



August 11, 2023

Second DRAFT Spend Plan for funds appropriated to address the 2018 Upper Cook Inlet (UCI) East Side Set Gillnet (ESSN) and 2020 UCI salmon disaster determination. NOAA Fisheries allocated \$9,404,672 for these salmon fishery disasters on May 6, 2022. The scope of this fishery disaster includes all salmon species, although most of the revenue loss was related to sockeye salmon.

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

ADF&G, Attn: Darion Jones
PO Box 115526
Juneau, AK 99811-5526

Comments must be sent by August 22, 2023, for consideration in the final spend plan. **This is the last opportunity to submit comments** before the spend plan is finalized and sent to Pacific States Marine Fisheries Commission (PSMFC).

Process to develop the spend plan: ADF&G posted an initial draft spend plan for public comment in June 2023 and received 7 written comments (Appendix 1). ADF&G revised the spend plan based on public comments and is requesting comments on this second draft.

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

Funding categories

- ADF&G retained the funding categories that were initially proposed, including allocations for research, communities, and processors. Although some public commenters recommended excluding these categories from the spend plan, ADF&G did not accept this recommendation because it is not consistent with requirements in the Magnuson-Stevens Fishery Conservation and Management Act, which prioritizes specific uses for disaster funds. These uses include scientific research that reduces adverse impacts to the fishery or improve understanding of the affected species or its ecosystem; developing, repairing, or improving fishery-related public infrastructure; and direct assistance to a person, fishing community or a business to alleviate economic loss incurred as a direct result of a fishery disaster.

Research

- ADF&G is proposing a competitive bid process for all research funds as suggested in public comments. Commentors also suggested eliminating or reducing research funds from 15% to 10% or 5% to increase the proportion of funds for direct payments to fishery participants. ADF&G is proposing to reduce the allocation for research from 15% to 10% recognizing the administrative

and review period for a competitive bid process will reduce the available research time by approximately one year.

Harvesters

- ADF&G received several comments in support of a higher allocation for the harvester category. The harvester category includes over 650 individuals not counting crew. Most permit holders reside in Kenai Peninsula communities and do not participate in other commercial fisheries. ADF&G proposes to increase the allocation to the harvester category from 53% to 62% to recognize the severe impacts of the fishery disaster on harvesters who do not have opportunities to participate in other fisheries.
- The 2018 setnet allocation is proposed to be partially subdivided between those who registered to fish in the Kenai and Kasilof fishing sections based on a recommendation in public comment. Permit registration and buoy sticker data provided by the ADF&G Division of Commercial Fisheries and statistical areas reported on fish ticket landings would be used to assign registered permit holders to either section.
- ADF&G received one comment in support of the crew allocations and several comments supporting removal of the crew allocation for the set gillnet fleet because a substantial number of crew in the ESSN fishery were fully compensated even in the disaster years. ADF&G proposes to reduce the allocation to crew member pools for the set gillnet sector from 15% to 10% to recognize different approaches for individual crew compensation across fishery participants.
- ADF&G corrected the percentage loss by fishery table to include only those districts in the disaster determination. The table in the initial draft spend plan included data from a salmon district outside the ESSN and UCI areas.
- ADF&G did not accept the suggestion from public comment to remove the 2018 disaster year from the 5-year average calculation to determine fishery losses in 2020. Both the set gillnet and drift gillnet fisheries experienced substantial revenue losses in 2018.
- ADF&G did not accept the suggestion from public comment to allocate 75% of the harvester funds to the set gillnet sector and 25% to the drift gillnet sector. ADF&G recommends basing the allocations between the harvesting sectors on the estimated gross revenue loss due to the 2018 (set gillnet) and 2020 (set gillnet and drift gillnet) fishery disasters consistent with previous disaster spend plans. Although commenters recommended other approaches to allocate funds between the sectors such as quantity and quality of fishing opportunities and potential for participation in fisheries not affected by a disaster, ADF&G was not able to identify alternative measures of loss that could be consistently applied across sectors.

Processors

- This draft spend plan provides estimates of revenue loss to the processing sector due to the disaster based on COAR buying data (exvessel value). ADF&G received one comment in support of the 29% allocation proposed in the initial spend plan and several comments supporting eliminating or reducing the allocation to 15% because processing companies have more opportunities for diversification than the UCI salmon harvesters. ADF&G is proposing to reduce the processing sector allocation from 29% to 25% to address public comment while recognizing that a portion of the processors operating in UCI are primarily dependent on the UCI salmon fishery and overall losses to the processing sector were similar in magnitude to the harvester losses.

Communities

- This draft spend plan clarifies that community funds may go to eligible cities or boroughs. For this fishery disaster the City of Homer, City of Kenai, and the Kenai Peninsula Borough, for landings that occurred in Kasilof, Nikiski, and Ninilchik, may be eligible for community designed funds.

Guiding principles for disaster fund distribution: Disbursement of funds is intended to 1) assist fishery participants harmed by the 2018 and 2020 salmon fishery 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.

Proposed allocations to project categories: The proposed categories and allocations reflect comments received from stakeholder input.

