. TDX estimates a total revenue loss, from its 2020 to 2022 average revenue of \$2,369,792, to \$0 in 2023. Such loss will affect City sales taxes, TDX revenue and profit, and staffing changes that may result from diminished economic activity.

TDX - Revenue Comparison

2018 - 2022 Average	\$2,369,782
2021	\$2,142,674
2022	\$1,736,644

2023 Projection \$ 0

2023 Budget Comparison

Change from 2021 (-)100%
Change from Average (-)100%”

“Other Community Entities (Besides Municipalities and Boroughs) Affected by the Fishery Disaster” Must Receive Direct Awards of Community-Designated Funds:

In past fisheries disasters (e.g., 2000), the City of Saint Paul acted as lead entity on behalf of the Tribe, TDX and CBSFA. In 2000, the City coordinated meetings with local entities to aggregate community losses and further coordinated with State or Federal authorities to maximize funding for Saint Paul.

This year however, the City has informed TDX, the Tribe, and others that it will not serve in any role in which it functions as a pass-thru entity, or that requires it to subcontract funds received from the Pacific States Marine Fisheries Commission (PSMFC) to sub-applicants. The City states it does not have the resources to act in this role, nor does it wish to incur any legal liability that may come with it but rather, prefers that other entities such as TDX and the Tribe be explicitly included in the State’s spending plan such that all affected entities may receive awards directly from PSMFC.

Guidance for Funds Dispensation Must Clearly State that Community Entities Other Than Municipalities and Boroughs are Eligible for Direct Awards:

TDX’s understands that the PSMFC will administer fisheries disaster funds on the National Oceanic and Atmospheric Administration’s (NOAA) behalf, including the full scope of funds distribution: grants proposal solicitation, award, and administration activities. Furthermore, TDX understands that PSMFC requires proposals and statements of work from applicants; and, that reporting requirements and potential audits are likely. TDX has heard that through the subcontracting process, any single entity charged with distributing funds to local businesses through a subaward would assume the responsibilities otherwise assigned to PSMFC, hence the City’s refusal to administer sub-awards.

TDX also understands that the Department of Commerce, through NOAA, will retroactively apply the changes required by the Consolidated Appropriations Act of 2023, Title II, the “Fishery Resource Disasters Improvement Act,” which amended Magnuson-Stevens Fishery Conservation and Management Act (MSA).

Summary

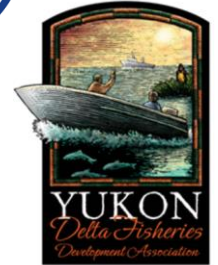
In closing, TDX respectfully recommends: 1) that the set-aside for research be reduced to 12 and the “savings” be directed to Communities; 2) Community Entities other than Municipalities and Boroughs, including specifically TDX and the Aleut Community of Saint Paul Island, must be eligible for direct awards of disaster relief funds and, 3) the 1 percent set-aside for Saint Paul Island be reinstated and \$2 million be added to Communities under both BBR and BSS. We also ask that the State’s Spending Plan be amended to reflect TDX and the Tribe’s important role in supporting the fisheries industry in and around Saint Paul Island. The significant economic losses these entities have and will continue to incur because of these devastating crab fisheries disasters warrant that the State’s spending plan clearly confirm that all island entities that demonstrate a nexus between the fisheries disaster and economic harm suffered receive an equitable share of the Communities allocation.

Thank you for your consideration. TDX’s employees and shareholders sincerely appreciate Governor Dunleavy’s leadership on this important issue and look forward to fully participating in the State’s process moving forward.

Sincerely,



Christopher Mandregan, Jr.
Chief Executive Officer



October 20, 2023

Alaska Department of Fish and Game
Attn: Darion Jones
P.O. Box 115526
Juneau, Alaska 99811-5526

Re: Spend Plan Recommendation for RESEARCH for the 2021/22 and 2022/23 Bristol Bay Red King Crab and Bering Sea Snow Crab Fishery Disaster Declaration

Dear Ms. Jones:

The below signed parties of affected fishery participants representing various crab harvesters, processors, CDQ entities, and communities **recommend 10% be allocated to research** for the 2021/22 and 2022/23 Bristol Bay red king crab (BBR) and Bering Sea snow crab fishery disaster declaration.

We recognize our recommendation of 10% (~\$18M) is lower than the 18% (\$34M) recommended for research in the state’s draft spend plan and note that previous public comments to develop the spend plan ranged from 2-10%.

We think 10% is much more appropriate as the amount allocated to research given 1) considerable research funding already awarded and available from other sources, and 2) the overarching intent of the federal fishery disaster program to provide funding to those stakeholders harmed by the disaster.

There are several other sources of additional crab research funding recently granted (e.g., North Pacific Research Board (~\$750k), Congressionally directed spending (CDS) on all BS crab (\$2.75M)) and in the works (e.g., another pending CDS on BBR (~\$4M), a new 2023/24 snow crab fishery disaster request (~\$2-10M)). This is all in addition to ongoing crab research. Ten percent, or \$18 million allocated to research is many times higher than historically spent on crab research and it should be adequate to support numerous priority research projects that will help to prevent future disasters in these fisheries.

Thank you for considering our comments.

Sincerely,

Ragnar Alstrom, Executive Director, Yukon Delta Fisheries Development Association

Eric Deakin, Chief Executive Officer, Coastal Villages Region Fund

Jamie Goen, Executive Director, Alaska Bering Sea Crabbers

Phillip Lestenkof, President, Central Bering Sea Fishermen's Association

Steve Minor, Manager of Business Development, Peter Pan Seafood

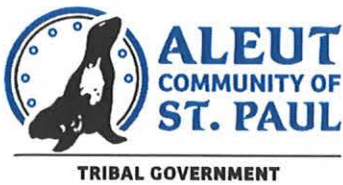
Kurt Pedersen, President & COO, Keyport

Robin Samuelson, Chairman, Bristol Bay Economic Development Corporation

Vincent M. Tutiakoff, Mayor, City of Unalaska

Warren Wilson, Mayor, City of King Cove

Phillip Zavadil, City Manager, City of St. Paul



President
Vice President
Secretary-Treasurer
Council Members

John W. Melovidov
Myron Melovidov
Robert Melovidov Sr.
Michael R. Zacharof
Jacob N. Mercurief
Shiona Melovidov
Amos T. Philemonoff Sr

October 20, 2023

Alaska Department of Fish and Game
Attn: Darion Jones
P.O. Box 115526
Juneau, Alaska 99811-5526

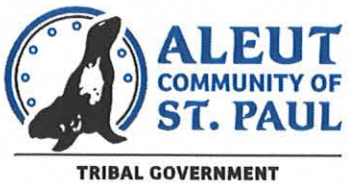
Dear Mr. Jones:

The Aleut Community of Saint Paul Island respectfully submits the following comments together with its prior comments made September 27, 2023, in response to the ADF&G Initial Draft Spend Plan for funds appropriated to address both the 2021/22 and 2022/23 Bristol Bay red king crab (BBR) and Bering Sea snow crab (BSS) fisheries disaster determinations.

The ACSPI wants to emphasize our strong and unyielding position that any community allocation should recognize that the definition of “communities eligible for disaster relief” must and inherently does include entities beyond the municipality or borough. The current spending plan specifically mentions municipalities and boroughs when describing the community share of both BBR and BSS but seems to fail in recognizing that other entities exist in the communities that are directly affected by these crab disasters; these entities have a direct stake in the crab fisheries because they also have experienced direct economic loss because of the crab disasters. Omission of legitimate and rightful claims for shared community impacts is neglectful and damaging, and counter to the intended purpose of this funding which seeks to restore and rebuild from the impacts of the disaster that are directly attributable.

The St. Paul Island community is a prime example. As stated in our previous letter of response, there are four entities – ACSPI, TDX, CBSFA and the City – that contribute to the well-being of the St. Paul community and have experienced massive documented economic loss because of these crashes. The State *must* recognize all entities that comprise the fabric of a community and have a direct stake in these fisheries when considering the community allocation and direct payments for losses incurred. Only recognizing municipalities or boroughs would be a direct undermining of the reality of how many fisheries-dependent communities realistically function and will not achieve the restoration of economic activity as it would ignore the impacts for the parties equal in impact and importance to rebuilding and sustaining this vital community.

