



January 10, 2024

**Updated: January 29, 2024 to include new program support assessment**

**Final 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.

**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. ADF&G revised the plan based on those comments and posted a second draft spend plan for public comment in November 2023. Fourteen additional comments were received (Appendix 1). When commenters provided opposing viewpoints on specific topics, ADF&G weighted comments from fishery associations more heavily than those from individuals based on the premise that fishery associations represent the majority interest of those stakeholders.

In response to comments received on the second draft spend plan, ADF&G made the following revision:

#### Research

- ADF&G maintained a 12% allocation to research and supports a combination of direct allocation to Bering Sea Fisheries Research Foundation (BSFRF), ADF&G, and an open, competitive bid process for research funds. Public comments supported reducing the research allocation to provide additional funds for direct payments, but the extensive amount of information needed to understand and mitigate the underlying causes of unprecedented crab stock declines in the Bering Sea supports maintaining research as a priority for disaster funds as specified by the Magnuson-Stevens Fishery Conservation and Management Act.

#### Communities

- The community allocation of 5% is taken 'off the top'. Disaster funds will be distributed 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 did not raise the community allocation or move the community category into the fishery-specific allocation, as requested in public comment, because having communities as a separate allocation is standard approach in recent spend plans and the allocation is similar to the Fishery Business and local raw fish tax combined percentage.
- ADF&G maintained the 1% set aside for Saint Paul community entities based on comments that Saint Paul is highly 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 determines the following entities are 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. These payments are intended to offset the unique and severe impacts

to the Saint Paul Island fishing community and fishery-related infrastructure and institutions, separate from community funds to cover lost fishery tax revenue.

#### Allocations

- The allocation of funds between the harvester and processor sectors was revised to 86/14 for Bristol Bay red king crab (BBR) and 78/22 for Bering Sea snow crab (BSS) based on the Non-Binding Price Formula. Processor sector representatives proposed an allocation of 75% to harvesters and 25% to processors but did not provide supplemental data to support those allocations. Therefore, ADF&G determined that the Non-Binding Price Formula was the best source of information to inform sector allocations.
- Data used to support the fishery-specific allocations and the Pacific States Marine Fisheries Commission (PSMFC) fee assessment values were updated with the most recent information. These changes resulted in a higher overall funding allocation, which was distributed proportionally across all categories in the spend plan, and a higher gross revenue estimate for the 2021/22 BSS crab fishery as compared to the value presented in the first and second draft spend plans.

#### Harvesters

- For vessels that were transferred to a different owner between the qualifying seasons and disaster seasons, a provision was added to specify that payment shall be made to the transferor if the landing history of the vessel was not conveyed to the transferee under the vessel Purchase and Sale agreement.
- For vessels that qualified for both disaster seasons and had a different owner each season, ADF&G clarified that payments will be calculated pro-rata to the vessels' harvesting history in each season.
- Based on public comments, ADF&G revised the method for calculating payments to captains and crew. Payments will be based on fishery participation information provided by the vessel owner rather than on a share-based system. This change reflects the differences in typical crew pay that are based on the duties of each position, experience, and amount of time worked during the qualifying season(s). Using this method for captain and crew payments will require vessel owners to include final settlement information for captains and crew in the application for payment.

#### Processors

- Based on public comment, ADF&G maintained the provision limiting payment eligibility to "active" Processor Quota Share (PQS) holders and processing companies that own processing facilities. Individuals who lease PQS from a PQS holder and have the resulting Individual Processing Quota (IPQ) custom processed are not eligible for a direct payment because they do not own PQS or operate a facility used in crab processing. Owning PQS and/or operating a facility used in crab processing demonstrates significant investment and active participation in the fishery. ADF&G determined that these active participants were disproportionately affected by the fishery disaster and limited eligibility for a direct payment to these participants.

**Guiding principles for disaster fund distribution:** Disbursement of funds is intended to 1) assist fishery participants harmed by the 2021/22 and 2022/23 BBR and 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.

<b>Total estimated funds <sup>a</sup></b>	<b>\$190,225,169</b>
Research (~12%)	\$22,500,000
Saint Paul Island (1%)	\$1,870,000
Community (5%)	\$9,360,000
ADF&G Program support (<0.1%)	\$62,557
<b>Total remaining funds</b>	<b>\$156,432,612</b>

<sup>a</sup> Additional funds are taken off the top by Pacific States Marine Fisheries Commission to administer the federal grant.

The categories and allocations were informed by recent Alaska fishery disaster spend plans and comments received from stakeholder input. Funds for research, Saint Paul Island entities, communities and program support will come off the top and the remaining funds will be apportioned based on the proportion of total estimated revenue loss in the BBR and BSS crab fisheries. Fishery-specific funds are allocated to communities, harvesters, processors, and CDQ groups.

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. A portion 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 fishery participants 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 maintains 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 of \$14.35 million (64%) to the Bering Sea Fisheries Research Foundation (BSFRF) to coordinate and lead a total of 8 surveys, 2) an allocation of \$2.1 million (9%) to ADF&G for research, and administrative staff to lead, oversee, and coordinate all disaster related research and management, and 3) an allocation of \$6.0 million (27%) for an open and competitive request for proposals (RFP) administered by PSMFC and utilizing the North Pacific Research Board’s (NPRB) scientific review process. More detailed project-specific allocations are in Appendix 2.

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 expected 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. Three annual surveys are proposed for BBR to extend our knowledge of the distribution of crab in the late winter and early spring when crab are molting and mating and many non-crab fisheries are occurring. Three more surveys are proposed for BSS to examine the relative importance of areas that are not covered by the Eastern Bering Sea trawl survey. The two remaining surveys are 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 3). 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.

**Saint Paul Island & Tribal Entities- 1% of total funds (~\$1.87 million):** 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. The community of Saint Paul is unique among communities affected by the BBR and BSS crab fishery disaster because it does not participate in other fisheries that could help mitigate the impacts of losses from the crab fisheries. ADF&G recommends direct payments distributed equally to each of these three entities that support the community of Saint Paul Island's fishery infrastructure and institutions. This does not exclude the City of Saint Paul from applying for funds under the Community allocation, which are intended to cover a portion of lost fishery tax revenue.

The City of Saint Paul is almost entirely dependent on the crab fisheries for municipal operations and fishery-related infrastructure and services. These funds are intended to support the City of Saint Paul's loss of associated fisheries service activities such as fuel sales and supplies, reduced dockage and wharf fees, and loss of employment and population from significantly reduced harvesting and processing activity. 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 recommends a 5% allocation to affected communities to help mitigate losses in fish tax and other economic losses due to the fishery disaster.

Direct payments to municipalities and boroughs are based on the port of landing where BBR 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.

Disaster funds will be distributed pro rata to eligible communities based on each community's proportion of the total 2019/20 and 2020/21 pounds of BBR crab 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

Remaining funds will be apportioned 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 is 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 <sup>a</sup>	Disaster year gross revenue	Estimated loss	Percent of total loss	Estimated funds
2021/22 BBR	\$50,704,845	\$0	\$50,704,845	33.7%	\$52,725,189
2022/23 BBR		\$0	\$50,704,845		
2021/22 BSS	\$119,128,444	\$38,789,842	\$80,338,602		\$103,707,423
2022/23 BSS		\$0	\$119,128,444	66.3%	
<b>Total</b>			\$300,876,736	100%	\$156,432,612

<sup>a</sup> Five year average of the most recent five years that did not include a fishery disaster.