Category	Allocation	Estimated funds ^a
Research	10%	\$938,000
Communities	3%	\$281,000
Harvesters	62%	\$5,819,000
Processors	25%	\$2,346,000
Program support	<0.2%	\$18,000
Total		\$9,402,000

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

Research – 10% (~\$938,000): Research funds will be available through an open and competitive bid process administered by PSMFC. Entities that are authorized to receive federal grant funds are eligible to submit proposals for research projects 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 bid process. ADF&G is requesting input on these or other suggested research themes. This fishery disaster includes research related to sockeye salmon and weak stock management of Chinook salmon.

The following research themes were suggested by ADF&G research and management staff as priorities for funding:

- Research to improve understanding of the relative importance of specific mechanisms that drive productivity of Alaska salmon, which could include:
 - how ocean/climate conditions impact future runs;
 - freshwater and early marine survival bottlenecks, habitat use, and movement patterns; and
 - the role of diet, health, and disease on the survival and spawning success of Alaska salmon.
- Research to inform non-adult abundance estimates that can be used in developing or improving forecasting tools.

Public comment supported an annual analysis of Kenai Chinook salmon smolt outmigration.

- Improved methods for estimating adult salmon harvest and abundance including genetic analysis for stock composition.

Public comment supported further assessment and review of the Kenai late-run Chinook salmon estimates for all age classes. A comment in support of real-time genetic analysis for

stock composition of Chinook salmon taken in other state and federal water fisheries was also received.

- Management Strategy Evaluation (MSE) analyses examining risks and tradeoffs of different management approaches for mixed-stock fisheries to refine stock-specific management and understand impacts of various management actions.

Public comment additional review of escapement goals and alternative management approaches for Kenai late-run Chinook salmon.

Communities – 3% (~\$281,000): ADF&G received comment that available funds per community under the proposed allocation may not provide meaningful assistance. ADF&G is requesting comment on this topic to determine the appropriate allocation to assist municipalities and boroughs impacted by the disaster.

Municipalities and boroughs that rely on revenue and other economic activities related to salmon fisheries were negatively impacted by the UCI fishery disasters. Funds allocated to impacted communities can only be used for managing, repairing, or maintaining approved infrastructure, services, or habitat that support salmon fisheries in the affected areas. Only communities that have a demonstrated loss of salmon landings due to the fishery disaster will be eligible for community funds. Fishery disaster funds are Federal funds and cannot be used for projects where matching funds are required and this includes state or local match requirements.

Experience with recent fishery disasters has shown that not all communities eligible for fishery disaster funds are able to participate in the process because the community entity must have capacity to administer the receipt of funds through a federal grant subaward process and the funds may only be used for approved projects directly related to the fisheries in the disaster determination. To accommodate the variety of needs and administrative capacities of communities eligible for disaster funds, ADF&G proposes to include a spend plan provision allowing eligible communities to opt out of receiving disaster funding for the 2018 ESSN and 2020 UCI salmon disaster. Allocations to communities that opt out will be added to the final allocations for participating communities. This will help ensure that community-designated funds are fully utilized and made available to communities that decide to participate in the disaster funding process.

Proposed eligibility criteria for communities:

1. Fish ticket port of landing data must show that salmon from the 2018 ESSN fishery and/or salmon from the 2020 UCI salmon fisheries were landed in the community.
2. Estimated loss in gross revenue value for salmon landed in the community from the 2018 ESSN fishery and 2020 UCI fisheries combined must be at least \$400,000. The estimated loss in gross revenue is calculated by subtracting the value of the fishery in the disaster year from the previous five-year average, 2013-2017 and 2015-2019.

Based on the proposed criteria, the following municipalities and boroughs may be eligible for community-designated funds: City of Homer, City of Kenai, and the Kenai Peninsula Borough based on landings in Kasilof, Nikiski, and Ninilchik. Disaster funds for communities are proposed to be **pro rata** to their demonstrated loss.

Harvesters – 62% (~\$5,819,000): This category includes permit holders and crew. The total estimated loss in gross revenue for the 2018 ESSN and 2020 UCI fishery disaster is \$20.2 million dollars. Funds

allocated to the harvesting sector are intended to mitigate this loss by providing funds to bring the harvesting sector up to 29% of the sector’s recent historical value.

ADF&G proposes direct payments to commercial fishery permit holders and crew who meet all eligibility criteria. Commercial Fisheries Entry Commission (CFEC) permit information, fish ticket data from commercial salmon landings, buoy sticker registration, and CFEC gross earnings data will be used to determine eligibility and payment for permit holders. Permit holders can apply for each fishery in which they meet eligibility criteria but cannot apply as both a permit holder and crew member in the same fishery. Eligibility for crew will be verified using ADF&G commercial crew license or CFEC permit data and an affidavit from the permit holder or vessel owner. An affidavit form will be provided by PSMFC in the application information.

ADF&G proposes to allocate harvester funds proportional to the estimated loss in gross revenue for the 2018 ESSN, 2020 UCI set gillnet, and 2020 UCI drift gillnet fisheries because the fishery disaster funding allocation provided by NOAA Fisheries was informed by similar calculations. The estimated loss in gross revenue for the 2018 and 2020 fisheries is calculated by subtracting the value of each fishery in the disaster year from the respective previous five-year average, 2013-2017 and 2015-2019.

