



May 18, 2023

DRAFT Spend Plan for funds appropriated to address the 2020 Gulf of Alaska Pacific cod fishery disaster determination. NOAA fisheries allocated \$17,772,540 for the 2020 Gulf of Alaska (GOA) Pacific cod fishery disaster on May 6, 2022.

Written comments are requested on all elements of the proposed spend plan and should be as specific as possible. Comments will be posted as received and 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: Karla Bush
PO Box 115526
Juneau, AK 99811-5526

Comments must be sent by May 29, 2023, for consideration in the next draft of the spend plan. ADF&G will release a second draft of the spend plan for public comment before finalizing the spend plan.

Guiding principles for disaster fund distribution. Disbursement of funds is intended to:

1) assist fishery participants harmed by the 2020 Pacific cod disaster 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.

Proposed allocations and project categories: **the proposed categories and allocations reflect comments received from initial stakeholder input.**

Category	Allocation	Estimated funds ^a
Research	9%	\$1,590,000
Communities	4%	\$709,000
Harvesters	57%	\$10,110,000
Processors	30%	\$5,320,000
Program support	<0.2%	\$35,000
Total	100%	\$17,764,000

^a Additional funds will be allocated to Pacific States Marine Fisheries Commission (PSMFC) to administer the federal grant

Research – 9% (~\$1.59 million): The 2020 Pacific cod fishery disaster resulted from warmer than average ocean conditions, among other factors, beyond the control of fishery managers that reduced biomass and access to the fishery. ADF&G proposed to allocate funds to support projects intended to improve available fishery information and help prevent and/or mitigate future fishery disasters. The following themes informed research projects that were selected for funding under the 2018 GOA Pacific cod fishery disaster and may be relevant for research related to the 2020 fishery disaster:

- 1) Better understanding the effects of warming temperatures on Pacific cod ecology and population dynamics, with a focus on parameters to improve the stock assessment (e.g., mortality, growth, maturity).
- 2) Expanded early life history studies (spawning, larval, age-0) to focus on spatial-temporal variation in stock reproductive output, survival processes, and how these vary with changes in climate.
- 3) Resolving stock spatial structure, migration patterns, and connectivity based on new genetics/genomics approaches. Research may cover a wide range of methods, including understanding early life history, tagging, acoustic telemetry, modelling, genetics, surveys, and maturity.

ADF&G is requesting input on these and other potential research themes for allocation of funds in the 2020 GOA Pacific cod fishery disaster spend plan. ADF&G also requests input on the appropriate award process for research funds. Recent Alaska fishery disaster spend plans have used competitive and non-competitive bid processes to award research funds. A competitive process would be administered by PSMFC and would include a call for proposals, review process, and award of selected projects. A non-competitive process would include identifying the specific research project(s), funding amounts, and research entities receiving the funds in the spend plan as determined by ADF&G after considering public comment.

Communities – 4% (~\$709,000): Municipalities and boroughs rely on revenue generated from GOA Pacific cod landings and other economic activities related to the Pacific cod fishery and ADF&G proposes to include eligible communities in the disaster funds allocation. Fishery disaster funds allocated to communities impacted by the fishery disaster can only be used for managing, repairing, or maintaining approved infrastructure, services, or habitat that support Pacific cod fisheries in the affected areas. ADF&G proposed that only communities with a demonstrated loss of Pacific cod landings due to the fishery disaster will be eligible for community funds. Fishery disaster funds are Federal funds and cannot be used for projects where matching funds are required and this includes state or local match requirements.

Recent experience has shown that not all communities eligible for fishery disaster funds can participate in the process because the community entity must have capacity to administer the receipt of funds through a Federal grant subaward process and the funds may only be used for approved projects directly related to the fisheries in the disaster determination. To accommodate the variety of needs and administrative capacities of communities eligible for disaster funds, ADF&G proposes to include a spend plan provision allowing eligible communities to opt-out of receiving disaster funding for the 2020 GOA Pacific cod disaster. Allocations to communities that opt-out will be added to the final allocations for participating communities. This will help ensure that community-designated funds are fully utilized and made available to communities that decide to participate in the disaster funding process.