## Bristol Bay red king crab

BBR crab fishery disaster funds are allocated for direct payments to mitigate losses sustained by affected CDQ groups, communities, harvesters, and processors.

Categories	Allocation	Estimated funds
Community Development Program	10%	\$5,272,519
Harvester/Processor Funds	90%	\$47,452,670
<b>Total</b>		<b>\$52,725,189</b>

**BBR Western Alaska Community Development Quota (CDQ) Programs:** ADF&G recommends 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. Direct payments to each CDQ group are 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%	\$896,328
Bristol Bay Economic Development Association	19%	\$1,001,779
Central Bering Sea Fisherman's Association	10%	\$527,252
Coastal Village Region Fund	18%	\$949,053
Norton Sound Economic Development Association	18%	\$949,053
Yukon Delta Fisheries Development Association	18%	\$949,053
<b>Total</b>	<b>100%</b>	<b>\$5,272,519</b>

**BBR Harvester/Processor Funds:** ADF&G used the Non-Binding Price Formula<sup>1</sup> for BBR crab to establish the allocation, which results in a harvester share of 86% and processor share of 14%.

<b>Components</b>	<b>Allocation</b>	<b>Estimated funds</b>
Harvesters	86.0%	\$40,809,296
Processor	14.0%	\$6,643,374
		<b>\$47,452,670</b>

**BBR Harvesters:** Harvester funds will be allocated into three pools: quota share (QS) holders, vessel owners, and a combined pool for captains and crew. The allocation is 53% to QS holders and 47% as a vessel-based allocation, 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. The 2021/22 and 2022/23 seasons will be used to determine eligibility for QS holders and vessel owners because those are the seasons included in this fishery disaster. ADF&G recommends using participation in the 2019/20 and 2020/21 BBR seasons for captains/crew eligibility because these are the last two seasons that the BBR fishery was open.

<b>Harvester component</b>	<b>Allocation</b>	<b>Estimated funds</b>
QS Holders	53%	\$21,628,927
Vessel owners	30%	\$12,275,436
Captains/crew	17%	\$6,904,933
		<b>\$40,809,296</b>

**BBR QS Holders** – 53% of harvester funds (~\$21.6 million). The following criterion will be used to determine QS holder eligibility for 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).

Direct payments to QS holders will be 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.

**BBR vessel-based payments for vessel owners, captains, and crew** – 47% of the harvester funds (~\$19.2 million).

The following criterion will 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.

<sup>1</sup> [§ 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).

Vessel-based payments will be 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 recommends allocating 64% of available funds to eligible vessel owners and 36% to eligible captains and crew, which is consistent with BBR exvessel revenue distribution between vessel owners and captains/crew reported in the Crab Economic SAFE report<sup>2</sup> by NOAA Fisheries. The split would provide vessel owners with 30% of the harvester funds and captains/crew with 17% of disaster funds allocated to harvesters.

BBR vessel owners – Vessel owners are allocated 64% of the vessel's share of the total allocation for vessel-based payments (30% of the harvester funds ~\$12.3 million).

ADF&G recommends 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 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:

1. As agreed between the transferor and transferee based on an affidavit signed by both the transferor and transferee and provided at the time of application, or
2. To the transferor if the landing history of the vessel was not conveyed to the transferee under the Purchase and Sale agreement. A copy of the Purchase and Sale Agreement must be provided at the time of application.

To be eligible for payment, vessel owners must provide at the time of application an affidavit that includes final settlement information for each qualifying season, 2019/20 and/or 2020/21, including:

1. captain and crew names
2. most recent known address and contact information
3. total pounds landed by fishery and season not including deadloss, and
4. percent share for each captain/crew, to equal 100%.

BBR captains/crew – Captains and crew are allocated 36% of the vessel's share of the total allocation for vessel-based payments (17% of the harvester funds ~\$6.9 million).

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

The following criteria will be used 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 will 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.

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



- 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.

Captain and crew payments are determined by the percent share indicated by the vessel owner and are based on final settlement information for each fishery and season.

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.

ADF&G recommends that unclaimed captain/crew funds be shared proportionally among eligible captains and crew on the same vessel.

**BBR Processors:** ADF&G is recommending direct payments to Processor Quota Share (PQS) holders during the 2021/22 or 2022/23 seasons and active processing companies that processed BBR during the 2019/20 or 2020/21 seasons. The processor allocation will be split 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 will be used for PQS holders to qualify for a direct payment:

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

Direct payments to PQS holders are 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.

The following criterion will be used 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.

Direct payments for active shore-based processing companies are 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

BSS crab fishery disaster funds are allocated for direct payments to mitigate losses sustained by affected CDQ groups, communities, harvesters, and processors.

Categories	Allocation	Estimated funds
Community Development Program	10%	\$10,370,742
Harvester/Processor	90%	\$93,336,681
<b>Total</b>		<b>\$103,707,423</b>

**BSS Western Alaska Community Development Quota (CDQ) Programs:** ADF&G recommends 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. Direct payments to each

CDQ group are based on each group’s allocation of the BSS crab fishery in federal regulation and shown in the table below.

<b>CDQ Group Bering Sea Snow</b>	<b>Percent Allocation</b>	<b>Estimated Amount</b>
Aleutian Pribilof Island Community Development Association	8%	\$829,659
Bristol Bay Economic Development Association	20%	\$2,074,148
Central Bering Sea Fisherman’s Association	20%	\$2,074,148
Coastal Village Region Fund	17%	\$1,763,026
Norton Sound Economic Development Association	18%	\$1,866,734
Yukon Delta Fisheries Development Association	17%	\$1,763,026
<b>Total</b>	<b>100%</b>	<b>\$10,370,742</b>

**BSS Harvester/Processor Funds:** ADF&G used the Non-Binding Price Formula<sup>3</sup> for BSS crab to establish the allocation, which results in a harvester share of 78% and processor share of 22%.

<b>Components</b>	<b>Allocation</b>	<b>Estimated funds</b>
Harvesters	78.0%	\$72,802,611
Processor	22.0%	\$20,534,070
		<b>\$93,336,681</b>

**BSS Harvesters:** Harvester funds will be allocated into three pools: QS holders, vessel owners, and a combined pool for captains and crew. The allocation is 42% to QS holders and 58% as a vessel-based allocation, 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. The 2021/22 and 2022/23 seasons will be used to determine eligibility for QS holders and vessel owners because those are the seasons included in this fishery disaster. ADF&G recommends using participation in the 2019/20 and 2020/21 BSS seasons for captains/crew eligibility because these are the last two seasons prior to the BSS stock collapse.

<b>Harvester component</b>	<b>Allocation</b>	<b>Estimated funds</b>
QS Holders	42%	\$30,577,097
Vessel owners	37%	\$26,602,074
Captains/crew	21%	\$15,623,440
		<b>\$72,802,611</b>

<sup>3</sup> [§ 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).