Fishery	Preceding 5-year average gross revenue value	Disaster year gross revenue value	Gross revenue loss ^a	Percent loss ^b	Estimated funds ^c
2018 East Side Setnet	\$10,202,227	\$3,116,154	-\$7,086,073	35%	\$2,040,632
2020 UCI Setnet	\$9,379,051	\$3,059,586	-\$6,319,465	31%	\$1,819,866
2020 UCI Driftnet	\$9,692,260	\$2,891,387	-\$6,800,873	34%	\$1,958,501
Total	\$29,273,538	\$9,067,127	\$20,206,411	100%	\$5,819,000

^a Gross revenue loss is the value in the disaster year subtracted from the five-year average

^b Percent loss is the gross revenue loss for each fishery and year divided by the total gross revenue loss of \$20,206,410.6

^c Estimated funds are based on the percent loss multiplied by the \$5.8 million in disaster funds proposed allocation to harvesters.

2018 East Side Set gillnet ~\$2,040,632

This allocation is proposed to go to eligible ESSN Permit Holders and buoy registrants based on the criteria outlined below and crew members. ADF&G proposes two revisions to the ESSN allocation: a 60/40 split between the Kenai and Kasilof sections for half of the 2018 ESSN funds and reduction of the allocation pool for crew members from 15% to 10%. These changes are proposed based on public comments and an understanding of the typical crew and permit holder contracts. ADF&G is seeking comment on the proposed change in this second draft spend plan.

2018 ESSN Permit Holders – 90% of the ESSN funds.

Proposed eligibility criterion for ESSN permit holders:

- Individual must have registered their CFEC permit and purchased a buoy sticker for the Upper Subdistrict as demonstrated by ADF&G Division of Commercial Fisheries records.

Funds are proposed to be paid to the person listed as the 2018 ‘Permit holder’ and temporary emergency transfer permit holders (transferees) in the CFEC database. Permit holders who certified they were

unable to participate to qualify for an emergency transfer and permit holders who permanently transferred a permit away before registering and purchasing a buoy sticker in 2018 will not receive payments.

Based on public comment, ADF&G is proposing that each permit holder who meets the proposed eligibility criterion receive a payment for each eligible permit for which they purchased an Upper Subdistrict buoy sticker. The proposed allocation split for 2018 ESSN funds, based on public comment, is outlined in the table below. Half of the funds are proposed to be distributed equally, and the other half are proposed to be split 60/40 between the Kenai and Kasilof sections. The recommendation to allocate a larger percentage to the Kenai section is based on that section having less fishing time compared to the Kasilof section. In 2018, the Kasilof section set gillnet fishery opened on June 25 and the Kenai section opened two weeks later on July 9.

Proposed split of 2018 ESSN sector permit holder funds after the 10% crew share is removed.

Fishery component	Proposed allocation	Estimated funds	Estimated number of permits
2018 East Side Setnet	50%	\$918,285	439
2018 Kenai ESSN group	30%	\$550,971	151
2018 Kasilof ESSN group	20%	\$367,314	288
Total ESSN permit holder funds		\$1,836,569	

A total of 439 permits were registered to fish with an Upper Subdistrict buoy sticker in 2018. Permit registration and statistical area information reported on salmon landings were used to assign permits to either the Kasilof or Kenai sections. In most instances, the section where a permit was registered matched the statistical area where the permit holder reported landings. Where these data did not match, the statistical area were landings occurred, or where members in the same fishing group were registered or reported landings, were used to assign each permit to a fishing section. Based on this information, 288 permits were assigned to the Kasilof section, and 151 permits were assigned to the Kenai section for 2018.

2018 ESSN crew – 10% of ESSN funds. East Side set gillnet crew must meet the following proposed criteria to be eligible for an **equal payment** of the 2018 ESSN crew funds. 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.

Proposed ESSN crew eligibility criteria:

1. Crew member must have held a 2018 commercial crew license or a 2018 CFEC permit for any fishery. This information will be verified using the ADF&G Licensing database and the CFEC permit database.
2. Crew member must provide information to show they participated as fishing crew in the 2018 ESSN salmon fishery for a qualified S04H permit holder, based on an affidavit from the permit holder.
3. Anyone qualified for disaster funds as a 2018 ESSN permit holder or transferee cannot qualify as crew in the same fishery.

2020 UCI Setnet ~\$1,819,866

This allocation is proposed for eligible UCI Setnet Permit Holders and buoy registrants based on the criteria outlined below. ADF&G proposes reducing the allocation pool for crew members from 15% to 10% based on public comments and an understanding of the typical crew and permit holder contracts. ADF&G is seeking comment on the proposed change in this second draft spend plan.

2020 UCI Set gillnet Permit Holders – 90% of the UCI set gillnet funds.

Proposed eligibility criterion for UCI set gillnet permit holders:

- Individual must have registered their CFEC permit and purchased a buoy sticker for the Upper Subdistrict as demonstrated by ADF&G Division of Commercial Fisheries records.

