



October 25, 2024

Second Draft Spend Plan for the 2023/24 Bering Sea snow (BSS) crab fishery disaster. NOAA Fisheries has allocated \$39.5 million for this crab fishery disaster. The spend plan informs the federal grant application submitted by Pacific States Marine Fisheries Commission (PSMFC) to NOAA Fisheries and is subject to change based on approval of the final grant.

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

or by mail to:

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

Comments must be submitted by November 8, 2024, for consideration in the final spend plan.

Process to develop the spend plan: ADF&G provided an initial draft spend plan for public comment in July 2024 and received nine written comments on the initial plan (Appendix 1). ADF&G revised the plan based on public comments and in consideration of the funding allocation provided by NOAA Fisheries. ADF&G is requesting comments on the second draft spend plan before it is finalized and submitted to PSMFC.

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

Research

- ADF&G proposes to reduce the allocation of funds for research to 5% in consideration of the significant amount of ongoing and planned Bering Sea crab fishery research that is funded through other fishery disaster spend plans and other sources.

Communities

- Based on public comments ADF&G increased the community allocation from 4% to 5% which is the same allocation provided in the 2021/22 and 2022/23 Bristol Bay red king and Bering Sea snow crab spend plan.
- This spend plan addresses one fishery and therefore ADF&G does not propose implementing any "off the top" allocations as in the 2021/22 and 2022/23 Bristol Bay red king and Bering Sea snow crab disaster spend plan which subdivided the fishery disaster funds, prior to allocating community funds, based on estimated losses in each fishery.

Harvesters

- ADF&G does not propose including an allocation of harvester funds to the Alaska Bering Sea Crabbers (ABSC) association. In the past, fishery disaster funds have been allocated to regional seafood development associations that represent all members of a specific fishery. It would not be appropriate to allocate funds for a harvester trade association without also considering allocations to processor trade associations and other similar types of organizations that represent a portion of the affected participants.

Guiding principles for disaster fund distribution: Disbursement of funds is intended to 1) assist fishery participants harmed by the 2023/24 BSS crab fishery disaster, and 2) improve fishery information used to manage the fishery impacted by the fishery resource disaster.

The proposed categories and allocation percentages were informed by recent Bering Sea crab fishery disaster spend plans and public comment. ADF&G is proposing to allocate funds for research, communities, Community Development Quota (CDQ) groups, harvesters, processors, and ADF&G program support.

| Category | Allocation | Estimated funds ^a |
|--------------------------------|------------|------------------------------|
| Research | 5% | \$1,970,000 |
| Saint Paul Island | 1% | \$395,000 |
| Communities | 5% | \$1,975,000 |
| Community Development Programs | 10% | \$3,950,000 |
| Harvesters/Processors | 79% | \$31,205,000 |
| Program support | 0.01% | \$5,000 |
| Total | 100% | \$39,500,000 |

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

The impact of the fishery disaster created a 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 and 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 – 5% (\$1.97 million): The 2023/24 BSS crab fishery disaster resulted from natural and undetermined causes which resulted in low stock abundance. Research funds will be allocated to improve available fisheries information and help prevent and/or mitigate future fisheries disasters. ADF&G is proposing 5% of the funds be allocated for research. The Magnuson-Stevens Fishery Conservation and Management Act prioritizes specific uses for disaster funds, including scientific research that reduces adverse impacts to the fishery or improves understanding of the affected species or its ecosystem. ADF&G is proposing that research funds be available through a combination of 1) an allocation to the Bering Sea Fisheries Research Foundation (BSFRF) to coordinate and lead one BSS

survey, 2) an allocation to ADF&G for research, and administrative staff to lead, oversee, and coordinate BSS crab disaster related research and management, and either 3a) an open and competitive request for proposals (RFP) administered by PSMFC and utilizing the North Pacific Research Board's (NPRB) scientific review process, and/or 3b) extensions of currently funded BSS crab project to facilitate synthesis and additional funds for graduate students to complete their degrees ADF&G is requesting input on suggested research and the proposed distribution and allocation of research funds.

Saint Paul Island & Tribal Entities- 1% (\$395,000): ADF&G recognizes the severity of loss from the fishery disasters to the City of Saint Paul and Saint Paul's tribal entities, the Tanadgusik (TDX) Corporation and the Tribal Government for the Aleut Community of Saint Paul. The community of Saint Paul is unique among communities affected by the 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 proposes 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.