Regarding the notion of reducing the research allocation from 18% to a lower amount. ACSPI would be in favor of this idea, should the funding that is made available by reducing the research allocation is transferred to the community allocation. However, we would only support such a change in percentage if the State uses the inclusive definition of community, as described above.



President
Vice President
Secretary-Treasurer
Council Members

John W. Melovidov
Myron Melovidov
Robert Melovidov Sr.
Michael R. Zacharof
Jacob N. Mercurief
Shiona Melovidov
Amos T. Philemonoff Sr

Sincerely,

A handwritten signature in black ink, appearing to read "John W. Melovidov", is written over a horizontal line.

John W. Melovidov
President, Aleut Community of Saint Paul Island

Attachment: ACSPI Comments September 27, 2023



September 27, 2023

Alaska Department of Fish and Game
Attn: Karla Bush, Extended Jurisdiction Program Manager
P.O. Box 115526
Juneau, Alaska 99811-5526

Dear Ms. Bush,

The 2021/22 and 2022/23 Bristol Bay red king crab and Bering Sea snow crab fishery disasters have, and continue, to provide a devastating blow to the community of St. Paul Island. The entire economy of St. Paul is dependent on commercial fishing, particularly Bering Sea crab fisheries.

As has been done in years past and thus has become custom on St. Paul, in cooperation and close coordination with the City of St. Paul, the Central Bering Sea Fishermen's Association (CBSFA) and the Tanadgusix Corporation (TDX), a letter (*October 26, 2022*) was sent by all four community partners to the Governor and our Congressional delegation in Washington, DC requesting disaster declarations for these fisheries (Attachment 1). We are grateful our elected officials shared our concern and advocated for fishery disaster declarations, and, ultimately, those disasters were declared by the U.S. Department of Commerce (Commerce). These funds will offer a veritable lifeline to our Tribal Government and our island partners and help mitigate the shared economic fallout from the loss of revenue from these crab fisheries.

As outlined in our shared October 2022 letter, the Tribe expects to lose significant revenue because of these crab fishery disasters. The Tribes specific excerpt from the October 2022 letter is as follows:

"The Aleut Community of Saint Paul Island Tribal Government (the Tribe) owns and manages the local grocery store including other service-type enterprise operations generating on average about \$5 million per year. The Tribe's businesses have (2022) and will experience additional lost sales due to no crab vessel traffic and processing activity at the local Trident Seafoods processing plant. The Tribe's grocery store and tavern businesses serve crab fishing vessel crew members and seafood processing plant workers, and revenue losses from their absence in our community are \$668,000 in 2022. For 2023, those losses are anticipated to be in the range of \$800,000 to \$1,000,000 from an estimated 20% reduction in grocery, retail, restaurant and bulk sales. Lost revenue together with higher operating costs due to high inflation may force some businesses to close or run unprofitably. The net result of this will be reduced resources to the Tribal Government that uses these fund to make up as much as 40% of the Tribal Government's annual general

funds. The loss of these general funds will make it difficult to make or match grants and therefore will result in wider losses throughout the community or roughly another \$800,000 to \$1,000,000 annually in reduced government grant expenditure.

FY23 Fishery Closure – Immediate Economic Impacts to Tribal Government of St. Paul

<i>Aleut Community Store Revenue Loss</i>	<i>\$ 750,000</i>
<i>Other Retail/Services Sector Revenue Loss</i>	<i>\$ 250,000</i>
<i>Grant Making/Government Revenue Loss</i>	<i>\$1,000,000</i>

In March of 2022, the Tribal Government of St. Paul and its partner CBSFA completed construction a \$13 million vessel repair and ship supply facility in Saint Paul Island. This large investment was based on a business plan supported by the existence of a healthy crab fishery. Today we are looking to mariculture and research as potential economic adjustment strategies for Saint Paul Island including using portions of this facility. The investment required to repurpose portions of this facility from selling ship supplies to supporting research and mariculture is just one example of the unexpected but substantial additional investment that will be required to make this adjustment. Without assistance this investment will further deplete resources of the Tribe and CBSFA.”

In past fisheries disasters (ex: 2000), the City of St. Paul has acted as the lead entity on behalf of the three other affected island community organizations (the Tribe, TDX and CBSFA). At the community level, the City would coordinate funding that covered all aggregate losses between the four community entities and coordinate the application for those funds to these other community entities. However, the City of St. Paul has recently informed the Tribe, along with other island partners, that it does not have the resources to act in this same role, nor the interest in incurring any legal liability that may come with it.

It is our understanding that the Pacific States Marine Fisheries Commission (PSMFC) is expected to administer fisheries disaster funding, and requests of disaster funds by affected crab fishery stakeholders will be processed through a grant application program, or subcontract program, to implement the State’s spending plan. As part of this process, PSMFC would require statements of work from applicants, and reporting requirements and potential audits are likely. Through the subcontract process, any single entity charged with distributing funds to local businesses through a subaward would assume the responsibilities otherwise assigned to PSMFC, including subsuming administration costs and legal liability for administering the program.

Because of this expected process, the City has indicated via email (Attachment 2) it is no longer willing to serve in the role that it has historically served during times of great duress and dire need on behalf of the

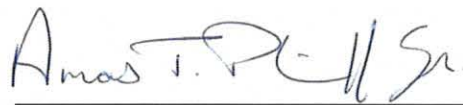
island community. The City, instead, appears to prefer other entities be explicitly included in the State's spend plan as well, so that all affected entities can receive awards directly from PSFMC.

Given this, and because it is our understanding that Commerce, through the National Oceanic and Atmospheric Administration, will retroactively apply the changes required by the Consolidated Appropriations Act of 2023, Title II, the "Fishery Resource Disasters Improvement Act," which amended Magnuson-Stevens Fishery Conservation and Management Act (MSA), the Tribe feels strongly that ***all island community entities, including the Tribe*** itself as well as TDX, ***can participate in the funding application process and are clear eligible entities under the State's spending plan.*** We would like to see the State's spending plan recognize the role the Tribe and TDX play within the community of St. Paul Island, ***the significant economic losses these entities have and will continue to incur as a result of these devastating crab fishery disasters, and request that all island entities receive their fair share of St. Paul's budget line item in the state's spending plan.***

We are aware that the State is reviewing public comment submitted regarding the initial draft spend plan for the 2021/22 and 2022/23 Bristol Bay red king crab and Bering Sea snow crab fishery disasters. We also understand the State intends to hold a second public comment period after a second, revised spending plan is released for public comment. We still, however, feel compelled to offer our own recommendations during this interim time period given our changing community dynamics.

Thank you for your consideration. We are grateful for the Governor's leadership on this issue and look forward to working with you and fully participating in the State's process from here on out.

Txin qa&asakuqing,



Amos T. Philemonoff, Sr.
President, Aleut Community of St. Paul Island

Attachment 1 – October 24, 2022, City St. Paul Community Request for Disaster Relief
Attachment 2 – August 24, 2023, City of St. Paul Email Declining Role to Coordinate Applications

CC: Aleut Community of Saint Paul Island - Tribal Council



Attachment 1

CITY OF SAINT PAUL ALASKA

October 26, 2022

The Honorable Gina M. Raimondo
Secretary of Commerce
U.S. Department of Commerce
14th Street and Constitution Avenue, NW
Washington, D.C. 20230

The Honorable Deb Haaland
Secretary of Interior
U.S. Department of Interior
1849 C Street, NW
Washington, D.C. 20240

The Honorable Mike Dunleavy
Governor State of Alaska
Office of the Governor
Alaska State Capitol Building 3rd Floor
Juneau, AK 99811-0001

The Honorable Lisa Murkowski
U.S. Senator for Alaska
522 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Dan Sullivan
U.S. Senator for Alaska
302 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Mary Peltola
U.S. Representative for Alaska
2314 Rayburn House Office Building
Washington, D.C. 20515

Dear Secretary Raimondo, Secretary Haaland, Governor Dunleavy, and Honorable members of the Congressional Delegation of the Great State of Alaska:

The historically unique Unangan/Aleut community of Saint Paul Island and its approximately 400 residents are facing a potentially catastrophic event as a result of the unprecedented closure of the Bering Sea opilio snow crab (BSS) fishery for the upcoming 2022-23 season. We ask for all of your departments' and offices' critical economic and policy support as our community confronts this threat to its very existence.