BSS QS Holders – 42% of harvester funds (~\$30.6 million). The following criterion will be used to determine QS holder eligibility 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).

Direct payments to QS holders will be 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 direct payments. There were 388 individual QS holders of BSS quota for the 2020/21 and 2022/23 seasons.

BSS vessel-based payments for vessel owners, captains, and crew – 58% of the harvester funds (~\$42.2 million).

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

- The vessel must have been used to harvest BSS in the IFQ fishery during either the 2019/20 or 2020/21 season.

Vessel-based payments will be 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 recommends allocating 63% of available funds to eligible vessel owners and 37% to eligible captains and crew, which is consistent with BSS exvessel revenue distribution between vessel owners and captains/crew reported in the Crab Economic SAFE report<sup>4</sup> by NOAA Fisheries. The split would provide vessel owners with 37% of the harvester funds and captains/crew with 21% of the harvester funds.

BSS vessel owners – Vessel owners will be allocated 63% of the vessel's share of the total allocation for vessel-based payments (37% of the harvester funds ~\$26.6 million).

ADF&G recommends 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 typically occur after January. 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:

1. As agreed between the transferor and transferee based on an affidavit signed by both the transferor and transferee and provided at the time of application, or
2. To the transferor if the landing history of the vessel was not conveyed to the transferee under the Purchase and Sale agreement. A copy of the Purchase and Sale Agreement must be provided at the time of application.

To be eligible for payment, vessel owners must provide at the time of application an affidavit that includes final settlement information for each qualifying season, 2019/20 and/or 2020/21, including:

1. captain and crew names
2. most recent known address and contact information

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

3. total pounds landed by fishery and season not including deadloss, and
4. percent share for each captain/crew, to equal 100%.

**BSS captains/crew** – Captains and crew are allocated 37% of the vessel’s share of the total allocation for vessel-based payments (21% of the harvester funds ~\$15.6 million).

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

The following criteria will be used 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 will 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 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.

Captain and crew payments are determined by the percent share indicated by the vessel owner and are based on final settlement information for each fishery and season.

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.

ADF&G recommends that unclaimed captain/crew funds be shared proportionally amongst the eligible captains and crew on the same vessel.

**BSS Processors:** ADF&G is recommending direct payments to PQS holders during the 2021/22 or 2022/23 seasons and active processing companies that processed BSS during the 2019/20 or 2020/21 seasons. The processor allocation will be split 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 will be used for PQS holders to qualify for a direct payment:

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

Direct payments to PQS holders are 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.

The following criterion will be used 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.

Direct payments for active shore-based processing companies are 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.

**Program Support - <0.1% of total funds (\$62,557):** ADF&G is proposing to allocate funds to partially cover salary and benefits for a Program Coordinator who helps manage the fishery disaster program on behalf of the State of Alaska.

**General direction:** Unless otherwise specified, ADF&G recommends reallocating unclaimed funds in any category and/or subcategory among all qualified individuals within the same allocation category/subcategory.



# Central Bering Sea Fishermen's Association

P.O. Box 288 | Saint Paul Island, Alaska 99660 | Phone: 907.546.2597 | Fax: 907.546.2450 | cbsfa.com

December 11, 2023

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

*Re: Comments on Second 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 the opportunity to provide comments on the Second Draft Spend Plan issued by the Alaska Department of Fish & Game (ADFG) on November 28, 2023.

The Central Bering Sea Fishermen's Association (CBSFA) is the Community Development Quota (CDQ) group for Saint Paul Island. Due in part to Saint Paul's proximity to the Bering Sea's crab resources, CBSFA is allocated significant percentages of the total Bering Sea crab resources that are set aside for the CDQ Program, and has made substantial additional investments in crab harvesting and processing quota.

CBSFA very much appreciates the responsiveness of ADFG in the second draft of the proposed spend plan to public comments from the crab industry and crab-dependent communities. We are particularly pleased by the proposed set-aside of 1% of the disaster funds for Saint Paul community entities, reflecting the extreme dependence of our community on the harvesting and processing of Bering Sea crab.

CBSFA would like to request your consideration of additional language in the section of the second spend plan that changes the way eligibility is determined for disaster funds. Because of the dramatic downturn in crab abundance, in 2022 CBSFA sold one of our three crab vessels, the F/V Adventure, to a buyer who intended to use the vessel for salmon tendering and in fisheries other than crab. Accordingly, the Purchase and Sale Agreement did not include the crab landing history, crab harvest quota, crab LLP or crab equipment, all of which were retained by CBSFA. Our intention was not to exit the fishery, but to temporarily reduce harvesting capacity.

In the second draft plan, for Bristol Bay Red King Crab, ADFG 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. For Bering Sea Snow Crab, ADFG 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.

The spend plan further proposes: “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.”

We ask that the language be expanded with the following language **in bold**:

“If ownership of an eligible vessel was transferred between 2019 and 2023, eligibility for payment will not be impaired by such transfer. Any payments shall be made:

1. As agreed between the transferor and transferee based on an affidavit signed by both the transferor and transferee and provided at the time of application, or
2. **To the transferor if the landing history of the vessel was not conveyed to transferee under the Purchase and Sale agreement. A copy of the Purchase and Sale Agreement must be provided at the time of application.**

It is important for CBSFA and its members, the over 400 men, women and children of Saint Paul Island, that the Final Spend Plan include the proposed language. Saint Paul is facing an existential threat due to the impacts resulting from the closure of the crab fisheries. Even though the loss of crab has severely affected CBSFA, our CDQ group is using its remaining available CDQ resources to support important community programs including education, child and elder care, research, and infrastructure initiatives and projects. The crab disaster funds associated with the F/V Adventure were earned from the Bering Sea crab fisheries by CBSFA fishermen, equipment, and resources. As these disaster funds are designed to meet the needs of those most harmed by the crab failures, they should be directed to CBSFA and the Unangan residents of Saint Paul.

In other matters, we appreciated the State’s proposal to reduce the research allocation from 18% to 12%, and allocate 5% to communities “off the top.” However, we support the request by crab-dependent communities for consideration of a community allocation of 6%. To help achieve a higher community allocation, we propose that the research allocation be reduced to 10%, as proposed by the overwhelming majority of commenters.

The businesses that crab communities depend on are facing a series of recent challenges resulting not only from the crab fishery closures, but also from poor market conditions that are affecting multiple fisheries. This has led to deferral of important infrastructure investments that would have spurred economic growth and opportunities. Impacts include the loss of fisheries service activities and loss of population. Given these difficulties, we believe it is vital for the communities and for the State of Alaska that sufficient levels of support be extended to the communities from the disaster funds for the 2021 and 2022 BBR and BSS seasons.

In summary, CBSFA appreciates ADFG's work in the development of the BSS and BBRKC Spend Plan, as well as its broader efforts in support of crab dependent communities and other fishery stakeholders affected by recent fishery disasters.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Lestenkof', with a stylized flourish at the end.

Phillip Lestenkof, President  
Central Bering Sea Fishermen's Association



**From:** Edward Bishop  
**Sent:** Monday, December 11, 2023 5:25 AM  
**To:** DFG, ComFisheriesDisasters (DFG sponsored)  
**Cc:** Jamie Goen  
**Subject:** Not using the 2/1 share system

To whom this may concern.