TDX Corporation provides direct support services to the 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 the disasters caused direct harm to the Alaska Native Village Corporations' employees and shareholders.

The Tribal Government for the Aleut Community of Saint Paul (the Tribe) owns and manages the local grocery and other businesses that serve crab fishing vessel crew and processing plant workers. The Tribe experienced a major loss to the annual general funds for the Tribal Government due to the fishery disaster which further affects its ability to make or issue grants to support community services and programs.

Communities- 5% (\$1.975 million): Municipalities and boroughs rely on revenue generated from BSS crab fishery landings and other economic activities related to the crab fisheries and the fishery disaster significantly reduced, and in some cases eliminated, these revenue sources. 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. ADF&G proposes a 6% allocation to affected municipalities and boroughs to help mitigate losses in fish tax and other economic losses due to the fishery disaster.

ADF&G proposes direct payments to municipalities and boroughs based on the port of landing where crab deliveries occurred.

The following criterion is proposed for community eligibility:

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

ADF&G proposes direct payments be distributed pro rata to eligible communities based on the proportion of the total 2019/20 and 2020/21 pounds of BSS 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 BSS during the 2019/20 and 2021/22 seasons occurred in four communities represented by four municipalities and one borough: 1) City of Akutan, City of King Cove, and the Aleutians East Borough, 2) City of Unalaska, and 3) City of Saint Paul.

Western Alaska Community Development Quota (CDQ) Programs – 10% (\$3.95 million):

ADF&G proposes 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.

| CDQ Group Bering Sea Snow | Percent Allocation | Allocation Amount |
|--|---------------------------|--------------------------|
| Aleutian Pribilof Island Community Development Association | 8% | \$316,000 |
| Bristol Bay Economic Development Association | 20% | \$790,000 |
| Central Bering Sea Fisherman's Association | 20% | \$790,000 |
| Coastal Village Region Fund | 17% | \$671,500 |
| Norton Sound Economic Development Association | 18% | \$711,000 |
| Yukon Delta Fisheries Development Association | 17% | \$671,500 |
| Total | 100% | \$3,950,000 |

Harvesters and Processors – 78% (\$31.205 million): During development of the 2021/22 and 2022/23 BS crab fishery disaster spend plan, ADF&G proposed two approaches to allocate funds between the harvesting and processing sectors. Harvesting sector representatives proposed allocating funds using the Non-Binding Price Formula for BSS crab, which results in a harvester share of 78% and processor share of 22%. Processing sector representatives proposed to allocate 75% to harvesters and 25% to processors to recognize investments that are not fully captured in the Non-Binding Price Formula and ongoing costs to maintain crab processing infrastructure during closed BSS crab fisheries. ADF&G received feedback from processors that the formula does not reflect significant costs incurred by innovating and opening new markets, upkeep and renovating infrastructure, and the difficulties with hiring and acquiring materials in remote processing operations, especially following closures. ADF&G recognizes that harvesters and processors incur operation costs that are not directly reflected in available data and determined that the initially proposed allocation of 76.5% to harvesters and 23.5% to processors appropriately balances the losses to each sector from the fishery disaster.

| Components | Allocation | Amount |
|------------|------------|--------------|
| Harvesters | 76.5% | \$23,871,825 |
| Processor | 23.5% | \$7,333,175 |
| | 100.0% | \$31,205,000 |

Harvesters (\$23.81 million): Harvester funds are proposed to be allocated into three pools: QS holders, vessel owners, and a combined pool for captains and crew. The proposed allocation is 42% to QS holders and 58% as a vessel-based allocation, which includes vessel owners, captains, and crew. Previous public comments suggested that the reported lease rate from the Crab SAFE report is not indicative of actual cost sharing proportions, therefore ADF&G proposes an allocation between QS holders and vessels based on exvessel gross revenue minus taxes to determine a net value. This approach accounts for harvesting arrangements with no lease fees and provides a slightly higher allocation to vessel owners to recognize continued accrual of vessel costs during the fishery disaster. The 2023/24 season will be used to determine eligibility for QS holders and vessel owners because that is the season included in this fishery disaster. ADF&G proposes to use participation in the 2019/20 and 2020/21 BSS seasons for captains and crew eligibility because these are the last two seasons prior to the BSS stock collapse.