Communities must meet all proposed eligibility criteria to be eligible:

1. Fish ticket port of landing data must show that GOA Pacific cod were landed in the community in 2020 or in three of five years from 2015 to 2019.
2. Total landings of GOA Pacific cod in the community must have been greater than 10,000 pounds in three of six years (2015 to 2020).
3. Total 2020 GOA Pacific cod landings in the community must have been less than the 2015 to 2019 annual average.

Based on the proposed criteria, the following communities may be eligible for community-designated funds: Kodiak, Sand Point, and Akutan. Disaster funds for communities are proposed to be **pro rata** to their demonstrated loss.

Harvesters – 57% (~\$10.11 million): ADF&G proposes to make direct payments to vessel owners, or jig permit holders, and vessel crew who meet all eligibility criteria. The five-year (2015-2019) average exvessel value of the GOA Pacific cod fishery for catcher vessels (CVs) and wholesale value for catcher processors (CPs) was \$36.2 million dollars and the value of the 2020 fishery was \$4.1 million dollars, for a total estimated loss due to the disaster of \$32.1 million dollars. Funds allocated to the harvesting sector are intended to mitigate this loss by providing funds to bring the harvesting sector up to 31.5% of their recent historical value.

Similar to the 2018 GOA Pacific cod fishery disaster, ADF&G proposes to establish a pool for vessel crew with 10% of the harvester funds. The remaining harvester funds (90%) are proposed to be allocated among six fishery harvesting sectors based on gear and operation type: pot CVs, jig vessels, longline CVs, longline CPs, trawl CVs, and trawl CPs. The proposed split between vessel crew and permit holders (jig sector)/vessel owners (pot, longline, and trawl sectors) and the proposed eligibility criteria and payment distribution methods were informed by the 2018 fishery disaster spend plan and initial public comments on the 2020 fishery disaster spend plan and therefore are not consistent across sectors.

Vessel crew (10% of harvester pool): ADF&G proposes that each eligible vessel crew member will receive an **equal payment** from the vessel crew pool. The intent is to identify those crew who either participated during the 2020 season or had consistently participated in the GOA Pacific cod fishery as vessel crew prior to the 2020 fishery disaster and were unable to participate in 2020 because the directed federal fishery was closed.

Vessel crew must meet all proposed eligibility criteria to be eligible for an equal payment:

1. Vessel crew member must have worked for a permit holder (jig sector) or vessel (pot, longline, and trawl sectors) that is eligible to receive funds for the 2020 Pacific cod fishery disaster. This information will be verified based on vessel crew contract, vessel crew settlement, or an affidavit from the permit holder (jig sector) or vessel owner (pot, longline, and trawl sectors).
2. Vessel crew member must have held a 2020 commercial crew license or 2020 CFEC permit for any fishery. This information will be verified using the ADF&G Licensing database and the CFEC permit database. This criterion will be waived if the permit holder (jig sector) or vessel (pot, longline, and trawl sectors) qualified for the 2020 Pacific cod fishery disaster based on prior years' participation.
3. Vessel crew member must not be eligible for fishery disaster funds under another category of this distribution plan.

Fishery Sectors (90% of harvester pool): Eligibility criteria and fund distribution are informed by data from the NOAA Fisheries Catch Accounting Database and ADF&G fish tickets and from the 2018 GOA Pacific cod disaster spend plan in addition to initial comments received from stakeholders.

ADF&G proposes permit-based direct payments to the individual named on the CFEC commercial fishing permit for the jig sector. ADF&G proposes vessel-based direct payments to the person or entity named as the vessel owner on the 2020 CFEC commercial vessel license for all other sectors.