Hello my name is Ed Bishop I have fished in the crab industry for over 30 years. I am writing this letter to say I just read that you may distribute the funds by a share basis versus catch history. I feel as if this is not fair, there are many of us who have been involved in the industry on deck as well as the wheelhouse(myself) for a very long time and to just hand out shares equal to someone like myself who is not only new(greenhorns) or just by being on the crew list is just not right.. I do not think the quota share owners are gonna be paid like that or other entities such as research and so on. We as crew keep getting the short end and I feel like without us so many others would not even be here. A lot of us have been in this industry for many years and thankfully we may see some help soon and I just feel like we should be paid fairly for the work we have done and time we have put into this.. I do hope this will be read and the powers to be think very hard on changing the 2/1 share scale to something that will reflect the time and percentages we have work all our lives for. Thank you taking the time to read this and have a good day...

Edward Bishop

**From:** Damien  
**Sent:** Monday, December 11, 2023 9:04 AM  
**To:** DFG, ComFisheriesDisasters (DFG sponsored)  
**Subject:** BBRKC & BSS 2nd Draft

Darion Jones,

I began my Bering Sea Journey in 2000 for the BBRKC season. From a greenhorn all the way up to Captain and everything in between...I chose to stick and stay at a very young age , even obtaining a 1600 USCG Masters license.

I would like to make a comment on this 2nd draft spend plan regarding captain and crew pay .

Just as each vessel will be paid Pro Rata based on pounds landed for each qualifying year I believe each individual captain and crew member should be paid Pro Rata for participation and their pay "percentage" on the vessels on which they were employed on during the qualifying season/years .

In doing so it will allow the individual to be paid accordingly and fairly for the time and effort put in. Whether an individual participated in 10% of the vessels season total or whether an individual participated in 100% of the vessels season total , the disaster relief payment to an individual shall reflect that participation as well how much they would have received based on their percentage of the vessels crew share pool .

Implementing equal pay for any Captain and any Crewmember would contradict the programs essence , which aims to provide relief based on lost income . Those who diligently worked throughout the season solely depend on this payout, creating an imbalance in the fairness of an equal payout .

Sincerely  
Damien Catala



December 11, 2023

Alaska Department of Fish and Game  
Attn: Darion Jones  
PO Box 115526  
Juneau, AK 99811-5526

**Re: Comments on Second Draft Spend Plan for Bristol Bay Red King Crab and Bering Sea Snow Crab**

Dear Ms. Jones:

The North Pacific Crab Association (NPCA) is a small trade association comprised of the majority of holders of crab program processing quota shares (PQS) and active crab processing facilities in the Bering Sea crab fisheries. Our members match with crab harvesters and process crab in the communities Dutch Harbor; Akutan; and St. Paul at shoreside crab processing facilities. Our members have held PQS and actively participated in the Bering Sea Crab fisheries for decades.

We appreciate the opportunity to present our second set of comments on the draft spend plan. We incorporate our first set of comments on the initial draft spend plan submitted to ADFG earlier. We support the second draft spend plan and will comment on the specific ADFG requests for comment on the second draft spend plan allocation to the crab processing sector.

We support the allocations to the crab dependent communities and support the comments to those allocations that will be filed by the crab dependent community representatives. The crab processing sector and the crab dependent communities remain committed to each other. We also support the second draft spend plan allocation of fishery disaster funds to the remaining crab stakeholders and to crab research going forward.

ADFG has requested specific comments regarding the following issues:

1. 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.

We support the second draft spend plan including only PQS holders and processing companies that own processing facilities-'active' processors as eligible for payment. We believe that PQS holders and active processors have been damaged by the crab fishery disasters and have lost value and opportunity due to the BBR and BSS closures. PQS holders and active processing

companies are dependent upon the BBR and BSS crab fisheries and have demonstrated substantial losses that will be assisted by receiving payments from the crab disaster funds.

2. 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.

3. 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.

ADFG requested comments during the initial draft of the spend plan regarding potential differentiation in direct payments due to when PQS was acquired. Initially or later. NPCA commented on the initial draft spend plan that there should be no differentiation in payments based on when the PQS was acquired. Each PQS holder has treated its PQS holdings as tangible assets and has used them for funding crab operations regardless of when the PQS was acquired. Each PQS holder suffered a loss on its PQS holding investment due to the crab fishery disasters and any differentiation in crab disaster funding payments based on PQS acquisition timing could lead to an unfair payment distribution based on individual PQS financial transactions. Treating all PQS holders similarly will avoid the potential unfair distribution.

Thank you for the opportunity to comment on the second draft spend plan.

Sincerely,



John Iani

President North Pacific Crab Association

**From:** owen Kvinge  
**Sent:** Monday, December 11, 2023 11:01 AM  
**To:** DFG, ComFisheriesDisasters (DFG sponsored)  
**Subject:** BBRK/BSS Spend Plan

Dear Commissioner Vincent-Lang,

Thank you for the opportunity to comment on the second draft of the spend plan for the 2021/22 and 2022/23 Bristol Bay Red King Crab and Bering Sea Snow Crab fisheries disaster relief.

I am a forty-year active participant in the Bering Sea crab fisheries. I have been a captain of a crab vessel for over thirty years. I currently hold a USCG 1600-ton Master's license. I am the captain of the F/V Arctic Sea which requires licensed personnel on board: Master, Mate, and Chief Engineer. I have personally participated as captain in every Bering Sea IFQ crab fishery since its inception in 2005. I am a current board member of the Bering Sea Research Foundation and the Alaska Bering Sea Crabbers.

I would like to comment about the distribution of funds to captains and crews. I feel that ADF&G's proposed share-based system is grossly inequitable and not reflective of the past and current compensation structure used to determine crew pay. For example, it would be unfair to compensate a greenhorn who quits after a couple of days fishing the same amount of money as an experienced crew member who fished the entire season, sometimes lasting months.

The current pay structure is based on experience, job position, responsibilities and licensure. For example, I have a range of crew members from a licensed Mate and licensed Chief Engineer who both have over 20 years' experience fishing crab in the Bering Sea all the way down to a first-time fishing "greenhorn". It would be unjust to compensate these individuals at the same rate.

What I feel is fair and just is a percentage-based compensation structure that mirrors what was earned during the BBR and BBS fisheries qualifying years. This information is readily available in the boat owners' records and has already been submitted to other government agencies such as the IRS and Social Security in the form of wages earned.

I realize that compensating the crew in this way may involve some additional calculations and effort, however that doesn't mean it shouldn't be done. The crew deserves the same amount of consideration as the other entities. We are one of the most crucial parts of the Bering Sea crab fisheries. We are the ones out on the water risking our lives to make this industry happen, let alone the multiple sacrifices that our family and loved ones have made.

I encourage you to spend the time and effort to create a spend plan that accurately compensates the crew for the income that they have lost due to the closures of these fisheries.