Funds are proposed to be paid to the person listed as the 2020 ‘Permit holder’ and temporary emergency transfer permit holders (transferees) in the CFEC database. Permit holders who certified they were unable to participate to qualify for an emergency transfer and permit holders who permanently transferred a permit away before registering and purchasing a buoy sticker in 2020 will not receive payments.

Based on public comment, ADF&G is proposing that each permit holder who meets the proposed eligibility criterion receive an equal payment for each eligible permit for which they purchased an Upper Subdistrict buoy sticker. A total of 408 permits were registered to fish with an Upper Subdistrict buoy sticker in 2020.

2020 UCI set gillnet crew – 10% of UCI set gillnet funds. Upper Cook Inlet set gillnet crew must meet the following proposed criteria to be eligible for an **equal payment** of the 2020 UCI set gillnet crew funds. 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.

Proposed UCI set gillnet crew eligibility criteria:

1. Crew member must have held a 2020 commercial crew license or a 2020 CFEC permit for any fishery. This information will be verified using the ADF&G Licensing database and the CFEC permit database.
2. Crew member must provide information to show they participated as fishing crew in the 2020 UCI set gillnet salmon fishery for a qualified S04H permit holder, based on an affidavit from the permit holder.
3. Anyone qualified for disaster funds as a 2020 UCI set gillnet permit holder or transferee cannot qualify as crew in the same fishery.

2020 UCI Drift gillnet ~\$1,958,501

The allocation is proposed to be divided into two pools, one for UCI drift gillnet permit holders (90%) and one for crew members (10%). The proposed split between permit holders and crew members is based on an average of one crew member who earns a 10% share.

2020 UCI Drift gillnet Permit Holders – 90% of UCI drift gillnet funds.

Proposed eligibility criteria for UCI drift gillnet permit holders:

1. S03H permit holder must have made a salmon landing in 2020 in Upper Cook Inlet.

2. Based on individual CFEC identification number, must have a demonstrated loss in exvessel value for UCI salmon in 2020 as compared to the previous five-year average, 2015 to 2019. This criterion does not apply to permit holders whose first year of participation was in 2020.

Funds are proposed to be paid to the person listed as the 2020 'Permit holder' and temporary emergency transfer permit holders (transferees) in the CFEC database. Permit holders who did not make any landings in 2020 and certified they were unable to participate to qualify for an emergency transfer and permit holders who did not make any landings in 2020 and permanently transferred a permit away in 2020 will not receive payments.

Based on initial public comment, ADF&G is proposing that each permit holder who meets all eligibility criteria receive an equal payment. If multiple eligible permit holders made landings in 2020 on the same limited entry permit, the payment will be split pro rata to the value of each eligible permit holders' salmon landings in 2020. A total of 319 permit holders made landings in UCI in 2020 and two of those permit holders did not have a loss in gross revenue value in 2020 as compared to their previous five-year average. Based on the proposed criteria, a total of 317 permit holders may be eligible for an equal payment.

2020 UCI drift gillnet crew – 10% of the UCI drift gillnet funds. Upper Cook Inlet drift gillnet crew must meet the following proposed criteria to be eligible for an **equal payment** of the 2020 UCI drift gillnet crew funds. 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.

Proposed UCI drift gillnet crew eligibility criteria:

1. Crew member must have held a 2020 commercial crew license or a 2020 CFEC permit for any fishery. This information will be verified using the ADF&G Licensing database and the CFEC permit database.
2. Crew member must provide information to show they participated as vessel crew in the 2020 UCI drift gillnet salmon fishery for a qualified S03H permit holder, based on an affidavit from the permit holder.
3. Anyone qualified for disaster funds as a 2020 UCI driftnet permit holder or transferee cannot qualify as crew in the same fishery.

Processors – 25% (~\$2,346,000): Direct payments to processing companies. The total estimated loss in final exvessel value for the ESSN and UCI fishery disaster is \$27.23 million dollars. Funds allocated to the processing sector are intended to mitigate this loss by providing funds to bring the processing sector up to 8.6% of the sector's recent historical value.

COAR buying data are proposed to be used to determine eligibility and payment for processors because those data are linked to where the salmon were harvested, and the scope of this fishery disaster includes the 2018 ESSN salmon fishery and the 2020 UCI salmon fisheries. COAR production data are linked to the location where the salmon processing occurred. Final exvessel price from the COAR buying data are proposed to be used to determine processor losses.

Processing companies are proposed to be identified based on their nine-digit federal tax identification number. Disaster payments to processing companies are proposed to be proportional to each company's demonstrated loss relative to the total loss of all eligible processing companies.

Proposed eligibility for processors:

1. Processing company must have purchased ESSN salmon in 2018 and/or UCI salmon in 2020.
2. Estimated loss in exvessel value for salmon purchased by the company from the 2018 ESSN fishery and 2020 UCI fisheries combined must be at least \$1,000. The estimated loss in exvessel value is calculated by subtracting the value of the fishery in the disaster year from the previous five-year average, 2013-2017 and 2015-2019.

Disaster payments to processing companies are proposed to be **pro rata** to each company's demonstrated loss relative to the total loss of all eligible processing companies. Based on the proposed criteria, a total of nine processing companies may be eligible for processor funds.

Program Support – <0.02% (\$18,000): ADF&G is proposing to allocate funds for staff working on fishery disaster plan development and implementation in coordination with Pacific States Marine Fisheries Commission.