Harvester component

| | | |
|------------------------------|-------------|---------------------|
| QS Holders | 42% | \$10,026,167 |
| Vessel owners | 37% | \$8,832,575 |
| Captains/crew | 21% | \$5,013,083 |
| Total harvester funds | 100% | \$23,871,825 |

Quota Share Holders - 42% of harvester funds. The following criterion is proposed 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 2023/24 season and hold a minimum of 1,000 QS units.

ADF&G proposes to include a minimum holding of 1,000 QS units because smaller holdings result in payments that are less than the cost of producing and sending the payment, estimated to be less than \$5. ADF&G proposes direct payment amounts to QS holders be pro rata based on each QS holder's proportion of total QS units held by all QS holders who apply and are eligible for QS holder direct payments. There are an estimated 338 individual QS holders who meet the above criterion for the 2023/24 season.

Vessel-based payments for vessel owners, captains, and crew - 58% of harvester funds. The following criterion is proposed 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.

ADF&G proposes vessel-based payments 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 proposes 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 report¹ by NOAA Fisheries. The split would provide vessel owners with 37% of the harvester funds and captains/crew with 21% of the harvester funds.

Vessel owners - 63% of the vessel's share of the total allocation for vessel-based payments (37% of the harvester funds).

ADF&G proposes direct payments to vessel owners listed in the CFEC vessel database as the 2024 vessel owner for the 2023/24 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 2024 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%.

Captains and crew - 37% of the vessel's share of the total allocation for vessel-based payments (21% of the harvester funds).

ADF&G proposes 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 are proposed for captains and crew to qualify for a direct payment:

- 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.
- 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.

¹ NOAA Fisheries Crab Economic Status Report: <https://media.fisheries.noaa.gov/2023-06/2022-crabsafe.pdf>

Captain and crew payments are proposed to be determined by the percent share submitted 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 proposes to distribute unclaimed captain and crew funds proportionally among eligible captains and crew on the same vessel.

Processors (\$7.33 million): ADF&G proposes direct payments to PQS holders during the 2023/24 season 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.

Proposed eligibility criterion for PQS holders:

- Must be listed as a PQS holder for BSS in 2023/24.

ADF&G proposes direct payments to PQS holders be 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 14 individual PQS holders during the 2023/24 BSS season.

Proposed eligibility criterion for active processing companies:

- Shore-based processing facility owned by the processing company must have received deliveries of BSS crab during the 2019/20 or 2020/21 season.

ADF&G proposes direct payments for active shore-based processing companies be 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 shore-based processing companies during the 2019/20 and 2020/21 seasons.

Program Support - <0.1% (\$5,000): ADF&G is proposing to allocate funds to partially cover salary and benefits for a Program Coordinator who helps manage the disaster program on behalf of the State of Alaska.

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



City of King Cove
PO Box 37
King Cove, Alaska 99612
mayor@kingcoveak.org

OFFICE OF THE MAYOR

July 19, 2024

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

RE: Comments on Initial Draft Spend Plan for 2023/24 Bering Sea Snow Crab Fishery Disaster

Dear Commissioner Vincent-Lang,

Thank you for the opportunity to provide comments on this Initial Draft Spend Plan released by ADF&G on July 1, 2024.

The City of King Cove appreciates ADF&G's approach in moving this 2023/2024 Snow Crab Spend Plan forward for this most recent fishery disaster plan. We echo the same comments you are hearing from the other crab-dependent communities regarding the timing and urgency of receiving prior king crab and snow crab disaster funds (21/22/23) and now these most recent snow crab disaster funds.

We have actively participated in discussions with the other impacted crab communities on this topic and I have signed the letter from all of our crab communities here in southwest Alaska. I will echo the same major points that King Cove was surprised by the State's proposal to **reduce** the community sector allocation from 5% to 4%. This comes at a time when our municipalities have been hit hard by these ongoing crab disasters and the multiple challenges affecting the North Pacific fishing industry. Consequently, I urge the State to maintain the same parameters developed in 2023 which allocated 5% to communities "off the top" and set aside 1% for St. Paul Island community entities.

