



December 18, 2023

Initial Draft Spend Plan for funds appropriated to address the 2020 Prince William Sound (PWS) pink and coho salmon fishery disaster determination. NOAA Fisheries allocated \$15,730,357 for this salmon fishery disaster on May 9, 2023. The scope of this fishery disaster includes fisheries for pink and coho salmon. A separate spend plan was developed for the 2018 Copper River and 2020 PWS Chinook, sockeye and chum salmon fisheries disaster and forwarded to Pacific States Marine Fisheries Commission in August 2023.

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

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

The proposed categories and allocations reflect comments received from initial stakeholder input:

Category	Allocation	Estimated funds ^a
Research	10%	\$1,560,000
Communities	3%	\$470,000
Harvesters	67%	\$10,470,000
Processors	20%	\$3,126,000
Program Support	<0.1%	\$10,000
Total	100%	\$15,453,000

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

Research – 10% (\$1,560,000): Funds would be allocated to support projects intended to improve available fishery information and help prevent and/or mitigate future fishery disasters. The scope of this fishery disaster includes Prince William Sound pink and coho salmon.

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

- Radio-telemetry project in the Upper Copper River to improve upriver timing and distribution forecasting.

ADF&G is requesting input on these or other suggested research themes. In addition, recent Alaska disaster spend plans have used competitive and non-competitive bid processes to award research funds. ADF&G is requesting input on the appropriate award process for this fishery disaster spend plan. If a non-competitive process is used, research projects that are responsive to the research themes would be described directly in the spend plan.

Communities – 3% (\$470,000): ADF&G is proposing direct payments to municipalities and boroughs based on the port of landing where pink and coho salmon deliveries occurred. Municipalities and boroughs rely on revenue generated from salmon landings and other economic activities related to the salmon fisheries. The state’s Fishery Business tax rate is 3% for shore-based 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, they 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. ADF&G is proposing a 3% allocation to municipalities and boroughs to mitigate these revenue losses.

The following criteria are proposed for community eligibility:

1. Pink and/or coho salmon from Prince William Sound must have been landed in the community in 2020 based on the port of landing from ADF&G Fish Ticket data.
2. Estimated gross revenue value for those salmon species landed in the community in 2020 must be less than the previous five-year average (2015-2019).

ADF&G proposes to distribute funds pro rata to eligible communities based on each community’s demonstrated loss relative to the total loss of 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 state’ Fishery Business taxes. Based on the proposed criteria, the following six communities and two boroughs may be eligible for community-designated funds: Cordova, Valdez, Whittier, Seward & Homer and the Kenai Peninsula Borough, and Kodiak and the Kodiak Island Borough.

Harvesters – 67% (\$10,470,000): This category includes permit holders and vessel crew. The estimated loss in Commercial Fisheries Entry Commission (CFEC) exvessel value for the drift gillnet and seine gear sectors due to the 2020 PWS pink and coho salmon disaster is approximately \$20 million dollars. Funds allocated to the harvester sector are intended to mitigate this loss by providing funds to bring the harvester sector up to 52% of recent historical value.

ADF&G proposes direct payments to commercial seine and gillnet fishery permit holders and their vessel crew who meet all eligibility criteria. CFEC permit information and fish ticket data from commercial salmon landings will be used to determine eligibility and payment for permit holders.

Eligibility for vessel crew will be verified using ADF&G commercial crew license or CFEC permit data and an affidavit from the permit holder or vessel owner.

ADF&G proposes to allocate harvester funds to the drift gillnet and seine gear sectors proportional to the estimated loss in gross revenue for the 2020 Prince William Sound (Area E) pink and coho salmon fishery. The estimated loss in gross revenue is calculated by subtracting the value of the fishery in the disaster year from 2015 through 2019 average value for coho salmon. The estimated loss in gross revenue for pink salmon is calculated by subtracting the value of the fishery in the disaster year from the five even-year average from 2010 through 2018 because PWS pink salmon run on an even-year cycle.

Gear Type	5-yr avg. Value	2020 Value	Estimated loss	Percent of total loss	Estimated funds
Seine					
Coho	\$837,103	\$233,496	-\$603,607	3%	\$318,683
Pink	\$41,341,133	\$24,082,472	-\$17,258,661	87%	\$9,111,958
Drift Gillnet					
Coho	\$4,381,448	\$3,257,995	-\$1,123,453	6%	\$593,143
Pink	\$1,731,000	\$885,838	-\$845,162	4%	\$446,216
Total			-\$19,830,883		\$10,470,000

2020 Prince William Sound seine ~\$9.43 million

ADF&G proposes to divide the allocation to the seine sector into two pools, one for S01E permit holders (80%) and one for vessel crew members (20%). While most seine operations employ at least three crew members, each earning around a 10% share, the 80/20 split between permit holders and crew members considers the higher initial costs, level of investment, and risk that are generally borne by the vessel operator.