Appendix 1. Public comments received on initial draft spend plan.



43961 Kalifornsky Beach Road • Suite F • Soldotna, Alaska 99669-8276
(907) 262-2492 • Fax: (907) 262-2898 • E Mail: kpfa@alaska.net

July 7, 2023

ADF&G
ATTN: Karla Bush
PO Box 115526
Juneau, AK 99811-5525

Re: Kenai Peninsula Fishermen's Association's position on the distribution of 2018 and 2020 Disaster Relief Funds

Dear Ms. Bush,

We, the board President, Vice-President, and Secretary/Treasurer of the Kenai Peninsula Fishermen's Association (KPFA), are writing to express our position on the spend-plan for the Upper Cook Inlet 2018 and 2020 Disaster Relief Funds. KPFA is a non-profit 501(c) (6) commercial fisheries advocacy trade group that represents Cook Inlet fishing families. Our mission is to ensure the sustainability of our fishery resources and promote the economic stability of the Cook Inlet Setnet Fishery.

KPFA primarily represents salmon setnet permit holders on the East Side of Cook Inlet, covering a geographical area from Ninilchik to Boulder Point. There are approximately 440 limited entry permit holders, most of whom are Alaska residents. Our concerns stem from the fact that our recommendations, sent to you over a year ago, were largely ignored.

The consensus of the Board of Directors of the Kenai Peninsula Fishermen's Association is as follows:

1. The disaster funds allocated for the 2018 and 2020 Upper Cook Inlet fishery disasters should be split among only the affected fisheries that requested the disaster declarations. This includes the East Side Setnet Fishery in 2018 and both the East Side Setnet Fishery and the Cook Inlet Drift Fishery in 2020. No other entities were impacted or sought disaster relief, so they should not be included in the disbursement of funds.

2. We believe that allocating 29 percent of funds to processors is excessive. Shortfalls in setnet harvest were largely compensated for by the drift fleet harvest. Furthermore, processors did not apply for any disaster relief and should not expect any. If you have data to support the allocation of 29% of all disaster relief funds to processors for 2018 and 2020, we request that this data be made public.
3. ADF&G should not take any research funding from the 2018 and 2020 Cook Inlet disaster relief. The department received research funds from the 2012 disaster and disregarded the findings of that research in its management actions impacting the East Side Setnet Fleet. If ADF&G must allocate a portion for research, we believe that 10% is sufficient, and we want to have a say in how those funds are spent.
4. Impacted communities did not seek disaster relief and should not receive any funds. Over 85% of East Side Setnet Fishery permit holders are Alaska residents, with more than 85% residing on the Kenai Peninsula. Directly providing funds to permit holders will better reach impacted communities than going through governmental processes.

Our consensus is that the 2018 disaster solely impacted the East Side Setnet Fishery, thus 50% of all available funds should be distributed to this fishery. In the case of the 2020 disaster, which affected both the UCI Drift Fishery and the East Side Setnet Fishery **equally**, so the remaining funds should be split equally between these two fisheries. The historical catch distribution data from ADF&G should be used to determine the distribution of the 2020 funds. As done in the 2012 disaster funds distribution, the purchase of buoy stickers should be the qualifier for permit holder eligibility.

Regarding the allocation of funds to the setnet fishery, we maintain the allocation plan outlined in our initial letter:

Permit holders should manage any payout to crew related to the 2018 and 2020 disaster funds since they already compensated crew members accordingly. We are open to providing proof of payout to satisfy the intent of the disaster relief program.

If funds are set aside for distribution to crew members, we request the opportunity to determine how they are distributed. Any unclaimed funds should be returned equally to the East Side Setnet fishers, considering different payment structures such as flat rates, daily rates, and percentage-based payments.

Regarding the actual distribution of disaster relief funds, our consensus is as follows:

75% of all UCI disaster funds, allocated to the East Side Setnet fishery, should be distributed in the following manner:

- a. Half (50%) of the allocated setnet funds should be sent to individual registered permit holders on an equal basis, with registered permit holders defined as those who acquired limited entry permit cards and buoy stickers for the qualifying year.

- b. The remaining balance (50%) should be apportioned based on the management scheme, which divides the East Side Setnet Fishery into two sections: the Kenai Section and the Kasilof Section. We propose allocating 60% of these funds to the Kenai Section and 40% to the Kasilof Section. Buoy registration will determine the area a permit was registered to fish. Fishers in each section should be paid based on their percentage of market share within their respective section.

We acknowledge that this plan may result in some permit holders receiving a larger portion of the disaster funds. However, we believe this is fair based on how the 2018 and 2020 disasters impacted the fishing sections.

Respectfully submitted,



Andy Hall,
President



Ken Coleman,
Vice President and Project Lead



Lisa Gabriel,
Secretary-Treasurer

From: warren Brown
Sent: Saturday, June 24, 2023 1:12 PM
To: DFG, ComFisheriesDisasters (DFG sponsored)
Subject: East side set net

Hello, been a set netter on the East side and other parts of Cook Inlet for 40 years. have seen some good seasons but for the last 10 years it's been dismal, not getting any fishing time has been the biggest problem.