Proposed allocations to each of the six fishery harvesting sectors are based on the proportion of each sector's loss resulting from the 2020 fishery disaster. ADF&G used wholesale value rather than exvessel value to compare relative loss across all harvesting sectors because the harvesting sector includes both CVs and CPs. The loss to each sector is determined by comparing the 5-year average adjusted wholesale value (2015 to 2019) to the 2020 wholesale value as shown in the following table:

Sector	Average wholesale value (2015-2019)	2020 wholesale value	Loss	Proportion of total loss	Estimated allocation
Pot CV	\$39,024,975	\$5,447,086	\$33,577,889	59.5%	\$6,015,450
Jig CV and CP	\$1,981,009	\$1,503,745	\$477,264	0.8%	\$80,880
Longline CV	\$4,613,140	\$141,650	\$4,471,490	7.9%	\$798,690
Trawl CV	\$17,367,670	\$6,257,884	\$11,109,786	19.7%	\$1,991,670
Longline CP	\$5,983,492	\$0	\$5,983,492	10.6%	\$1,071,660
Trawl CP	\$1,158,133	\$325,208	\$832,925	1.5%	\$151,650
Total	\$70,128,419	\$13,675,572	\$56,452,847	100.0%	\$10,110,000

Pot catcher vessels (59.5% of harvester funds, ~\$6 million): Proposed **vessel-based** distribution.

Pot catcher vessel owners must meet all proposed eligibility criteria to be eligible for payment:

1. Vessel must have been used to harvest GOA Pacific cod with pot gear in 2020 or in any three of five years from 2016 to 2020.
2. Average GOA Pacific cod landings from 2016 to 2020 must be equal to or greater than 70,000 pounds.

Proposed payment distribution for pot vessels is based on four tiers as follows: establish four payment tiers based on average annual pounds of directed Pacific cod harvested by the vessel in the best three of five years, 2016 to 2020. If a vessel had less than three years of participation, the average includes only years when harvest occurred. The proposed allocation from the pot CV pool apportioned to each tier is based on the total proportion of harvest by the vessels in each tier. Each vessel owner in the same tier would receive an equal payment.

Tier level	Average landings (best 3 of 5 years)	Allocation	Est. number of eligible vessels
1	> 1,000,000 pounds	31%	7
2	600,000 - 999,999 pounds	33%	17
3	375,000 – 599,999 pounds	21%	17
4	< 374,999 pounds	15%	24

Jig vessels (0.8% of harvester funds, ~\$80,000): Proposed **permit-based** distribution.

Jig fishery permit holders must meet all proposed eligibility criteria to be eligible for payment:

1. Permit holder must have landed GOA Pacific cod in 2020 or in at least three of five years from 2015 to 2019 on a M05B, M05G, M26B, or M26G CFEC permit card.
2. Total GOA Pacific cod landings from 2015 to 2020 must be equal to or greater than 750 pounds.

Distribution for jig permit holders: eligible jig permit holders are proposed to receive an **equal share** of the jig allocation. An estimated 81 jig permit holders would qualify for disaster funds based on the proposed eligibility criteria.

Longline catcher vessels (7.9% of harvester funds, ~\$798,000): Proposed **vessel-based** distribution.

Longline catcher vessel owners must meet all proposed eligibility criteria to be eligible for payment:

1. Vessel must have retained GOA Pacific cod with longline gear in 2020 or in any three of five years from 2016 to 2020.
2. Average GOA Pacific cod landings from 2016 to 2020 must be equal to or greater than 20,000 pounds.

Proposed payment distribution for longline catcher vessels is based on four tiers as follows: establish three tiers based on average annual pounds of retained GOA Pacific cod harvested by each eligible vessel in the best three of five years from 2016 to 2020. If a vessel had less than three years of participation, the average includes only years when harvest occurred. The proposed allocation from the longline CV pool apportioned to each tier is based on the proportion of total harvest by the vessels in each tier. Each vessel owner in the same tier would receive an equal payment.

Tier level	Average landings (best 3 of 5 years)	Allocation	Est. number of eligible vessels
1	> 200,000 pounds	28%	4
2	100,000 - 199,999 pounds	51%	14
3	< 99,999 pounds	21%	12

Trawl catcher vessels (19.7% of harvester funds, ~\$1.99 million) Proposed **vessel-based** distribution.

Trawl catcher vessel owners must meet all proposed eligibility criteria to be eligible for payment:

1. Vessel must have retained GOA Pacific cod in a trawl fishery in 2020 or in any three of five years from 2016 to 2020.
2. Average GOA Pacific cod landings from 2016 to 2020 must be equal to or greater than 70,000 pounds.