Saint Paul Island's economy, livelihood, and ability to maintain its distinct culture in the four decades since the congressionally mandated phase-out of the commercial fur seal harvest in 1984, has been almost entirely dependent on the Bering Sea crab fisheries, in particular snow crab. All other business activities including the locally important halibut fishery, the community's ability to provide essential municipal services, and its capacity to service considerable debts left-over from infrastructure projects pursued after 1984 to develop a fisheries-based economy, are dependent on the crab fisheries.

In this grave time, we urge all our elected representatives federally, congressionally, and statewide to work together to provide our community with the support necessary to survive this disaster. In the longer-term, concrete steps must also be taken to ensure that our nation's

fisheries management policies take into account the needs of fisheries-dependent Native communities and that the burdens of conservation, the impacts of climate change, and resulting fishery declines and closures, do not fall disproportionately and inequitably on the shoulders of historically underserved communities such as Saint Paul. Tragically, while Saint Paul Island is surrounded by some of the world's richest commercial fisheries, it faces potential extinction due to a lack of access to said resources.

I. **Request for Federal, State, and Congressional Actions:**

In the near term, the City of Saint Paul, Alaska, is formally requesting the following actions and assistance:

A) Department of Commerce –

As an affected fishing community under Section 312 of the Magnuson-Stevens Fishery Conservation and Management Act (MSA) and Section 308 of the Interjurisdictional Fisheries Act (IFA), the City is formally requesting that Secretary Raimondo (SOC) make the determination that (1) a collapse in the Bering Sea crab stocks has resulted in a fishery resource disaster of undetermined but probably natural causes, and (2) that this resource disaster caused a commercial fishery failure in the Bering Sea.

While last year's disaster request (attached) is still pending, the impacts of having no snow crab and Bristol Bay Red King Crab (BBRKC) fisheries this year are clear and do not require further analysis and consideration. A disaster is upon us and a commercial fishery failure must be determined immediately to allow the U.S. Congress to appropriate funds to respond to this and other commercial fishery failures nationwide as part of an Omnibus Appropriations Bill or other emergency supplemental before the end of this year.

The City also requests the SOC's support in accessing any other relevant sources of funding including from programs being developed under the recently enacted Inflation Reduction Act for consultations and permitting, new facilities and fisheries laboratories, and coastal climate preparedness for local and tribal entities. In addition, actions and policies responsive to executive directives on climate change resilience and equity/environmental justice, and tailored to the gravity of the situation may be necessary to allow the community to survive.

Finally, the City is requesting that the SOC through the National Marine Fisheries Service consider revisions to its policies on Section 312(a) to allow for more expedited commercial fishery failure determinations and greater flexibility in the use of disaster assistance, especially with regards to underserved communities. Such communities are ill-equipped to wait out, even survive, a lengthy determination process, which in recent history has taken up to three (3) or four (4) years.

These communities are then further handicapped by the need to secure a 25% local match on federal assistance that is made available. Such assistance must then be used "to address the causes of a disaster" through spend plans and policies that currently prevent communities from using 312 funds as direct payments or revenue replacement to cover lost municipal revenues,

which are in turn necessary to maintain essential municipal services. Without such services the community may be unable to undertake the far larger task of pursuing projects responsive to the fishery disaster. The limitations described above have become an equity and environmental justice issue for underserved, vulnerable, communities.

B) Secretary of Interior –

As a primarily Alaska Native community many of whose members are enrolled members of a federally recognized tribe -- the Aleut Community of Saint Paul Island Tribal Government (the Tribe) – we request that Secretary Haaland exercise the authorities of the Department of the Interior pursuant to the various federal Tribal Trust responsibilities to Tribes and Native American Communities to ensure our community's and tribal members' continued survival and well-being. We respectfully request that the Tribe be considered for priority access to assistance from Department of the Interior and Bureau of Indian Affairs programs. We also request that the Department of the Interior works to ensure access to the resources of the Bering Sea that our tribal members depend on as a Tribal Trust responsibility of the US Government, as has been agency policy for years.

C) Governor of Alaska –

We thank Governor Dunleavy for his expeditious request of a Section 312 and 308 fisheries determination on October 21, 2022 for the 2022-23 BSS and BBRKC fisheries. We also thank the Alaska Department of Fish & Game and its Commissioner, Doug-Vincent Lang, for its responsiveness to this disaster. As a local branch of the State government we look forward to working with the State to get through these challenging times for our community.

We also ask that the review of the pending 2021-22 request be expedited. It will be critical for Saint Paul Island, other crab dependent Alaskan communities, and crab stakeholders to be able to rely on adequately funded Section 312/308 support in response to both disasters for both years. There is an opportunity to obtain such funds through congressional action before the end of year.

We also ask that our Governor and his commissioners provide support and help access any applicable State of Alaska disaster or community development funds to respond to this disaster and attenuate its impacts on the community.

D) Congressional Delegation –

We ask our elected representatives in Congress, Senators Murkowski and Sullivan, and Congresswoman Peltola, work with other members of Congress to secure the funds necessary to respond to this and other commercial fishery failures nationwide as part of an Omnibus Appropriations Bill or other emergency supplemental before the end of this year.

Going forward, we also ask that as the frequency of fishery failures increases in Alaska and nationwide, Congress consider a number of fixes to Section 312 when the opportunity arises either through MSA Reauthorization or otherwise. First, a standing and well-funded 312 process, one that is not subject to political delays, and can be tapped into upon the determination

of a fishery failure would be a great improvement and more responsive to the needs of communities and other stakeholders affected by such failure. Furthermore, the current determination process takes too long, in many instances several years. This impairs the usefulness of the 312 tool to provide relief and assistance subsequent to a fishery failure. In 2000, when the City of Saint Paul requested a commercial fishery failure after the collapse of the Bering Sea snow crab fishery, it took little over three (3) months from the time the disaster was requested (1/31/2000) to the moment it was approved (5/11/2000) by the Secretary of Commerce. The process worked better 20 years ago.

In addition, the tools provided by 312 should be amended to provide greater flexibility for affected fishing communities in accessing and using funds that are made available. Clearly, the requirement for a 25% local match on 312 funds is an enormous obstacle, impossibility even, for underserved communities that depend on a single or few fishery resources, and whose economy has just experienced a collapse. This requirement should be waived or removed as to such communities.

Similarly, affected communities should be allowed to use 312 funds funneled through spend plans as revenue replacement to cover lost municipal revenues derived from the fishery(ies) in question. There is precedent for this in other federal disaster funding programs. The point is that if the affected community does not have the resources to “keep the lights on” and provide other essential services, it will wither away, and will be further impaired in its ability to use 312 funds to respond to the fishery disaster either through infrastructure investments or other projects.

Finally, 312 assumes that a failed fishery will recover and therefore disaster assistance should be directed to projects that “address the causes of the disaster.” In this era of climate change, and unstable, declining, and closing fisheries, that assumption may no longer hold true. In order to survive, fisheries-dependent communities may need to direct 312 assistance to develop the infrastructure necessary to host other activities such as mariculture and tourism, or to serve as service ports for the shipping industry or agencies of the U.S. government including the armed forces. The allowed uses of 312 assistance should be broadened to encompass these opportunities.

In decades past, Senators Ted Stevens and Frank Murkowski, and Congressman Don Young worked together effectively to “promote the development of a stable, self-sufficient, enduring and diversified economy not dependent on sealing” pursuant to the Fur Seal Act Amendments of 1983. Consistent with these objectives and with congressional support, federal, state, local, CDQ and private entities invested hundreds of millions of dollars to develop harbor and other fisheries related infrastructure on Saint Paul Island. In addition, Congress and the federal and state governments enacted and implemented several actions and programs to fulfill the commitments made under the Fur Seal Act Amendments including the Community Development Quota (CDQ) Program, the Crab Rationalization Program, and reductions of halibut bycatch in the groundfish fisheries.

A similar, coordinated, multiyear effort to that undertaken in past decades will be needed to respond to this crisis and to prepare Saint Paul Island’s strategically located harbor facilities and infrastructure for the time when the crab stocks are rebuilt and the fisheries are reopened, or in

the alternative to participate and benefit from other commercial fisheries or activities in the Bering Sea.