The past few years I couldn't justify the start up money to go fishing because of the lack of openings, I can only lose money so many years.

East side fishermen face problems others don't. We are blamed for the low king count, blamed if the Kenai river doesn't get its escapement, chastised by the sport and dip netters.

So , how do you divvy up the disaster money to a group that has mostly sat on the beach? Do you penalize fishing families like mine because we couldn't afford to fish a couple days or not at all?

I pay my shore leases every year, do all the work involving skiffs, trailers, tractors, nets, all the stuff you need to be successful but then we can't go fishing.

I think equal shares is the fairest way to divide the money.

Only the top shore sites have been able to afford to fish the few openings, some families have 7 or 8 permits and can make something, but the rest of us that have 1 or 2 permits and fish offshore don't have a chance, so a system that rewards the big operations because they caught more really isn't equitable or fair to the majority. I've put a lifetime into Cook Inlet and hope I don't get left out because I couldn't afford to fish.

Thank you, Warren Brown

From: Liz Chase
Sent: Wednesday, July 5, 2023 12:41 PM
To: DFG, ComFisheriesDisasters (DFG sponsored)
Subject: Public comments requested on initial draft of the 2018 ESSN and 2020 UCI salmon fishery disaster spend plan

I am an East Side Set Netter. I have read your initial draft spend plan for our fishery. I see nothing that would give me red flags in your proposed plan.

Seeing that our fishery is totally shut down this year due to the lack of KINGS... we fear that the river system will be hurt due to the very large numbers of Sockeye flooding the Kasilof and Kenai rivers. Enhance the kings or kill them all off.... The management model you now have is only making matters worse. Stand down, let us fish! I would rather fish than wait YEARS for disaster reliefOR streamline your procedure. We could have really used the money NOW.

Sincerely,

Elizabeth Chase

To: ADF&G, ATTN: Darion Jones
P.O. 115526
Juneau, AK 99811 – 5526
Email dfg.com.fisheriesdisasters@alaska.gov

Re: 2018 and 2020 Setnet disaster funds / Comment on ADF&G Spend Plan

Date: 7/6/2023

Letter transmitted via email to dfg.com.fisheriesdisasters@alaska.gov

To Whom it May Concern,

Upon review of June 23, 2023 Spend Plan by ADFG – I offer the following comments:

1/ How are dual permit holders handled in both the Set and Drift Gillnet fisheries?

2/ ADFG should not be allowed or allocated \$1,408,000 funds for 2018 and 2020 disaster funds or 15% of the total amount for Research. Compared to Harvester amounts - ADFG allocation is nearly 30% of fishermen disaster funds. This is unacceptable – the fishermen were harmed not ADFG. If anything a 5% cap or \$469,333 dollars and Set research dollars should not exceed \$234,667 with approval by set gillnet (ESSN) on how those dollars are spent. The same should go for Drift on \$234.667 dollar research.

Of note: ADFG should not be allowed to spend nearly a quarter of million dollars on any no-bid research project period. Recently, the Department has attempted to spend a quarter of million dollars on a no-bid sole source contract in stat area 244-32 to an outside research consulting firm with 15 mesh depth nets in a so-called Kenai Net Depth ‘study’ while the ESSN is closed. Commissioner Lang by authority apparently can spend ‘study’ monies without public notice. After all, ADFG caused fisheries disasters in 2021, 2022, and 2023 to the ESSN and ADFG seeks 1.4 million dollars to “mitigate disasters.” In 2012 Sport Fish caused a complete closure to ESSN because the new sonars estimated 14,600 escapement but three months later said they had sonar software issues, missed half the fish outside the sonars, etc. and then said it was really 29,000 Kenai River late-run escapement. The Department got research funds anyway but didn’t spend a dime on any independent review of the sonar program or netting program estimates.

3/ Any Research funds should be spent on an independent qualified assessment and complete review on Kenai late-run king salmon estimates for all age classes. The Kenai late run king escapement goal SEG should be completely independently reviewed for maximum sustained yield goal range and managed as a unit (all fish goal) instead of a large fish ‘goal’ with an inflated OEG goal range. The bounds of errors in the projected run on age classes can be off 500% yet we are held to bias estimates anyway and closed.

4/ Allocation of funds should be done on prior 5-year historical landings on permits as it was done during the 2012 Fishery Disaster Fund distribution. A lot of fishermen had greater expenses and more crew. It was fairly considered before and should be administered similarly for 2018 and 2020.

5/ ADFG should produce a pro forma affidavit form for crew members and qualified permit holders to sign off on (crew members).

I would like to review other stakeholder comments on a dedicated link as promised a year ago. Please add this response to my prior letter sent regarding this matter.

Sincerely,

Jeff Beaudoin
SO4H permit holder
Kasilof, Alaska

From: Nicole Kimball
Sent: Wednesday, June 28, 2023 9:06 AM
To: Bush, Karla L (DFG); DFG, ComFisheriesDisasters (DFG sponsored)
Subject: PSPA comment on initial draft of the 2018 ESSN and 2020 UCI salmon fishery disaster spend plan

PSPA is supportive of the initial spend plan for the 2018 Upper Cook Inlet East Side Setnet and 2020 UCI salmon disasters, including the categories and allocations (29% to processing sector) and the processor eligibility criteria. Thank you and we look forward to the final drafts and implementation of the plan.