Proposed payment distribution for trawl catcher vessels is based on three tiers as follows: establish three tiers based on average annual pounds of retained GOA Pacific cod harvested by each eligible vessel in the best three of five years from 2016 to 2020. If a vessel had less than three years of participation, the average includes only years when harvest occurred. The proposed allocation from the trawl CV pool apportioned to each tier is based on the proportion of total harvest by the vessels in each tier. Each vessel owner in the same tier would receive an equal payment.

Tier level	Average landings (best 3 of 5 years)	Allocation (from the trawl CV pool)	Est. number of eligible vessels
1	> 700,000 pounds	53%	13
2	300,000 – 699,999 pounds	38%	18
3	< 299,999 pounds	9%	10

Longline catcher processors (10.6% of harvester funds, ~\$1.07 million) Proposed **vessel-based** distribution; if a company owns more than one vessel, the payments will be aggregated at the company level.

Longline catcher processor vessel owners must meet the following proposed eligibility criterion to receive a payment:

- Vessel must have been used to harvest GOA Pacific cod in a directed fishery in any three of five years from 2015 to 2019.

Proposed payment distribution for longline catcher processors: eligible vessel owners are proposed to receive an **equal share** of the longline catcher processor allocation. An estimated five vessels are estimated to qualify for disaster funds based on the proposed eligibility criterion.

Trawl catcher processors (1.5% of harvester funds, ~\$151,000): Proposed **vessel-based** distribution.

Trawl catcher processor vessel owners must meet the following proposed eligibility criterion to receive a payment:

- Vessel must have retained 100,000 pounds of GOA Pacific cod in any three of five years from 2016 to 2020.

Proposed payment distribution for trawl catcher processors: eligible vessel owners are proposed to receive an **equal share** of the trawl catcher processor allocation. Four trawl catcher processing vessels are estimated to qualify for disaster funds based on the eligibility criteria.

Processors – 30% (~\$5.32 million): Proposed direct payments to processing companies and tender vessel owners who meet all eligibility criteria. The five-year (2015-2019) average wholesale value of the GOA Pacific cod fishery for processors was \$104.1 million dollars and the wholesale value of the 2020 fishery was \$52.7 million dollars, for a total estimated loss due to the disaster of \$51.4 million dollars. The funds allocated to the harvesting sector are intended to mitigate this loss by providing funds to bring the processing sector up to 10.5% of their recent average wholesale value.

Similar to the 2018 GOA Pacific cod fishery disaster spend plan, ADF&G proposes to include tender vessels by subdividing the processor allocation into two pools: one for tender vessels (2%) and one for processing companies (98%). These percentages match what was used in the 2018 fishery disaster spend plan and are again proposed for the 2020 fishery disaster spend plan.

Tender vessels (2% of processor pool):

Tender vessel owners must meet all proposed eligibility criteria to receive a payment:

1. Vessel must have operated as a tender in a directed GOA Pacific cod fishery in 2020 or in any three of five years (2015-2019).
2. Tender vessel must be able to demonstrate a revenue loss as a result of the disaster by comparing the average pounds of GOA Pacific cod tendered from 2015 to 2019 to the total pounds of GOA Pacific cod tendered in 2020.

Tender vessel owners meeting the eligibility criteria are proposed to receive an **equal payment** of the tender vessel allocation.

Processing companies (98% of processor pool): The proposed allocation to eligible GOA Pacific cod processing companies is based on the average wholesale value of GOA Pacific cod processed at facilities owned by each processing company from 2015 to 2019 using Commercial Operator's Annual Report (COAR) production data.

Processing companies must meet all proposed eligibility criteria to receive a payment:

1. Must own a facility that processed GOA Pacific cod in 2020 or in any three of five years (2015-2019).
2. Processing company must have a total first wholesale value of \$10,000 or greater for GOA Pacific cod in any three of six years (2015-2020).
3. The COAR data must show that the processing company had a demonstrated first wholesale value loss for GOA Pacific cod in 2020 as compared to the company's average wholesale value of GOA Pacific cod from 2015 to 2019.

Disaster payments to processing companies are proposed to be **pro rata** to their demonstrated loss.

Program Support <0.02% (\$35,000): ADF&G is proposing to allocate funds for staff working on fishery disaster plan development and implementation in coordination with Pacific States Marine Fisheries Commission.