II. Impacts of the Crab Fishery Closures on Saint Paul:

In the 2021-22 season last year, the BSS fishery total allowable catch (TAC) experienced a drop of 88% from 45 million pounds to 5.6 million pounds, its lowest level in 40 years. The BBRKC fishery for its part was closed last year for the first time in 25 years.

The impacts of this year’s total closures of the BSS and BBRKC fisheries on Saint Paul Island are worse and will be accumulating on top of the precipitous declines and closures last year (which are detailed in last year’s disaster request).

a. City of Saint Paul:

As a result of the closures, revenue streams flowing into Saint Paul Island, from the loss of crab deliveries into the harbor and the loss of processing activity and associated taxes, will essentially stop. Based on current projections, the City is expected to experience an 100% drop in direct city tax revenues, from \$503,856 in 2022 to \$0 in 2023. The State of Alaska shares with the communities fishery taxes that are generated by these activities (3% is assessed by the State for these activities on Saint Paul of which half is shared with the City). This share will help attenuate the impacts this year. However, the City is expected to experience an 90% drop in state shared tax revenue, from \$1,545,892 in 2022 to \$200,000 in 2023. Total losses in fishery taxes are expected to amount to \$2,512,958.

The tax revenue from fisheries taxes in turn constitute approximately 60% of the City’s general fund revenues which support municipal operations and services. Additionally, a loss of approximately \$233,393 in revenue is expected from lost fees associated with support services (electric, refuse, fuel, gasoline, water, dockage, wharfage) and sales taxes on those services provided to the crab fishing industry. Although these figures may appear minimal, they are important to the overall revenues of a small community such as Saint Paul Island.

City of Saint Paul Projected Revenue Reductions in 2023

Fish Tax City (based on 2018-21 average)	-\$2,746,351
State Shared Fish Tax	+\$200,000
Support Services (based on 2018-21 average)	-\$233,393
*Total Estimated Impact to City	-\$2,779,744

*see table on page 8 for summary of impact

From a macroeconomic perspective, the crab fisheries’ collapse could not have happened at a worse time. The effects of record inflation on the nation are amplified on a remote community like Saint Paul. Home heating fuel is costing over \$7.00 per gallon, a gallon of milk is priced at almost \$19, and it costs a family of four almost \$5,000 to fly to Anchorage roundtrip. The City of Saint Paul Island is a major employer in the community and will likely be unable to provide its work force a much needed Cost of Living Adjustment in the 2023 budget.

At a local level, in response to reduced revenues the City will be evaluating plans to:

- Reduce expenditures which may include:
 - Limiting purchases to critical items only
 - Reduction in employee hours
 - Strict no overtime rule for employees
 - Increase in health insurance copay
 - No travel, exception for meeting certification requirements or certain positions
 - Hiring freeze on all unfilled positions
 - No COLA or merit increases for employees
 - Auctioning of older City vehicles and equipment
- Reduced services provided to the community which may include:
 - Reduction in police force
 - Limits or no EMS services
 - Limits on lobbying, legal and consulting services
- Seeking new sources of revenue which may include:
 - Motor vehicle registration tax
 - Transient occupancy tax (bed tax)
 - Excise tax on tourism (head tax)
 - Excise tax on alcohol and tobacco
 - Real and personal property tax
- Lifting current tax exemptions on sale of seafood for vessels under 42 feet in length.
- Increase in utility rates, adjusting dockage and wharfage fees.

b. **Central Bering Sea Fishermen’s Association:**

For its part, the Central Bering Sea Fishermen’s Association (CBSFA), the CDQ group for the community of Saint Paul Island is heavily invested in Bering Sea crab harvester and processor quota shares. The impacts of the crab fishery closures on CBSFA are expected to be as follows:

CBSFA Crab Revenue Comparison

2017-2021 Average	\$ 36,516,872
2021	\$ 56,565,972
2022	\$ 11,841,400
2023 Projection	\$ 5,185,777

2023 Budget Comparison

Change from 2021	-91%
Change from Average	-86%

CBSFA is projecting crab revenues for 2023 that are less than half of 2022 and less than 1/10th of revenues in 2021. A \$50 million dollar reduction in total revenue in two years’ time. A staggering impact.

Locally, CBSFA funds important education and social programs in the community, many in partnership with other local organizations, spending approximately \$1.2 million annually on programs that include distributions to local households of over \$400,000 in payments to offset the high cost of home heating fuel and electricity on Saint Paul Island.

CBSFA has some cash reserves and revenues from other fishery investments and CDQ allocations that will provide it some flexibility to address the impacts of the crab crash. However, the significant loss of important crab revenues will make it difficult for CBSFA to maintain status quo levels of contributions to the community when it needs them the most.

c. Tanadgusix Corporation:

Tanadgusix (TDX) Corporation, the Alaska Native Village Corporation for Saint Paul, formed under the Alaska Native Claims Settlement Act, also supports the crab fishery on Saint Paul Island. TDX estimates a 100 percent loss of revenue for services and sales provided to the crab processor and fishing fleet. Such services and sales include moving and storage of crab pots; fuel sales to Trident Seafoods, fishing boats and electricity generation specific to fisheries; and lodging of itinerant workers. TDX estimates a total revenue loss, from its 2020 to 2022 average revenue of \$2,369,792, to \$0 in 2023. Such loss will affect City sales taxes, TDX revenue and profit, and staffing changes that may result from diminished economic activity.

TDX - Revenue Comparison

2018 - 2022 Average	\$	\$2,369,782
2021	\$	2,142,674
2022	\$	1,736,644
2023 Projection	\$	0

2023 Budget Comparison

Change from 2021	-100%
Change from Average	-100%

d. Aleut Community of St. Paul Tribal Government:

The Aleut Community of Saint Paul Island Tribal Government (the Tribe) owns and manages the local grocery store including other service-type enterprise operations generating on average about \$5 million per year. The Tribe’s businesses have (2022) and will experience additional lost sales due to no crab vessel traffic and processing activity at the local Trident Seafoods processing plant. The Tribe’s grocery store and tavern businesses serve crab fishing vessel crew members and seafood processing plant workers, and revenue losses from their absence in our community are \$668,000 in 2022. For 2023, those loses are anticipated to be in the range of \$800,000 to \$1,000,000 from an estimated 20% reduction in grocery, retail, restaurant and bulk sales. Lost revenue together with higher operating costs due to high inflation may force some businesses to close or run unprofitably. The net result of this will be reduced resources to the Tribal Government that uses these fund to make up as much as 40% of the Tribal Government’s

annual general funds. The loss of these general funds will make it difficult to make or match grants and therefore will result in wider losses throughout the community or roughly another \$800,000 to \$1,000,000 annually in reduced government grant expenditure.

FY23 Fishery Closure – Impacts to Tribal Government

Aleut Community Store Revenue Loss	\$ 750,000
Other Retail/Services Sector Revenue Loss	\$ 250,000
Grant Making/Government Revenue Loss	<u>\$1,000,000</u>
TOTAL	<u>\$2,000,000</u>

In March of 2022, the Tribal Government of St. Paul and its partner CBSFA completed construction a \$13 million vessel repair and ship supply facility in Saint Paul Island. This large investment was based on a business plan supported by the existence of a healthy crab fishery. Today we are looking to mariculture and research as potential economic adjustment strategies for Saint Paul Island including using portions of this facility. The investment required to repurpose portions of this facility from selling ship supplies to supporting research and mariculture is just one example of the unexpected but substantial additional investment that will be required to make this adjustment. Without assistance this investment will further deplete resources of the TGSP and CBSFA.

e. Overall Losses to Saint Paul:

Collectively, the impacts resulting from the closure of the BSS and BBRKC fisheries on Saint Paul’s main local entities are staggering for our small community and may be summarized as follows:

Projected Reductions in Revenues for Saint Paul Island in 2023

City (based on 2018-21 average)	\$2,779,744
CBSFA (based on 2017-21 average)	\$31,331,095
ACSPI	\$2,000,000
TDX (based on 2018-21 average)	\$2,369,782
Total Estimated Impact to Saint Paul Island	\$38,447,228

Importantly, the above summary does not take into account the impacts on other businesses that operate and generate revenues from their activities on Saint Paul Island including critical partners such as the Trident Seafoods Plant, crab harvesting and other fishing industry vessels, sea barges, and air carriers.