From: glh
Sent: Thursday, July 6, 2023 9:11 PM
To: DFG, ComFisheriesDisasters (DFG sponsored)
Subject: Disbursements of funds Cook Inlet

Hello Carla Bush

My name is Gary Hollier. I have been a set netter in Cook Inlet for 53 years. I received an original CFEC permit when limited entry went into effect.

My family has a large set net fishing operation on North Kalifonsky Beach, statistical area 244-32. Collectively our family owns 8 Cook Inlet set net permits.

I would like to address a couple key points in the disbursement of funds for disasters in 2018 & 2020 Cook Inlet.

To fish Cook Inlet in the Eastside Set Net Fishery (ESSN), buoy stickers have to be purchased for \$25/permit in order to participate in the ESSN fishery. Permit holders can register individually or in groups. BUOY STICKERS show INTENT to participate in the ESSN fishery.

It is common practice that permit holders that fish in "groups" sell on just a few permits. Yet all the permits are being fished.

When it comes to distribution of monies, I feel that EQUAL payments should be paid to ESSN permit holders who purchased buoy stickers to participate in the set net fishery.

This would make the distribution process easier and get the monies to the fishermen sooner. With 2018 and 2020 disasters, 2021 and 2022 applied for, and 2023 total closure in the ESSN fishery, fishermen are hurting badly!

My Granddaughter, [REDACTED] received her Grandmother's two set net permits [REDACTED] [REDACTED]. Obviously [REDACTED] had no prior catch records to 2020. She did purchase buoy stickers and participated in the 2020 season. She is a minor.

My [REDACTED] stan, with the United States Army in 2020. In this [REDACTED] deployed earlier and received a Purple Heart. His two [REDACTED] were Emergency transferred to long time crew member, [REDACTED] I feel that any military person who was deployed, and subsequently got the permits back, should receive the permit holders share in the distribution.

As far as the 15% distribution for set net crew members in 2018 and 2020, I think an equal payment should be paid to all crew members. They must comply with the proposed ESSN crew eligibility

criteria, as stated in the Draft Spend Plan.

I think that this is a good plan. In the 2012 ESSN disaster, many crew members did not receive compensation from the fishermen they worked for. That was not right!

I think that minors who participated as either permit holders or crew persons, should get an equal share of the distributions. Monies should be paid to the parents, or legal guardians of these minors.

I feel that 29% to the Processors is too high. I feel a 15% allocation to the Processors is more equitable. Yes, they had some loss in harvest share, yet most Processors operate in many areas of the State. They have the ability to offset loss from other fisheries. Additionally in 2018, when the ESSN fleet was restricted to a few fishing days, the Drift Fleet fished many days. The fish that were not caught/ bought in the set net fleet, were caught and subsequently purchased from the Drift Fleet.

t

Thank you,
Gary L Hollier
Kenai, Ak

July 07, 2023

To: Alaska Department of Fish and Game

PO Box 115526

Juneau, AK 99811-5526

ATTN: Darion Jones

dfg.com.fisheriesdisasters@alaska.gov

From: South K-Beach Independent Fishermen's Association (SOKI)

Re: Spend Plan for funds appropriated to address the 2018 Upper Cook Inlet (UCI) East Side Setnet (ESSN) and 2020 UCI salmon disaster determination.

The South K-Beach Independent Fishermen's Association (SOKI) is a community-based group consisting of those individual commercial setnet fishermen who seek to harvest salmon primarily migrating to the Kasilof River in Cook Inlet.

We commented on the initial online conference call with ADF&G moderator Karla Bush (Extended Jurisdiction Program Manager). We have been waiting for the opportunity to comment on the UCI Spend Plan and are aware that others have submitted comments and ideas. However, we do not see where access to these comments has been made available to the public. Subsequent questions to the Department about the percentages of distribution have not been available up to the time this letter dated 06.23.2023 was published. Since this is the first-time effected fishers and others have seen this distribution, we find that the approximately two-week comment period probably did not allow the parties proper time to acknowledge and comment on particular aspects of the planned percentages.

We offer these comments;

- 1) We believe that the Research component should be reduced considerably. Considering the overall reductions and restrictions to harvesting for these two years and subsequently in 2021, 2022 and 2023 the Harvesters segment should be maintained at the maximum level to lessen the overall burden the UCI ESSN fishery has had to endure to accomplish management objectives.

If necessary to improve the science to avoid these disasters in the future, we would approve an incremental amount of 10% (\$940,403.00) if and only if effected parties have an equal advisement role in which research or surveys would be most effective in determining the reasons for the downturn in production.

Two science endeavors we would support;

Is for a “smolt out” analysis of Kenai King Salmon on a yearly basis;

For a real-time analysis and stock genetic identification of the origins of the king salmon caught in the state waters fisheries within Area M and the Kodiak Districts. The assessment of the origins can also be accomplished through the Salmon Ocean Ecology Program (SOEP).