Sincerely,

Owen Kvinge



December 11, 2023

Alaska Dept. of Fish and Game  
Attn: Darion Jones, Program Coordinator  
[Dfg.com.fisheriesdisasters@alaska.gov](mailto:Dfg.com.fisheriesdisasters@alaska.gov)  
PO Box 115526  
Juneau, Alaska 99811-5526

Re: 2<sup>nd</sup> 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. Jones,

We are responding to a specific request in the 2<sup>nd</sup> Draft spending plan with respect to the treatment of IPQ holders. Keyport LLC’s business model includes leasing of IPQ. As any other processor we are held to the same standards and requirements as we outlined in our response to “1<sup>st</sup> Draft Spending Plan Proposal”. The question then is how to determine allocations to PQS and related IPQ holders based on the current draft spending plan. As well as determining the allocation of processor share between active and contracted processing share. Keyport LLC believes the allocation for IPQ holders and processing can be addressed as follows:

**PART 1 – Allocation of PQS and related IPQ**

Under the current 2<sup>nd</sup> draft proposal ADF&G on page 6 it is clearly addressed that harvesters who lease QS will receive settlements as part of the portion allocated to harvesters. This decision contrasts with how leases of PQS are being recognized on the processing side of the settlement which has no provision for such settlements to companies who lease IPQ from PQS holders. It is the position of Keyport LLC that this is not in accordance with the overall intent of the disaster settlement in compensating “ALL” stakeholders who suffered economic harm.

As Keyport LLC leases PQS as IPQ we believe an allocation of PQS share needs to be considered in the case of IPQ holders. IPQ to be a derivative of PQS. In this scenario total PQS is allocated between held and leased based on the year immediately preceding the disaster years being funded or alternatively an average leased total pounds between the year immediately preceding the disaster year and 2023/24 in the case of BBR.

Exhibit 1

BBR Processor Funds

Component	Allocation	Estimated Funds
PQS	50%	\$ 4,423,655
Processor	50%	\$ 4,423,655
	100%	\$ 8,847,309

Using Exhibit 1 PQS units to be allocated in lbs as per year prior to disaster year relative to total PQS.



**Proposed Allocation Formula**

$$\frac{\text{Total Lbs Leased prior to Disaster Declaration Year}}{\text{Total PQS for Year Prior to Disaster Declaration Year}} = \% \text{ of PQS Allocation to be distributed to Leasee's of PQS} \times 95\%$$

The formula above allocates PQS settlement funds to companies who leased PQS(IPQ) immediately prior to the disaster declaration year. Additionally, the 95% adjustment gives back to the PQS holder the portion which they would have received in the form of lease payments from the Leasee .

**PART 2 – Allocation of Processor Share to NON-ACTIVE IPQ holders**

Keyport LLC, in addition to leasing IPQ, processes crab under custom processing agreements. As a “processor” Keyport LLC should also be considered for a share of the “active “processor allocation. In this case Keyport LLC should be treated as a processor as per remitted landing records of which Keyport LLC’s overall share of processing pounds in the disaster years in question 2019/20 and 2020/21 should be deemed as part of total processing lbs and allocated according to the formula with modification for contracted processing costs. The following formula demonstrates this:

$$\frac{\text{Leased LBS Processed by Custom Processors.}}{\text{Total LBS Processed by All Processors}} = \% \text{ of total LBS processed by “Custom Processors”} \times 95\%$$

The formula above takes all processed LBS by “Custom Processors” and assigns that percentage to those entities who pay for Processing from an established processing facility. The modification to the formula by only allowing “Custom Processors” to receive 95% of the amount represents the custom processing fees that these entities would be remitting to the established processing facility in a “Custom Processing” arrangement.

This same methodology as shown above can be applied to the 2022/23 BSS Disaster Fishery

In recapping the above information, the points to address are as follows:

1. Harvesters who lease are receiving allocations of harvester funds.....Processors who lease are currently not addressed.
2. Processors who lease IPQ have all the responsibilities, commitments, liabilities, risks and TAX obligations of PQS holders.
3. Those who hold leased IPQ and subsequently contract to process this, while not having physical facilities to do so should share equally with the physical processors less adjustment for custom processing fees.

The end result is that holders like Keyport LLC should be allocated a share of PQS funds as well as Processor funds as Keyport LLC and others act in both capacities.

Sincerely,

Mark Pedersen  
President & CEO

Kurt Pedersen  
President & COO

**From:** Tom Suryan  
**Sent:** Monday, December 11, 2023 2:51 PM  
**To:** DFG, ComFisheriesDisasters (DFG sponsored)  
**Subject:** Spend Plan second draft comments

December 11, 2023

Doug Vincent-Lang, Commissioner ADF&G  
Attn: Darion Jones  
P.O. Box 115526  
Juneau, AK 99811-5526

Dear Commissioner Vincent-Lang,

Thank you for the opportunity comment on the second draft of the spend plan for the 2021/22 and 2022/23 Bristol Bay red king crab and Bering Sea snow crab fisheries disaster determinations.

I am a lifelong fisherman having made my living fishing in the waters off Alaska since 1974 and have fished crab continuously from 1980 up to and including the 2021 snow crab season, most recently as captain of the Bristol Mariner from 1997 through the 2021 snow crab season. The Bristol Mariner has not fished crab since that time. I was also the President of Skippers for Equitable Access (SEA) starting with the groups inception in 1994 and continuing all through the rationalization of the crab fisheries and was one of the chief architects of the C Share provision in that program.

My comments here are specific to the distribution of disaster relief funds to captains and crew. I feel very strongly that a 2-to-1 share/point system basis as currently proposed in the draft document where qualifying captains get two shares and qualifying crew get one share for each of the qualifying years is both a grossly unfair and an extremely inequitable way to allocate these crucially needed funds. In all my fishing experience, going back over 40 years, captains and crew have been paid on a "share" basis but NOT one that is equal for all crew and twice that for the captain but rather has always been expressed as a percentage (%) share of the adjusted gross stock of the vessel's catch and is based on the experience and value that the individual brings to the operation.

Depending on the vessel, these percentages can range from the "half share" or new entrant with virtually no knowledge or experience, to the mate or engineer who knows the operation intimately, is an extremely good and reliable crew member and can quite likely step in and run the operation, if need be. This represents a large range of value to the operation and the crew shares often vary quite significantly to reflect this. Likewise, the captain's share is not a fixed share but again is a percentage which reflects that individual's value and contribution to the particular operation. I believe that these variations need to be recognized and taken into consideration as the disaster allocations and payments are made.

I encourage you to look at the history of what the individual, whether crew or captain, was paid expressed as a percentage of what was paid to the deck in the qualifying years and apply that percentage on a pro rata basis to determine the amount of the relief fund the crewman receives for each qualifying vessel. This is the most fair and equitable way to allocate these funds. I think that the burden for this reporting should be put on the applicant/applicant's vessel and I have spoken with our bookkeeper who assures me that in our case all the information is available and that putting together the data should not present any hurdle. Since the years you are looking at are quite recent, all the data should still be accessible.

Sincerely, Tom Suryan



CITY OF  
**Saint Paul**  
ALASKA



December 11, 2023

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

*Re: Comments on Second 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 the opportunity to provide comments on the Second Draft Plan issued by the Alaska Department of Fish & Game (ADF&G or the State) on November 28, 2023.