III. Lessons from the Past for the Future:

At its height in the late 1990’s Saint Paul Island was one of the thriving epicenters of the North Pacific fisheries. Its harbor contained three shore-based processors and was typically visited by more than 230 crab vessels per season and freighters of up to 310 feet in length. These activities sustained demands for local services and infrastructure development. For about a decade, Saint

Paul Island was second only to Unalaska in generating sales and fish tax revenues for the State of Alaska. In 1998 and 1999 crab deliveries to Saint Paul Island exceeded 40% of the total harvest confirming its integral role in the crab fishery.

This boom phase came to an abrupt end in 1999, when NMFS trawl surveys then revealed a massive decline in the snow crab biomass, which resulted in an 86% reduction in the snow crab (TAC) from approximately 192 million pounds in 1999 to 28.5 million pounds in the year 2000. This reduction in the TAC resulted in a corresponding 86% drop of the revenues entering the community and prompted the City to file a Section 312 request on January 31, 2000. Three (3) months and (11) eleven days later, on May 11, 2000, the Secretary responded with an affirmative fishery disaster determination. That time schedule seems unreal in today's era.

Later that same year, thanks in large part to the efforts of Senator Stevens, funding was made available through a Supplemental Appropriations Bill and with congressional support, the North Pacific Fishery Management Council (NPFMC) embarked on the Crab Rationalization Program which stabilized the existing crab fisheries and regionalized deliveries of crab. These measures allowed Saint Paul Island to continue to benefit from the Bering Sea crab fisheries albeit at reduced levels.

Saint Paul Island hopes that the clear economic impacts of the 2022-23 fishery closures will lead to an expedited determination under sections 312 of the MSA and 308 of the IFA. A concerted, multiyear effort, will be necessary again to see Saint Paul through this pivotal moment. However, the community is hopeful that its ongoing economic and strategic potential is obvious to fellow Americans looking at its location on a map of the Bering Sea. In addition to being surrounded by the nation's most lucrative fisheries, Saint Paul Island is of strategic security importance to the United States as it straddles the maritime boundary with the rising and assertive powers of Asia. Furthermore, Saint Paul Island lies along the maritime transportation corridors that are expected open through the Arctic Ocean. The presence of the United States in the central Bering Sea through this unique Alaska Native community must be protected and maintained.

Thank you for your attention to this matter.

Sincerely,



Jacob Mercurief
Mayor



Phillip A. Zavadil
City Manager

cc: Phillip Lestenkof, President, Central Bering Sea Fishermen's Association
Amos Philemonoff, President, Aleut Community of Saint Paul Island
Christopher Mandregan, CEO, Tanadgusix Corporation

Attachment 2

Patrick Baker

From: Phillip A. Zavadil <pazavadil@stpaulak.com>
Sent: Thursday, August 24, 2023 11:35 AM
To: Phillip Lestenkof; Ray Melovidov; Jeff Kauffman; Christopher Mandregan; beverlyw@tdxcorp.com; Amos Philemonoff; Patrick Baker; Marissa J. Mercurieff; Lauren Divine; Dylan Conduzzi; mateo@mpstrategies.net; Heather McCarty; Aubrey Wegeleben; Jacob Mercurieff; Stephanie L. Mandregan; Lynn Sterbenz
Subject: Re: Follow-up to Meeting Regarding Local Coordination of Fisheries Disaster Relief

Since its previous message on July 27, 2023, the City has received confirmation from the State of Alaska, who is developing the Crab Disaster Spend Plan, from NOAA Fisheries, and from the Pacific States Marine Fisheries Commission (PSMFC) that requests of disaster funds by affected crab fishery stakeholders will be processed through a grant application program administered by the PSMFC.

The job of the PSMFC is to take the final Crab Spend Plan developed by the State of Alaska, and turn it into a grant/application program or subcontract program for entities for specific awards. PSMFC's plan to implement the State spend plan, must go to NOAA Fisheries and OMB for final approval. All this will take many months. As a result, affected entities are unlikely to benefit from disaster funds until at least the latter half of 2024.

PSMFC will be tasked with determining whether the funding requests meet the fisheries disaster criteria. In addition, PSMFC advised that they would require statements of work from applicants, that there are reporting requirements on the use of disaster funds, as well as audits on whether disaster funds were used as applied for. PSMFC administers the program on a "cost reimbursable basis" and will undergo a risk assessment of subaward funding recipients.

If a single entity, for example the City, is tasked with distributing funds to local businesses, through a subaward, then the responsibilities assigned to PSMFC are transferred to City. This would put the City in charge of collecting information from local businesses on use of funds to ensure compliance with Spend Plan criteria in order to report back to PSMFC. The City is only allowed to assess a 5% administrative fee for administering such subawards. At this time, the City has neither the staff nor the resources to undertake such a task, and moreover, does not want to incur the potential legal liability resulting from such a task. The City's preference is for awards to small businesses be included in the spend plan so that affected small business can receive awards directly from PSMFC.

On another front, the City has received confirmation from NOAA Fisheries that some of the fisheries disaster provisions adopted by Congress in December 2022, which govern uses of disaster funds, will apply retroactively. This will provide all of the entities applying for disaster funds with greater flexibility. This is good news.

In terms of next steps, in our meetings neither the State nor NOAA Fisheries has objected to a tribal sector allocation in the development of the crab spend plans. While it was noted that a tribal sector allocation has not been proposed in previous spend plans, there is no limitation against it, and

moreover the new fishery disaster provisions greatly empower the role of tribes in the fisheries disaster process.

Both the State and NOAA Fisheries welcomed comments on the matter from all affected parties, and in particular on how the subsistence and ceremonial impacts on tribes of the closed fisheries can be quantified.

We understand the State is currently reviewing the spend plan comments submitted during the first round and is intending to share a draft later this month which will lead to a second round of spend plan comments.

If you would like to set up time to talk about fisheries disaster relief in person or virtually please let me know.

Phil

Txin qaġaasakuqing ~ Thank you



Phillip A. Zavadil, City Manager/Acting Director of Public Safety/Acting Public Works Director
City of Saint Paul
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Saint Paul Island, Alaska 99660
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From: Phillip Zavadil <pazavadil@stpaulak.com>
Date: Thursday, July 27, 2023 at 11:22 AM

To: Phillip Lestenkof <plestenkof@cbsfa.com>, Ray Melovidov <raymelovidov@cbsfa.com>, Jeff Kauffman <jeff@spfishco.com>, Christopher Mandregan <chrism@tdxcorp.com>, "beverlyw@tdxcorp.com" <beverlyw@tdxcorp.com>, Amos Philemonoff <president@aleut.com>, Patrick Baker <pnbaker@aleut.com>, Marissa Mercurieff <mjmercurieff@aleut.com>, Lauren Divine <lmdivine@aleut.com>, Dylan Conduzzi <Dconduzzi@aleut.com>, "mateo@mpstrategies.net" <mateo@mpstrategies.net>, Heather McCarty <hdmccarty@gmail.com>, Aubrey Wegeleben <awegeleben@stpaulak.com>, jacob <jacob@stpaulak.com>
Subject: Follow-up to Meeting Regarding Local Coordination of Fisheries Disaster Relief

As a follow-up to our meeting last week, attached are the legal and background materials and references that serve as a basis for the comments submitted by communities, including the City of Saint Paul, in response to a proposed BBRKC and BSS 2021-22 Spend Plan.

As was noted during our meeting, the process and criteria for requesting and disbursing disaster funds has changed significantly at a federal and state level since 2000, when the community last went through a fisheries disaster process.

Presently, given the limited disaster funding and the immense needs fishery-wide, stakeholders must be able to detail the economic impacts of the fishery closures. In the case of communities, as part of the spend plans being developed by the Alaska Department of Fish & Game, these impacts are based on lost fishery and shared landing taxes, information which can also be cross-referenced with State data.