Now, King Cove has lost 100% loss of its processing capacity (and 75% of our revenue base) with the demise of Peter Pan Seafoods. We are in the same predicament as St. Paul and are very worried about our future and how we can survive as a functioning and vibrant community. These are scary times for King Cove.

More specifically, the complete closure of the Peter Pan in December 2024 has resulted in a 60-70% drop in our general fund revenues which on average amount to \$2 million and are

derived from local and general sales taxes directly related to the fishing industry. For decades the King Cove plant had been a year-round processor with salmon in the summer, crab in the fall and winter, and bottom-fish (cod, pollock, halibut & sablefish) throughout the year. Absent new plant ownership, in 2025 King Cove's largest source of fisheries revenue ironically will be the anticipated \$400,000 in crab disaster funds it will receive for the 2021, 2022, and 2023 seasons.

Across the board, as the crab closures extend into their third year, and as the North Pacific fishing industry is buffeted by instability in other fisheries, our communities are increasingly constrained, and in some instances, unable to provide, run and maintain essential services, utilities and infrastructure without incurring major deficits. 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. The prolonged economic crises impacting will likely result in additional economic burdens to the State.

Should ADF&G, as it now proposes, remove the "off the top" consideration for the community allocation and reduce the allocation to 4%, our estimates based on an equal dollar amount of disaster funding received for 2022-22 and 2022-23 crab seasons, are that communities would receive about \$1.7 million less, whereas all the other sectors except for research would see an increase. This is unacceptable to us given the abovementioned considerations. If, however, ADF&G maintains its position, King Cove does support an increase in the community allocation to 6% plus the additional 1% for Saint Paul.

The City of King Cove also recommends that a portion of the processors share that might go to Peter Pan Seafoods should be considered for reallocation to the City of King Cove in view of the financial pain their complete plant closure is inflicting on our community.

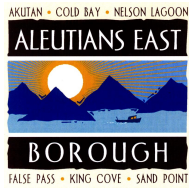
Finally, I understand the Initial Draft Spend Plan is a proposal that could be modified subject to stakeholder comment. We stand ready to engage with ADF&G and provide greater information on the conditions affecting the City of King Cove.

Thank you for your consideration.

Sincerely,

A handwritten signature in dark ink, appearing to read 'W. Wilson', written in a cursive style.

Warren Wilson
Mayor



July 17, 2024

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

Re: Comments on Initial Draft Spend Plan for 2023/24 Bering Sea Snow Crab Fishery Disaster

Dear Commissioner,

We wanted to thank you for the opportunity to provide comments on the Initial Draft Plan issued by the Alaska Department of Fish & Game (ADF&G or the State) on July 1, 2024.

First of all, we appreciate the expedience with which ADF&G has developed this Initial Draft Spend Plan since the announcement of the 2023/24 BSS fishery disaster determination in April 2024. A top concern for many of our struggling communities has been the need to accelerate fishery disaster determinations and the distribution of associated disaster funds at every link in the chain. Three (3) years into the start of the BSS disasters, and seven months since the 2021/22 and 2022/23 BSS and BBR Final Spend Plan was submitted, we are still waiting for news on the availability of disaster funds to support our communities.

Concerning the Initial Draft Spend Plan, we are surprised by the State's proposal to reduce the community sector allocation from 5% to 4%. This, at a time when our municipalities and boroughs have been hit hard by the extended crab disasters and the multiple challenges affecting the North Pacific fishing industry including the loss of processing capacity in various locations. We would therefore urge the State to maintain the framework arduously developed in 2023 over the course of several months, which allocated 5% to communities "off the top" and set aside 1% for Saint Paul Island community entities.

Developments in recent months, in fact, point to the need for increasing the State's support for its crab dependent communities. The complete closure of the Peter Pan plant in King Cove in December 2024, for example, will result in a 60-70% drop in this community's general fund revenues which on average amount to \$2 million and are derived from local and general sales taxes. For decades the King Cove plant had been a year-round processor with salmon in the summer, crab in the fall and winter, and bottom-fish (cod, pollock, halibut & sablefish) throughout the year. Absent new plant ownership, in 2025 King Cove's largest source of fisheries revenue ironically will be the

anticipated \$400,000 in crab disaster funds it will receive for the 2021, 2022, and 2023 seasons.