We also appreciate ADF&G's responsiveness to comments concerning the Initial Draft Spend Plan, and more specifically to the recommendations made by Alaskan crab-dependent communities. The State's proposal to reduce the research allocation from 18% to 12%, allocate 5% to communities "off the top", and set aside 1% for Saint Paul community entities, improves the ability of our Alaskan communities to weather the impacts of the 2021, 2022, and now 2023 crab fishery closures.

We commend the State for considering Saint Paul Island's unique dependence on the BSS fishery and financial situation, and support ADF&G's recommendation to set aside 1% of the disaster funds for this community. As remote, western Alaskan communities and boroughs, with large Alaska Native and minority populations, we all share similar challenges and have a shared sense of solidarity with the troubles affecting our sister communities. In addition, the State's guidance on how disaster funds are to be distributed, both from the 1% Saint Paul set aside and the proposed community allocation, will facilitate and expedite disbursement of these funds among the various beneficiaries.

However, we continue to support an allocation to communities that is higher than the 5% proposed by the State and request that it consider a community allocation of 6%. To achieve a higher community allocation, we propose that the research allocation be reduced to 10% as proposed by the overwhelming majority of industry -- and all of the community -- stakeholders.

As you are aware, the businesses that our communities depend on are facing a series of recent challenges resulting not only from the crab fishery closures, but also from poor market conditions that are affecting a number of other fisheries. This has led major operations based in our communities to defer or cancel important infrastructure



investments that would have otherwise spurred economic growth and opportunities. These developments have had cascading impacts on our communities which include the loss of associated fisheries service activities, infrastructure development, and loss of population. Unfortunately, this situation is likely to continue into the foreseeable future.

Given these realities, and the difficulties that we are likely to face in getting future disaster determinations funded by Congress, we believe it is vital for us and for the State of Alaska that sufficient levels of support be extended to our communities from the disaster funds appropriated last December for the 2021 and 2022 BBR and BSS seasons.

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

Thank you for your consideration. We look forward to working with the State towards successful implementation of the BSS and BBR Spend Plan.

Sincerely,



Alvin Osterback, Mayor  
Aleutians East Borough



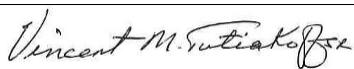
Joe Bereskin, Mayor  
City of Akutan



Warren Wilson, Mayor  
City of King Cove



Jacob Mercurief, Mayor  
City of Saint Paul



Vince Tutiakoff, Mayor  
City of Unalaska



December 11, 2023

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

Re: Comments on the SECOND 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 [second 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](#). And thank you for moving quickly through the spend plan process to do your part to get relief funds moving faster. 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.

Several comments and context from our July 14, 2023, and October 20, 2023, letters on the various stages of the spend plan continue to be relevant and are herein incorporated by reference (see p.42 of the [first draft spend plan](#) and p.19 of the [second draft spend plan](#)). Please refer to those letters for more details and context, including but not limited to research projects and research process. This comment letter focuses on the highlight for this round of comments.

## RESEARCH

ABSC continues to support a maximum of 10% for research. We note that in the comments to the first draft spend plan, all but one comment letter on the last round also recommended 10% representing the voices of hundreds if not thousands of people from all areas of affected crab stakeholders - communities, CDQ groups, harvesters, and processors (see the group letter from 10 organizations on p.28 of the second draft spend plan and the letter on p.49 from 5 communities). While only one commenter recommended up to 12% and offered between 10-12% in their letter (see p.23).

ABSC thinks that even 10% (~\$18M) is high given that 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.

Additionally, we would also like to point out the significant amount of funds that have recently been designated for crab-specific research in the Bering Sea. Nearly \$5.5 million have been awarded thus far from other sources (i.e., Congress, North Pacific Research Board, and other disasters) and potentially a very large amount more to come in the near future. Not to mention, grant programs like the North Pacific Research Board, among others, have funding available for further crab research. We are very supportive of a portion of the disaster money being set aside for research, however, with large amounts of funding currently designated and upcoming opportunities to assess and award more money in the future, we feel it is important and justifiable for the State to allow as much of this disaster money to land in the pockets of those that need it the most: harvesters, communities, CDQ, and processors.

### **COMMUNITIES, INCLUDING SAINT PAUL**

ABSC supports the communities at 5% but request that it be moved back down in the order of operations for the calculation to be included with harvesters, processors, and CDQ. All of these groups, including communities, should be contributing from their allocation towards research. It is unfair to do otherwise.

In addition, ABSC supports a special allocation of 1% to Saint Paul as they have been disproportionately harmed as a community. However, same as communities, we request this amount should be moved down in the order of operations so that all stakeholders, including the community of Saint Paul, are contributing to the research amount. In addition, 1% to Saint Paul should only be for Bering Sea snow crab since that is the fishery the community primarily gets revenue from by landings of crab vessel that deliver and use facilities there.

### **HARVESTERS**

ABSC opposes creating two classes of QS holders (initial issues and recently purchased quota shares) for disaster payments. To reiterate ABSC's comments from our October 20<sup>th</sup> letter, it 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.

We appreciate that this draft updated the vessel owner years to be those of the disaster (i.e., vessel owner of record in 2021/22 and 2022/23). This is fair by helping those affected by the disaster years and is consistent with the recent 2019/20 Bering Sea bairdi spend plan.

For the methodology for sharing between captains and crew, ABSC maintains our original position from our letter dated July 14, 2023. The methodology should be in proportion to each qualified vessel's landings and crew time/pay onboard through a spreadsheet submitted by the

vessel owner or evidence submitted by the crew member. In other words, a pro-rata approach for captains and crew per vessel. This more accurately pays captains and crew based on their losses from the disaster than the 2-to-1 point/share system.

ABSC represents the majority of harvesters, including captains and crew (i.e., the majority of c-share holders). ABSC heard feedback from captains and crew after the 2019/20 Bering Sea bairdi spend plan about that system being overly simplistic and unfair to crew. The 2-to-1 point/share system does not account for the difference in crew qualifications (i.e., engineer versus greenhorn) nor does it account for difference in commitment to the season (i.e., crew that last 1 trip versus a full season).

ABSC proposes a more fair, pro-rata approach by eligible vessel that pays captains and crew based on their percent of crew share paid during a select BBR and/or BSS season. It is a slightly more complex approach than the 2-to-1 point/share system but it is a much more fair approach and there's documentation available to implement it.

For the pro-rata approach to captains and crew by vessel, either vessel owner or crew could provide data to qualify. Vessel owners have information on pay to each individual during a season because it is what they submit for tax purposes. Vessels owners could convert that to a percentage of the vessel's pay to captains and crew if it is not already reported as such for taxes. The owner also has information on crew pay in contracts for crew. The vessel owner for each individual vessel that qualifies could submit a spreadsheet to PSMFC with the percent each individual crew during a season was paid of the vessel's total crew pay (see example below from ABSC's July 14, 2023 comment letter). In addition, the crew could submit their own documentation showing pay stubs, contracts, or other settlement statements for that vessel and that fishery. Because captains and crew have their own portion of the disaster funds, there should not be any concern or incentive for vessel owners to be unfair.