See:

Norton Sound RKC Spend Plan -

https://www.adfg.alaska.gov/static/fishing/pdfs/2019_norton_redkingcrab_final_spend_plan.pdf

Tanner Crab Spend Plan -

https://www.adfg.alaska.gov/static/fishing/pdfs/2019_2020_bering_tanner_final_draft_spend_plan.pdf

Moreover, use of funds will be circumscribed by spending criteria. The City is working with other communities and with NMFS to allow disaster funds to be used to replace lost municipal revenues, but the outcome of this effort is not yet certain and at present communities are limited in how disaster funds can be spent based on MSA Section 312 provisions and the NMFS Policy (PDF attached) which provides guidance on those provisions.

As an affected fishing community under MSA Section 312, that is one of the parties that is authorized to request a disaster determination along with the Secretary and the Governor of an affected state, the City undertook to present the community-wide impacts of the crab fishery closures in 2021 and 2022 in an attempt to secure a favorable disaster determination from the Secretary of Commerce. These determinations were secured on December 16, 2022.

On December 29, 2022, the President signed into law the new fishery disaster provisions secured in the Consolidated Appropriations Act of 2023. Among other things, these new provisions greatly enhance the position of tribal entities and provide greater flexibility on the use of funds to communities. See:

<https://www.fisheries.noaa.gov/national/funding-and-financial-services/fishery-disaster-assistance>

However, at this time, it is unclear whether these new provisions will be implemented in a manner that is retroactively applicable to disaster requests and determinations that were made prior to the adoption by Congress of these new provisions.

On May 18, 2023, NMFS notified the State and other stakeholders of the availability of disaster funds appropriated by Congress including over \$190 million made available to respond to the 2021 and 2022 Bering Sea crab disasters.

On May 24, the State of Alaska announced a comment period regarding the development of a Spend Plan for the 2021-22 Bering Sea crab disasters. Two public listening sessions were held on June 14 and 15th, and in addition the crab industry held 3 virtual meetings in an attempt to reach consensus on a Spend Plan.

See: https://www.adfg.alaska.gov/index.cfm?adfg=pressreleases.pr&release=2023_05_24

Comments on an initial draft Spend Plan were due on June 30th, but the deadline was extended to July 14th. The State will develop a draft Spend Plan based on the comments it has received and will then request a second round of comments before finalizing the Spend Plan. Dates and deadlines for these next steps have not yet been announced.

The City recommends that interested entities and crab industry participants submit comments to ADF&G detailing impacts of the 2021 and 2022 crab fishery closures on their finances and budgets.

Comments may be submitted at: dfg.com.fisheriesdisasters@alaska.gov

We are available to discuss individually, or as a group, further efforts to secure the best possible outcome for Saint Paul Island.

Phil

Txin qaġaasakuqing ~ Thank you



Phillip A. Zavadil, City Manager/Acting Director of Public Safety/Acting Public Works Director
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October 18, 2023

Karla Bush
Alaska Department of Fish and Game
RE: Supplemental Comments on Draft Spend Plan
From: North Pacific Crab Association

Dear Ms. Bush:

Thank you for the opportunity to comment on the draft spend plan for BBR and BSS crab fishery disaster funding. The NPCA commented previously and incorporates those comments again here.

We appreciate the department's hard work on preparing a comprehensive spend plan and dealing with the difficult issues facing a broad group of crab stakeholders who have been severely impacted by the recent fishery disasters in the Bristol Bay Red King Crab (BBR) and Bering Sea Snow Crab (BSS) fisheries. We understand that the finite level of disaster funding will not alleviate all the problems facing crab stakeholders and appreciate the department's expedient efforts to get the spend plan finished so that some of the impacts of the crab losses can be addressed.

We understand and appreciate the compromise presented in the draft spend plan regarding the allocation of disaster funds between the harvester (IFQ) and processor (IPQ) holders. We support the proposed compromise. We also supported the crab communities' requests in the draft spend plan and continue to support their request for funding. Crab IPQ holders and crab dependent communities have a strong interdependent relationship operating in the remote Bering Sea crab fisheries. We need each other to remain viable. We support the supplemental comments from the crab dependent communities regarding their requested allocation of the disaster funds.

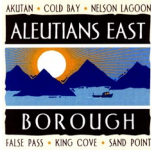
The draft spend plan requests specific comments regarding whether there should be a differential spend on processing quota shares (PQS) depending on when the PQS was acquired. We understand the question because it relates to the debt that might be secured by PQS. We do not think, however, there should be such a differential. All PQS held by owners are assets that are used to secure financing for the general operations of its owners. All IPQ holders utilize all of their available assets to improve and continue their crab operations. Each IPQ holder has its own financial obligations impact its PQS holdings regardless of when the PQS was acquired.

Thank you for the opportunity to further comment on the draft spend plan. We look forward to working with the department to get the disaster funds to the crab stakeholders as soon as possible.

John Iani

A handwritten signature in blue ink, appearing to read 'John Iani', is written over a light blue circular stamp or watermark.

President North Pacific Crab Association



CITY OF
Saint Paul
ALASKA



October 20, 2023

Doug Vincent Lang
Commissioner, Alaska Department of Fish & Game
Attn: Darion Jones, dfg.com.fisheriesdisasters@alaska.gov
P.O. Box 115526
Juneau, Alaska 99811-5526

Re: Comments on Initial Draft Spend Plan for the 2021/22 and 2022/23 Bering Sea Snow Crab and Bristol Bay Red King Crab Fisheries Disasters

Dear Commissioner,

We wanted to thank you for meeting with us recently regarding our common concerns with the Initial Draft Spend Plan issued by ADF&G on September 28, 2023.

As Alaskan crab-dependent communities we are looking to you and our State government for support as we endure the economic impacts of the disastrous closure of the Bering Sea snow (BSS) crab and Bristol Bay red king crab (BBR) fisheries in 2021 and 2022. While the BBR fishery will open with under a modest quota this year, the challenges with the BSS fishery show no signs of abating and the fishery will remain closed in 23/24 season.

We believe it is vital, therefore, that sufficient levels of support be extended to our communities from the disaster funds appropriated by Congress last December to mitigate the losses in fisheries tax revenues we have suffered in 2021 and 2022, and to weather continuing economic difficulties in 2023 and onward.

For these reasons, we continue to support an allocation to communities that is higher than the 5% proposed by the State. We commented previously on the proposed Spend Plan and incorporate those comments again here. Our initial proposal of 7% to communities, plus a 1% allocation off the top for Saint Paul Island, was based on consideration of the BSS and BBR disaster funds as a single fund and was reflective of past annual revenues generated by local and state fisheries taxes. The 1% for Saint Paul Island was based on the recognition of its much higher levels of dependence on the BSS fishery and the lack of any other meaningful sources of revenues for that community.

However, we are supportive of the State's proposal in the Initial Draft Spend Plan to consider an allocation of funds for the two fisheries separately. Under such a scenario, there are other ways to recognize Saint Paul Island's higher level of dependence on the BSS fishery. As was discussed with you, one option would be to allocate 7% to communities from both the BSS and BBR disaster funds, with an additional 1% for Saint Paul Island from only the BSS disaster funds. However, there may be other options for achieving the abovementioned objectives and we are open to discussing these with you.

To arrive at the community sector allocations under this second option above, the amount dedicated to research under the draft spend plan would likely need to be reduced. We would propose a 10% research allocation which would result in over \$18 million for critically important research. Under our proposal, the amounts allocated to each sector would be as follows:

BBR / BSS Spend Plan	Initial Draft	Community Proposal	Difference
Research	\$ 34,000,000	\$ 18,728,897	\$ (15,271,103)
Communities	\$ 7,658,448	\$ 12,928,608	\$ 5,270,159
CDQ	\$ 15,316,897	\$ 16,844,007	\$ 1,527,110
Harvester/Processor	\$ 130,193,622	\$ 138,667,456	\$ 8,473,834
Total	\$ 187,168,967	\$ 187,168,967	\$ -

While our boroughs and municipalities remain fully supportive of additional research initiatives, it is vital that the current disaster funds provide boroughs and municipalities with sufficient resources to survive the current downturn and allow them to invest in projects, including research, that will lay the basis for diversification into new economic activities. Under a prolonged, multiyear, depression of the crab stocks, opportunities for affected boroughs and municipalities to obtain disaster funds will eventually be limited.