2020 S01E Permit Holders – 80% of seine harvester funds.

Proposed eligibility criteria for 2020 seine permit holders:

1. S01E permit must have been used to make pink or coho salmon landings in 2020.
2. Permit holder must have experienced a loss in 2020 CFEC estimated exvessel value. The estimated loss is calculated by subtracting the exvessel value in the disaster year from the previous five-year average from 2015 through 2019. ADF&G is proposing to use the annual fleet average to calculate a five-year average for permit holders who were new entrants 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 permanently transferred a permit away in 2020 will not receive payments.

Based on initial public comment, ADF&G is proposing an **equal payment** distribution. ADF&G proposes to limit equal payments to one per permit. If multiple permit holders made landings on the same permit, the equal payment will be split pro rata to the value of each permit holders’ pink and coho salmon landings in 2020. A total of 223 permit holders made landings on 218 S01E permits in 2020. An estimated 219 permit holders are eligible for payment based on the proposed criteria

2020 Seine vessel crew – 20% of seine harvester funds.

Prince William Sound seine crew must meet the following proposed criteria to be eligible for an **equal payment** of the 2020 seine vessel 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 Prince William Sound seine 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 or the CFEC permit database.
2. Crew member must provide information to show they participated as fishing crew in the 2020 commercial seine salmon fishery for a qualified S01E permit holder, based on an affidavit from the permit holder or vessel owner.
3. Crew member may not be eligible for fishery disaster funds as an S01E permit holder in 2020.

2020 Prince William Sound drift gillnet ~ \$1.04 million

The allocation for the drift gillnet sector is proposed to be divided into two pools, one for S03E permit holders (90%) and one for vessel crew members (10%). The proposed split between permit holders and crew members is based on a typical crew size of one person earning a 10% crew share.

2020 S03E Permit Holders – 90% of drift harvester funds.

Proposed eligibility criteria for 2020 drift gillnet permit holders:

1. S03E permit must have been used to make pink or coho salmon landings in 2020.
2. Permit holder must have experienced a loss in 2020 CFEC estimated exvessel value. The estimated loss is calculated by subtracting the exvessel value in the disaster year from the previous five-year average from 2015 through 2019. ADF&G is proposing to use the annual fleet average to calculate a five-year average for permit holders who were new entrants in 2020.
3. 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 permanently transferred a permit away in 2020 will not receive payments.

Based on initial public comment, ADF&G is proposing an **equal payment** distribution. ADF&G proposes to limit equal payments to one per permit. If multiple permit holders made landings on the same permit, the equal payment will be split pro rata to the value of each permit holders’ pink and coho salmon landings in 2020. A total of 446 permit holders made landings on 443 S03E permits in 2020. An estimated 327 permit holders are eligible for payment based on the proposed criteria.

2020 drift gillnet vessel crew – 10% of drift harvester funds

Prince William Sound drift gillnet vessel crew must meet the following proposed criteria to be eligible for an **equal payment** of the 2020 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 Prince William Sound 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 or the CFEC permit database.
2. Crew member must provide information to show they participated as fishing crew in the 2020 commercial drift gillnet salmon fishery for a qualified S03E permit holder, based on an affidavit from the permit holder or vessel owner.
3. Crew member may not be eligible for fishery disaster funds as an S03E permit holder in 2020.

Processors – 20% (~\$3,126,000): The total estimated loss in exvessel value for the 2020 PWS pink and coho salmon disaster is \$25 million dollars. Funds allocated to the processor sector are intended to mitigate this loss by providing funds to bring the harvester sector up to 13% of recent historical value. ADF&G proposes direct payments to processing companies that meet all eligibility criteria. Commercial Operators Annual Report (COAR) fisheries buying data will be used to determine eligibility and payment for processors.

Salmon processing companies that meet all proposed criteria would be eligible for payment based on the estimated loss in exvessel value using COAR buying data for 2020 Prince William Sound (Area E) pink and coho salmon. The estimated loss is calculated by subtracting the exvessel value in the disaster year from the previous five-year average from 2015 through 2019.

Processor eligibility criteria:

1. Processing company must have processed Prince William Sound pink or coho salmon in 2020.
2. Processing company must have a demonstrated loss in wholesale value greater than \$10,000 for 2020 Prince William Sound pink and coho salmon.

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.

ADF&G is seeking comments on whether tender operations should be included in the processor category for the pink and coho spend plan. Tender vessels were allocated 4% of the processor funds in the Prince William Sound Chinook, sockeye and chum salmon disaster spend plan.

Program Support - <0.1% (\$10,000): ADF&G is proposing to designate funds for staff working on fishery disaster plan development and implementation in coordination with Pacific States Marine Fisheries Commission.