Example of vessel owner documentation below to provide to PSMFC for captain/crew percent pay. This was submitted in Attachment E from ABSC's July 14, 2023 comment letter.

BSS EXAMPLE - Vessel A								
Year	2020			2021			Total	
Lbs	910,000			1,200,000			2,110,000	
Name	Relative %	Relative lbs	Relative %	Relative lbs	Relative %	Relative lbs		
Crew A	-	28.6%	260,571	-	19.2%	229,882	23.2%	490,453
Crew B	-	17.1%	156,000	-	16.6%	198,941	16.8%	354,941
Crew C	-	5.8%	52,857	-	9.6%	115,540	8.0%	168,397
Crew D	-	14.3%	130,000	-	15.5%	185,540	15.0%	315,540
Crew E	-	11.4%	104,000	-	11.1%	132,627	11.2%	236,627
Crew F	-	8.6%	78,000	-	3.5%	42,000	5.7%	120,000
Crew G	-	6.1%	55,714	-	0.0%	-	2.6%	55,714
Crew H	-	5.7%	51,429	-	14.0%	168,000	10.4%	219,429
Crew I	-	2.4%	21,429	-	5.8%	70,000	4.3%	91,429
Crew J	-	0.0%	-	-	4.8%	57,470	2.7%	57,470
Crew share	100.0%	910,000	100.0%	1,200,000	100.0%	2,110,000		

## 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. Harvester costs for fuel, insurance, bait, repairs, moorage, and labor, to name a few, have all gone up. Further, processors handle multiple species, making it difficult to attribute added costs to any one species. The revenue-sharing formula that is basis of sharing between harvesters and processors in the BSAI Crab Rationalization Program does not consider costs because in a multi-species processor plant you cannot break down the costs to a specific pound of processed crab. Harvesters have a similar difficulty allocating costs across different crab fisheries and seasons. That is why the rationalization program adopted a revenue-sharing arbitration formula instead of a profit-sharing formula. The state's COAR data provides revenue data for processors.

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.

Thank you for considering our comments.

Sincerely,



Jamie Goen  
Executive Director  
*Alaska Bering Sea Crabbers*



President John W. Melovidov  
Vice President Myron Melovidov  
Secretary-Treasurer Robert Melovidov Sr.  
Council Members Michael R. Zacharof  
Jacob N. Mercurief  
Shiona Melovidov  
Amos T. Philemonoff Sr

December 11, 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 (ACSPI) respectfully submits the following comments together with its prior comments made September 27, 2023; and October 20, 2023 (1<sup>st</sup> draft), in response to the ADF&G Second 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 appreciates and recognizes that the ADF&G has proposed in its Second Draft an equal split between the City of St. Paul, the Tanadgusix Corporation (TDX), and the ACSPI with regards to the 1% set aside for St. Paul. However, it is the exclusion of the ACSPI and TDX in the much larger community share pot that we raise issue. There are three entities making claims to “community-share” allocations on St. Paul Island with roughly equal impacts from this fishery failure but are not equitably recognized within the Second Draft Community Share allocation.

ACSPI, TDX, and the City of St. Paul are these three community entities that contribute to the well-being of the St. Paul community and have experienced massive documented economic loss because of these crashes. Only recognizing the City of St. Paul with regards to the community share of relief would be a direct undermining of the reality of how St. Paul functions 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 St. Paul Island.

We understand the ADF&G is in the late stages of trying to find an equitable distribution method for St. Paul community entities ACSPI, TDX, and City of St. Paul; and we offer the following.

- 1) Split the 1% set aside 50/50 between ACSPI and TDX, leaving the community share for the City of St. Paul.

Or

- 2) Sum St. Paul’s 1% set aside and its community share (Sum = 1% set aside plus community share) and then split that sum equally between the three community entities ACSPI, TDX, and City of St. Paul. This distribution method would be consistent and proportional to original claims made in our joint signature letter from City of St. Paul to the Secretary of Commerce with regard to our community request for disaster relief.



**President**  
**Vice President**  
**Secretary-Treasurer**  
**Council Members**

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

Sincerely,

A handwritten signature in blue ink, appearing to read "J. W. Melovidov", is written over a light blue circular stamp.

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



December 11, 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) Second 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 from Saint Paul Island, Alaska, located in the epicenter 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 fishing fleet; lodging for itinerant crab harvesting and processing workers in Saint Paul and Anchorage; air passenger and freight 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.

First, thank you for incorporating changes in the Second Draft Spend Plan that reflect concerns raised by TDX in its October 20, 2023, comments regarding the Initial Draft Spend Plan.

TDX Respectfully offers the following comments on the Second Draft Spend Plan.

- 1) As per the (separate) letter signed by representatives of harvesters, communities, and CDQ groups (including TDX), it is recommended that 10 percent be allocated to research.
- 2) TDX is grateful for and supports the 1 percent (\$1,870,000) set-aside for Saint Paul Island. The Second Draft Spend Plan, however, proposes to split this set-aside equally between the City of Saint Paul, Aleut Community of Saint Paul (Tribe), and TDX. Additionally, the City of Saint Paul would be allowed under the Second Draft Spend Plan, to share in the 5 percent (\$9,360,000) identified for Communities.





As accurately summarized in the Second Draft Spend Plan, the City, Tribe and TDX have lost nearly equal amounts due to the fisheries disaster, i.e., \$2 million, \$2 million and \$2.4 million per year, respectively. The proposed methodology would result in a disproportionately high amount for the City. Instead, TDX recommends that:

- a. The 1 percent for Saint Paul Island be split equally between the Tribe and TDX, while the City participates in the Community distribution; or,
- b. The City, Tribe and TDX share the 1 percent equally *and* the Tribe and TDX be allowed to participate in the Community distribution to the same extent as the City of Saint Paul.

The above approaches (a. or b.) would result in direct payments to the City, Tribe and TDX in amounts commensurate with their losses relative to one another. This is especially important given the City's prior statement to ADF&G that it will not administer sub-awards to other entities in Saint Paul Island.

Thank you for your consideration. TDX's shareholders and employees sincerely appreciate the leadership of Governor Dunleavy and the entire team at ADF&G on this critical issue.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Chris Mandregan', is written over a light blue circular watermark.

Christopher Mandregan, Jr.  
Chief Executive Officer

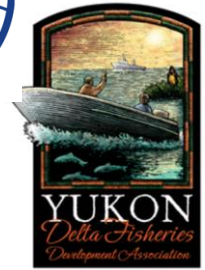
**From:** Jake Anderson  
**Sent:** Monday, December 11, 2023 10:42 PM  
**To:** DFG, ComFisheriesDisasters (DFG sponsored)  
**Subject:** Disaster Relief Comment

To Whom It May Concern:

We fisherman have been greatly affected by not only the closing of these seasons but also the challenges that we are faced with due to leasing rates that further fisherman being shoved out of having a stake in the claim, plant processing payout delays, and plants determining product pricing that continue to impact our work and way of life to provide for our families. I purchased sea shares for BSS two weeks before the closure was announced and have yet to be able to fish it. The impact of the closure has been monumental for not only my family but for many families and communities. I ask that the relief pay out finds a way to show the hardworking fisherman the respect they are owed for the work they do to support their families and the communities these fisheries support. I would hope it is taken into consideration that the proposed 63/37 split be adjusted to 60/40 to show some good faith that we are valued. I have spent my career working not only on deck and in the wheelhouse but showcasing the sacrifices and dangers that go into these fisheries; I have worked to market our line of work to the public to maintain a demand for our product. I believe deeply that the American dream can still live in Alaska while maintaining balance and sustainability for these fisheries for generations to come.