Our boroughs and municipalities also support the suggested allocation of 10% to the CDQ groups, all of which play a critical role in many Western Alaska communities and boroughs. However, the allocation to CDQ groups should not be considered in the aggregate with the allocation to communities. Not all affected communities are members of CDQ groups, nor do all CDQ groups have the same level of economic activity from crab fisheries within their regions. In addition, while CDQ groups support their eligible communities in multiple ways, they must also spend disaster funds pursuant to CDQ Program Statute directives and the Fishery Resource Disasters Improvements Act of 2022, which include recovering losses resulting from impacts to their crab fishery investments.

Finally, we believe that other community-based entities affected by the disaster should be considered separately, and not as part of the community sector allocation. We have based our allocation proposals strictly on average annual municipal/borough and state fisheries tax revenues, which are verifiable on State databases. Although we are supportive of efforts to assist all impacted sectors and stakeholders, we are not in a position to be able to verify monetary claims made by other entities and businesses based in our boroughs and municipalities, nor are we able to administer and then account for funds that may be designated to them. In this regard, going forward we would recommend that the communities' section be referred to instead as "Boroughs & Municipalities" to avoid confusion and establish the proper distinction between the various impacted sectors and stakeholders.

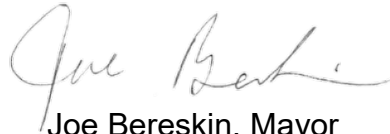
As stated at our meeting, disaster funds that are disbursed to assist affected Alaskan boroughs and municipalities are funds that are invested in our State and more likely to remain in Alaska, benefitting our residents. Similarly, a prolonged economic crisis and even a failure by some boroughs and municipalities to recover from the crab collapse, would likely result in additional economic burdens to the State.

We would like to thank you for your time and consideration and look forward to working with ADF&G towards successful implementation of the BSS and BBR Spend Plan.

Sincerely,



Alvin D. Osterback, Mayor
Aleutians East Borough



Joe Bereskin, Mayor
City of Akutan



Warren Wilson, Mayor
City of King Cove



Jacob Mercurief, Mayor
City of Saint Paul



Vince Tutiakoff, Mayor
City of Unalaska



October 17, 2023

Alaska Dept. of Fish and Game
Attn: Karla Bush, Extended Jurisdiction Program Mgr.
Dfg.com.fisheriesdisasters@alaska.gov
PO Box 115526
Juneau, Alaska 99811-5526

Re: Draft Spending Plan Proposal for the 2021/22 and 2022/23 Bering Sea Snow and Bristol Bay Red King Crab Fishery Disaster Declaration

Dear Ms. Bush,

Keyport LLC is a registered processor of crab in Alaska and was negatively impacted by the loss of these fisheries in the respective years. We have reviewed the Initial Draft Spending Plan and would like to address a certain issue that is specifically not addressed in the plan with respect to how Keyport LLC conducts its operations in Alaska.

Keyport LLC is a unique type of processor in Alaska. Our company does not maintain plants and equipment but rather leases processing quota and contracts with established processing plants to custom process our crab. Based on all proposed areas of the current spending plan the proposed rules would disregard Keyport LLC in the spending allocation as Keyport LLC does not directly own any PQS. While Keyport LLC clearly respects the economic losses sustained by CDQ groups, cities, harvesters, and established processors, we also believe that the impact of not having product to process, pack and sell, which is clearly established thru our historical processing records, has materially impacted us financially. Keyport LLC historically leases, processes, and markets hundreds of thousands of pounds of Red King and Opilio crab to the benefit of harvesters and processors alike.

Keyport LLC has the same responsibilities and liabilities as they pertain to any other processor. We are subject to arbitration, we pay harvesters directly, account and remit all applicable state and federal taxes and fees just like a traditional processor. Our business model relies on a steady supply of Alaska crab to market to the world. During the seasons that are covered in this disaster declaration Keyport LLC suffered economic hardship as customers looked for other sources of Red King and Opilio crab.

We believe the allocation of disaster funds to processors should be based not only on the holder of PQS but the impact to those who processed that quota leading up to the disaster years in question.

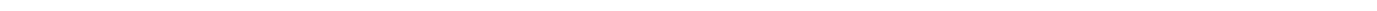
Sincerely,

A handwritten signature in black ink, appearing to read "Mark Pedersen".

Mark Pedersen
President & CEO

A handwritten signature in black ink, appearing to read "Kurt Pedersen".

Kurt Pedersen
President & COO



From: Ernie Weiss
Sent: Thursday, September 28, 2023 9:24 AM
To: DFG, ComFisheriesDisasters (DFG sponsored)
Cc: Gary Hennigh; Alvin Osterback
Subject: Aleutians East Borough initial comment on Crab Fisheries Disaster Spend Plan

Thanks for the opportunity to comment on the Crab Fisheries Disaster Spend Plan. We will be studying the plan in more depth but I wanted to make this initial comment now to point out an apparent error in the plan: King Cove is a community within the Aleutians East Borough, not in the Lake and Peninsula Borough.

- On page 4 of the spend plan under BBR crab communities, King Cove is linked to Lake and Peninsula Borough. This is not correct. Both Akutan and King Cove are within the Aleutians East Borough.
- On page 8 of the spend plan under BSS crab communities, King Cove is linked to Lake and Peninsula Borough. This is not correct. Both Akutan and King Cove are within the Aleutians East Borough.

Please make the necessary corrections.
Thank you for your attention to this matter.

Ernie Weiss

From: Nicole Kimball
Sent: Friday, October 20, 2023 9:45 AM
To: DFG, ComFisheriesDisasters (DFG sponsored)
Subject: Public comment on crab spend plan

Thank you for the opportunity to comment on the draft spend plan for Bristol Bay red king crab and Bering Sea opilio crab fishery disaster funding for the 2021/22 and 2022/23 seasons. PSPA is a non-profit trade association representing seafood processors operating across Alaska, including the shoreside processors that have long-term participation in the Bering Sea crab fisheries in Unalaska, St. Paul, Kodiak, and the Aleutians East Borough communities.

We support the draft spend plan proposed allocations to fishery participants, both harvesters and processors. We also support the requests of the communities in which we operate, who are truly fishery-dependent communities trying to mitigate lost operating revenue historically provided by fish taxes on these important crab species and other direct and indirect losses stemming from the fisheries disasters. Please consider the requests from crab dependent communities regarding a higher allocation of the disaster funds.

Please do not hesitate to contact me if you have any questions about these comments.

Nicole Kimball
Pacific Seafood Processors Association

From: Robert Perkey
Sent: Friday, September 29, 2023 8:28 PM
To: DFG, ComFisheriesDisasters (DFG sponsored)
Subject: disaster funds

My biggest concern is the same one it always is. the caneries and owners get all the relief. For instance the last time there was relief money the owners i worked for only shared the funds with the employees that had worked for them many years not the crew that was working for them during the time period that the funds were meant for. Also the boat owners decided how much of the funds they would pay out to there long time employees. my position now is i'm completely out of the crab industry because there are very few jobs left and the ones that are left aren't really making any money with the lease rates being so high. The way i see it the only people making a living are the retired quota holders. Please for once do something that is fair to all participants that were involved in the industry, not just the high profile ones and the ones with the most pull. i really believe opilio will be down years and a lot of us will be forced to change our lifes work after many years of hard work and dedication to the industry. thank you for listening to my point of view. sincerely robert perkey. 35 year participant in bering sea fisheries

From: Angela Perkey
Sent: Tuesday, October 3, 2023 12:46 PM
To: DFG, ComFisheriesDisasters (DFG sponsored)
Subject: disaster relief

we are wondering why so much money is going to research when as far as we know adf&g has been well funded for as long as we can [remember.as](#) usual captains and crews the people doing the dangerous work to harvest the resource are always at the bottom of the pile when money or quota is distributed. never under estimate the power of greed. Our family has been devastated financially with the loss of crab wages. we considered ourselves lucky that after rationalization that bob was still able to find work when so many were displaced. i do have a question on how do we file or register to be on the list for disaster relief funds for those years, that info has not been widely available.