Entrance into CI of king salmon are of high importance to us as well as the interception of king salmon in other state and federal waters fisheries. We ardently support the competitive over the non-competitive process to assure the best performance at the most reasonable costs and to promote the open peer reviewed data processing.

- 2) While we believe the considerations for “Community” are vitally important we also understand the restrictions on the use of the funds within the community. The amount specified at 3% (\$281,000) while significant as a congregate sum would not be so once distributed amongst the various communities on the UCI area of the Kenai Peninsula Borough.

We, therefore, as detailed previously, suggest that this allocation remain at 0 % to support the maximum benefit to the Harvesters segment.

- 3) We are Harvesters so we wholeheartedly believe that the bulk of the distribution should be towards this segment. With suggested adjustments we would change the previous percentage and amount of 53 % (\$4,974,000) to 75% (\$7,052,250).

In 2012, the UCI setnet fishery was also granted an economic disaster declaration and many of the current disaster declared parties were active participants in the resulting “Spend Plan”. Key points of the 2012 disaster relief for CI setnet fishermen are that all those permit holders that registered to fish with a required buoy sticker were eligible for compensation. The number on average of ESSN registered permit holders is closer to #440 rather than to #295. This is an erroneous number as many setnet “operations” deliver on one permit for various reasons. They normally do not acquire a “Transporters Permit.” They will deliver on some of the other permits within the group on various periods but normally they do not on every fishing period, nor do they separate each permit ticket or the landings from the each other’s within the group registration as is

customary with the buoy-group registrations on the ESSN sections or the Northern District (ND) section.

The five year look back period for 2018 (2013 – 2017) may be reasonable for qualifications purposes. For distributions it may be a bit restrictive. For 2020 (2015 – 2019) the time frame includes the designated disaster year of 2018. This skews the loss in gross value. We suggest that the Department re-calculate the time frame without using the 2018 Disaster year (2014 – 2019).

Using the 2012 disaster distribution as a guide, fishermen were compensated by two methods;

They were allowed to consider the last 5 years of production prior to the disaster year and to exclude the lowest of the five years to establish an average percentage of the whole. When all were calculated and combined a percentage was generated that directed the Pacific States Marine Fisheries Commission (PSMFC) to distribute that portion of the relief money that was designated for the normal compensation based on average production for those particular site locations (within a certain buoy registration grouping specified number). Permit landings are very important to establish the annual volume of landings for a specific fishing site.

The second part to allow all those permit holders who were not able to deliver because of the pro-tracked fishing season or the common practice amongst the specific group and even distribution of all the allocated funds. A set evenly divided compensation was given to all registered or permits with landings who may not have purchased a buoy registration sticker for that year. A set amount was established by consensus for 2012. Since 2018 and 2020 have different calculations and if our suggestions are implemented, we do not have a valid estimate of what that even proportion would be.

We would suggest that at minimum a 40 % portion of the Harvesters claim for setnetters should be distributed evenly.

Crew shares amongst setnet fishermen in UCI are varied and there is no “standard”.

Consequently, in 2012, we decided that it was the responsibility of the primary permit holder in each registered group to compensate their crew. Many are paid on a per day basis or over a time period and it does work out as a percentage of the gross revenues per each site. However, it is extremely complicated, and the nature of the fishery makes it difficult to access many of the individuals overtime resulting in unexpended funds. It should be noted that many of these setnet groupings are direct and indirect family members.

We highly suggest that instead of a 15 % distribution that the Permit holders who hire the crew members would be responsible for distribution and that this percentage be left at 0 %.

Our stationary fleet operates on a different set of rules than a mobile fleet. Expenses are not normally charged to the crew, and many are fed, housed and transported and even licensed by the site operator. Many are minors or children of the permit holders.

Compensation is better determined by the site operators and permit holders to avoid unnecessary delays in the process.

- 4) The processors did not apply for compensation for the 2012 Disaster. We have asked but we have not had a response from the UCI processing community on any requests to be a part of the 2018 or 2020 Disaster relief. We do not feel that this 29 % (\$2,722,000) is warranted without actual acknowledgement from the directly affected processing industry. In our initial request in this comment letter, we ask again to see any correspondence or comments from the initial round clarifying any demand for relief from the Processing sector. If it is established that the loss is attributable to 2018 and 2020 from UCI Harvesters loss of harvest production compensation may be considered. It should be noted that in 2018 all other UCI Harvesters were fishing except for the ESSN fishery. In 2020, restrictions did not apply to other Central District Commercial fisheries other than the ESSN and Drift fishermen.

Processors in CI also harvest fish from other areas of the State and can affect their profitability.

We are willing to discuss a 15 % compensation factor once justifications from the Processing sector come forward with actual statements of significant losses.

- 5) We agree with the Program Support fee structure and understand the need for PSMFC to operate and conduct orderly distribution of funds. We would like to have this amount determined before any Final Plan of Distribution has been completed.

We remain committed to an expedient process and are willing to build a consensus plan as we have before that includes the input of all the Disaster claimants. This is a start, we find serious flaws in this "Draft Plan" but are willing to discuss any solutions in an open and transparent manner. It is the process we abided by in 2012 and it is the model we would prefer.

Thank you for your attention,

Paul A. Shadura II

Spokesperson for SOKI