Thank you for your time and consideration.

Captain Jake Anderson



December 11, 2023

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

Re: 2<sup>nd</sup> Draft 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 stakeholders **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 note that in the comments to the first draft spend plan, the vast majority of stakeholders also recommended 10% representing the voices of hundreds if not thousands of people from communities, CDQ groups, harvesters, and processors (see the group letter from 10 organizations on p.28 of the [2nd draft spend plan](#) and the letter on p.49 from 5 communities). The one commenter that recommended up to 12% and offered between 10-12% in their letter (see p.23) on the last draft, now joins the majority in supporting up to 10% for research.

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

**Michael Link**, President/CEO, Bristol Bay Economic Development Corporation

**Chris Mandregan**, CEO, TDX Tanadgusix Corporation

**Vincent M. Tutiakoff**, Mayor, City of Unalaska

**Warren Wilson**, Mayor, City of King Cove

**Phillip Zavadil**, City Manager, City of St. Paul

# Gabriel Prout, Commercial Fisherman

P.O. Box 8321  
Kodiak, AK 99615  
(863) 370-2687  
[Gwprout1@gmail.com](mailto:Gwprout1@gmail.com)

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

Ms. Jones,

Thank you for the opportunity to comment on the second draft of the 2021/22 and 2022/23 Bristol Bay Red King Crab and Snow Crab fishery disasters.

I would like to make my comment to the question by ADF&G regarding the following: “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.”

I appreciate that the state is taking this situation by new entrants into the fishery during a historic fishery collapse into consideration. It is my individual opinion that the state should consider allocating a premium to newly or ‘recently’ purchased quota vs initially issued or non-recently purchased quota to ensure the disaster funds are equitably shared. This distinction would help mitigate the effects and constraints faced by those, like myself, who are new entrants into the fishery but do not have the same capital preservation as those who have participated and benefitted in the fishery in previous years before the collapse, yet are still faced with the financial burden of quota repayments to the banks by investing in this fishery.

By allocating a premium to those who are not only entering the fishery for the first time, but also continually investing in the fishery, it will provide some additional revenue to those who are, on a

observational basis, the most greatly impacted by the season closure and collapse of the crab population stocks.

I propose the state consider treating recently purchased quota based on a point system. I propose a point system for newly purchased or 'recently' purchased QS because it is similar to what has already been used in previous disaster requests (see 2019/2020 Bering Sea Tanner disaster) as well as in the current disaster spend plan on how to pay captain and crew. The point system will be based on the 5 year previous ownership of the QS (Quota Share) immediately prior to the closure and collapse of BBR and BSS fisheries.

I believe a window of 5 years is appropriate because it is of similar nature and in line with the agreement that was used to calculate the 5 year gross average price for crab, which is the basis for the value of the agreed upon amounts to all entities and parties involved in this particular disaster spend plan.

QS purchased immediately preceding the collapse and closure of both BSS and BBR should be awarded a full additional "point" for entering the fishery before the collapse compared to initially issued quota, or quota that is not within the 5 year purchase time preceding the collapse and closure. This point system would be on a progressively graduated bracket, similar to the point system used for paying captains and crew under the Harvester agreement section of the BSS/BBR spend plan.

For quota purchased immediately prior to the collapse and closure of BSS and BBR (2021/2022 fishing year), new entrants and purchasers would be awarded a full additional "point" for each QS unit they purchased.

Suggested amounts and criteria would be as follows:

For purchases made and completed in the 2020/2021 crab transfer year, new purchasers would be awarded an additional point for each unit of QS at a 2 to 1 ratio vs that of non recently-purchased QS.

For purchases made and completed in the 2019/2020 crab transfer year, purchasers would be awarded an additional point for each unit of QS at a 1.8 to 1 ratio vs that of non recently-purchased QS.

For purchases made and completed in the 2018/2019 crab transfer year, purchasers would be awarded an additional point for each unit of QS at a 1.6 to 1 ratio vs that of non recently-purchased QS.

For purchases made and completed in the 2017/2018 crab transfer year, purchasers would be awarded an additional point for each unit of QS at a 1.4 to 1 ratio vs that of non recently-purchased QS.

For purchases made and completed in the 2016/2017 crab transfer year, purchasers would be awarded an additional point for each unit of QS at a 1.2 to 1 ratio vs that of non recently-purchased QS.

Purchases made prior to the 2016/2017 crab fishing and transfer year would be treated as non-recently purchased quota share, and be awarded based off the determined amounts allocated in the spend plan from the calculated percentages that the state finalizes for the harvester portion of disaster funds.

This proposal of the point system for 'recently' purchased quota is the most equitable for those who not only participate in the fishery by owning QS, but are also entering for the first time and for those who are continually investing in the fishery as well. It is suggested that the additional value these premium points incur will be allocated from the amounts that the state designates to the QS portion of the harvester disaster funds.

Verification and eligibility for the accrual of this particular point system will be easily verifiable as ADFG already requests that QS holders applying be listed as the eligible owner of CVO/CVC/CPO or CPC in order to meet the criteria for payments of the harvester portion of disaster funds. Furthermore, determination for eligibility of the "point" premium ratio which is dependent on transfer year can also be easily verified by the transfer certificate and receipt that NOAA provides for all QS transfers that happen when a quota transfer takes place.

Thank you for taking time to consider my comments on how to effectively and equitably aid new entrants who are facing severe and disproportionate financial hardships from direct effort to participate and invest in this fishery. Thank you.

**-Gabriel Prout**

Commercial Fisherman, Vessel Owner

Appendix 2. Draft allocation of funds among BSFRF surveys and ADF&G staffing. ADF&G staffing is based on a total of 24 months of 2 new full-time staff for each of 4 years.

Research Allocation	\$ 22,500,000
<b>BSFRF Surveys</b>	
CPS3 (winter 2025)	\$ 1,450,000
CPS4 (winter 2026)	\$ 1,450,000
CPS5 (winter 2027)	\$ 1,450,000
Slope Pot survey (summer 2025)	\$ 2,000,000
SPS 2 (summer 2026)	\$ 2,000,000
SPS 3 (summer 2027)	\$ 2,000,000
Research Platform 1	\$ 2,000,000
Research Platform 2	\$ 2,000,000
<b>Subtotal</b>	<b>\$ 14,350,000</b>
<b>ADFG Allocation for Research</b>	
ADFG research/coordination/data management	\$ 1,606,847
ADFG field work participation	\$ 361,860
NPRB contract for RFP process	\$ 125,000
<b>Subtotal</b>	<b>\$ 2,093,707</b>
<b>Competitive Request for Proposals</b>	<b>\$ 6,056,293</b>
<b>Grand Total</b>	<b>\$ 22,500,000</b>



Appendix 3. 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.