From: Casey Campbell
Sent: Monday, October 9, 2023 8:03 PM
To: DFG, ComFisheriesDisasters (DFG sponsored)
Subject: Crab Disaster Spend Plan

To whom it may concern:

I would like to submit the following comment on the initial spend plan dated September, 28, 2023.

After reviewing the spend plan I feel that it does not consider vessel owners of crab fishing vessels in 2022 or 2023 and the lost economic opportunity for the vessel as a result of the fishery closure. In reviewing the plan, it appears to allocate funds to vessel owners directly as well as other participants in the industry. ADFG is proposing basing vessel payments off of ownership in the CFEC database from 2020 and 2021. Based on the current spend plan as I read it, vessel owners are to receive \$10.2 million for BBR and \$24.5 million for BSS. The vessel must have been used to harvest crab IFQ in the 2019/20 or 2020/21 season.

Based on the proposed spend plan using vessel ownership off of the CFEC database from 2020 and 2021 years, it does not compensate those who truly were harmed economically when the fishery closed. The owners of vessels during those years were able to harvest crab and generate revenue. I think the ownership should be based on CFEC data for 2022 and or 2023 as these are the vessel owners that were economically harmed by not having the opportunity to send the vessel crab fishing.

I purchased the FV Adventure in 2022 which fished crab for over 30 years in the Bering Sea. The vessel fished 100% leased quota in both 2019/20 and 2020/21. Since I purchased the vessel and the crab fishery was closed, the vessel was not able to lease its historical share of IFQ which was a significant source of revenue for the vessel causing economic harm. As the boat owner for the years the disaster was awarded, I feel I should be eligible to receive funds to compensate the vessel for this loss of economic opportunity. Changing the vessel qualification to CFEC vessel owners during 2022 and or 2023 would fairly compensate all vessel owners who were not able to generate income for the vessel and crew during the fishery closer. I agree with basing the payout off of the vessels historical lease income from 2019/20 and 2020/21 which can be provided. This change shouldn't impact any of the spend plan calculations, only allocate funds to the owners that were impacted directly by the closure.

Thank you for considering my comments on this matter.

Kind regards,
Casey Campbell



October 20, 2023

Alaska Department of Fish and Game
Attn: Darion Jones
P.O. Box 115526
Juneau, Alaska 99811-5526

Re: Comments on the Draft Spend Plan for the 2021/22 and 2022/23 Bristol Bay Red King Crab and Bering Sea Snow Crab Fishery Disasters

Dear Ms. Jones,

Thank you for the opportunity to comment on the first draft of the spend plan for the 2021/22 and 2022/23 Bristol Bay Red King Crab and Bering Sea Snow Crab Fishery Disasters. We are a family business that owns crab harvesting vessels in the Bering Sea.

First off, I agree with the comments submitted by ABSC. However, I would like to add a comment to go along with the portion of the comment letter sent in by ABSC that is listed below.

HARVESTERS

ABSC notes there is an error for vessel owner qualifying years for both BBR and BSS. Corrections are offered below to more accurately reflect the vessel owners affected by the fishery disaster years of 2021/22 and 2022/23. However, the formula for vessel-based payments should remain as proposed in the draft spend plan.

BBR (p.6)

ADF&G proposes direct payments to vessel owners listed in the CFEC vessel database as the 2021 ~~2019~~ vessel owner for the 2021/22 ~~2019/20~~ season and to the 2022 ~~2020~~ vessel owner for the 2022/23 ~~2020/21~~ season.

BSS (p.10)

ADF&G proposes direct payments to vessel owners listed in the CFEC vessel database as the ~~2022~~ ~~2020~~ vessel owner for the ~~2021/22~~ ~~2019/20~~ season and to the ~~2023~~ ~~2021~~ vessel owner for the ~~2022/23~~ ~~2020/21~~ season.

If ADF&G decides to change the vessel owner qualifying years as mentioned above I asked that you also add this language as well:

Option A: *Assignment of these payments will not impair the right to payment and will be enforceable.*

Option B: *If ownership of an eligible vessel was transferred between 2019 and 2023, eligibility for payment will not be impaired by such transfer, and any payments shall be made as agreed between the transferor and transferee.*

The reason for this language is that we decided to sell one of our vessels that we owned and operated for over 25 years in the Spring of 2022. This is the same vessel that we have used to harvest all of our crab quota since 2013. We did not sell this vessel to get out of the crab fisheries, we sold it to purchase a newer vessel that would be more economical and require less maintenance to help us through these leaner years. We have continued to be active harvesters in the crab industry since the closures by participating in the Bairdi fisheries as well as the most recent King Crab season. This language will help us get credit for our fishing history and not the new owner of the vessel we sold in 2022 that does not participate in the crab fisheries.

Thank you for considering my comments.

Sincerely,

Mike Shelford
Vice President
Shelford's Boat Ltd.

Appendix 2. High priority research needs to facilitate recovery of the Bering Sea snow crab and Bristol Bay red king crab fisheries.

The research topics below fall generally into three main categories: 1) better understanding crab distributions with changing environmental conditions, 2) reduction of bycatch, and 3) understanding the benefits of closure areas.

Snow Crab

- 1) Movement of adult male snow crab on the Bering Sea slope and along the US/Russian border.
 - Are crabs found on the slope and the Russian border part of the larger snow crab population and should therefore be accounted for in biomass estimation?
Methods: Catch large crab along the slope and Russian border and use satellite tags to follow their movement over a year's time.
- 2) Distribution and abundance of snow crab on the Bering Sea slope.
 - Develop survey methods to better inform abundance estimates in areas where the EBS trawl survey doesn't cover.
Methods: Trial 1-3 different survey designs (e.g., Long-lined pots, single pots, small mesh trawl) to determine a long-term strategy to best survey the slope in a cost-effective manner.
- 3) Reduction of bycatch in directed fishery
 - Examine multiple ways to reduce catch rates of female and small male crab in commercial crab gear.
Methods: Modify soak times, mesh size, and trial new pot designs to examine effects on reducing female and small male catch and maintaining preferred male catch rates.
- 4) Fine scale distribution of juvenile snow crab
 - Better understand the huge bottleneck of juvenile crab surviving into legal size crab and better understand how to protect them.
Methods: track the current small recruitment pulse over the next few years using small mesh pots and/or trawl gear.
- 5) Snow crab habitat concerns
 - What is the efficacy of the Pribilof closure areas for snow crab?
Methods: Conduct habitat assessments inside and adjacent to closure area using towed video array (Camera sled).
 - Are there consistent "nursery" hotspots for snow crab?

Methods: Use skipper knowledge to focus on potential nursery areas and examine juvenile crab and habitat characteristics inside and outside those areas using towed video array (Camera sled).

Red King Crab

- 1) Movement of adult male and female red king crab in the Bristol Bay management area
 - Are there general seasonal migration patterns (e.g., molt/mating hotspots), and what is the level of inter-annual variability?

Methods: Catch and tag large male and female crab in proportion to their abundance using satellite tags and follow their movement over time.
- 2) Distribution of BBRKC in the winter (Jan – March)
 - Where are RKC during the vulnerable mating/molting times in January through March? Help minimize bycatch mortality from the groundfish fisheries.

Methods: Conduct winter pot survey to identify RKC areas of high abundance.
- 3) Reduction of bycatch in directed fishery
 - Examine multiple ways to reduce catch rates of female and small male crab in commercial crab gear.

Methods: Modify soak times, mesh size, and trial new pot designs to examine effects on reducing female and small male catch and maintaining preferred male catch rates.
- 4) Red king crab habitat concerns
 - What is the efficacy of the Red King Crab Saving area for BBRKC crab?

Methods: Conduct habitat assessments inside and adjacent to closure area using towed video array (Camera sled).
 - Are there consistent “nursery” hotspots for BBRKC crab?

Methods: Use skipper knowledge to focus on potential nursery areas and examine juvenile crab and habitat characteristics inside and outside those areas using towed video array (Camera sled).
- 5) Larval dynamics and delivery rates
 - Are post-larvae reaching nursery habitats?

Methods: Collect crab larvae using settlement bags and correlate to habitat characteristics.
- 6) Update/improve data on RKC growth and molting probabilities.
 - Improve population models and track potential changes in biology.

Methods: Conduct a multiple mark-recapture study, by collecting and tagging crab using (t-bar) tags that are retained through the molting process.