Saint Paul Island for its part has seen no meaningful economic activity since the closure of the BSS fishery in the 2022-23 season and is similarly relying on the crab disaster funds to survive in 2024 and 2025.

Across the board, as the crab closures extend into their third year, and as the North Pacific fishing industry is buffeted by instability in other fisheries as well as domestic and global markets, our communities are increasingly constrained, and in some instances, unable to provide, run and maintain essential services, utilities and infrastructure without incurring major deficits. 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. The prolonged economic crises impacting us and even a failure by some of our communities to recover, would likely result in additional economic burdens to our State.

Should ADF&G, as it proposes, remove the "off the top" consideration for the community allocation and reduce the allocation to 4%, our estimates based on an equal dollar amount of disaster funding received for 2022-22 and 2022-23 crab seasons, are that communities would receive about \$1.7 million less, whereas all the other sectors except for research would see an increase. This is unacceptable to us given the abovementioned considerations. If, however, ADF&G maintains its position, we would request an increase in the community allocation to 6% plus the additional 1% for Saint Paul.

We understand the Initial Draft Spend Plan is a proposal that could be modified subject to stakeholder comment. We stand ready to engage with ADF&G and provide greater information on the conditions affecting the crab dependent municipalities and boroughs within our State in support of our position.

Thank you for your consideration.

Sincerely,



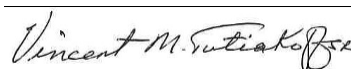
Alvin Osterback, Mayor
Aleutians East Borough



Warren Wilson, Mayor
City of King Cove



Jacob Merculief, Mayor
City of Saint Paul



Vince Tutiakoff, Mayor
City of Unalaska

July 19, 2024

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

Re: Comments on Initial Draft Spend Plan for 2023/24 Bering Sea Snow Crab Fishery Disaster

Dear Commissioner,

Thank you for the opportunity to provide comments on the Initial Draft Spend Plan issued by the Alaska Department of Fish & Game (ADFG, State) on July 1, 2024.

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 developing this Initial Draft Spend Plan so quickly after the announcement of the 2023/24 BSS fishery disaster determination in April 2024. 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.

We also are in favor of retaining the proposed spend plan language reducing the percentage of disaster funds allocated to research, as requested by several sectors in comments on the previous spend plans.

Finally, we are in favor of the proposed adjustment of the split between allocations to processors and harvesters. We in Saint Paul recognize the central position that processors hold in the lives of coastal communities, as well as the cost of doing business in these communities. It makes sense to consider a larger percentage being allocated to processors.

However, we strongly oppose the State's proposal to reduce the community allocation from 5% to 4%. This proposed change is particularly hard to understand at a time when multiple coastal communities have been hit so hard by the extended crab disasters as well as the other challenges affecting the North Pacific fishing industry.

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 doing its best to use its remaining available CDQ resources to support community programs

including educational, child and elder care, research, and infrastructure initiatives and projects. Communities themselves are less and less able to provide essential human services. Saint Paul has seen no meaningful economic activity since the closure of the BSS fishery in the 2022-23 season and is quite simply relying on the crab disaster funds to survive in 2024 and 2025.

The crab disaster funds associated with losses are intended to compensate for the wealth earned from the Bering Sea crab fisheries by fishermen and processors, none of which would have been possible without the infrastructure investments made by communities, and the essential support provided to the industry.

We therefore urge the State to maintain the framework developed in 2023 over the course of several months, which allocated 5% to communities.

As we have stated before, disaster funds that are disbursed to assist affected Alaska communities are funds that are invested in our State and more likely to remain in Alaska, benefitting our residents. The prolonged economic crises impacting us, and even a failure by some of our communities to recover, would likely result in additional economic burdens to our State.

Should ADFG, as it proposes, reduce the community allocation to 4%, our estimates based on an equal dollar amount of disaster funding received for 2022-22 and 2022-23 crab seasons, are that communities would receive about \$1.7 million less, whereas all the other sectors except for research would see an increase. This is unacceptable given the abovementioned considerations. If, however, ADFG maintains its position, we would request an increase in the community allocation to 6% plus the additional 1% for Saint Paul. We fully support the comment letters you will be receiving from coastal communities and entities on this issue.

We understand the Initial Draft Spend Plan is a proposal that can be modified subject to stakeholder comment. We stand ready to engage with ADF&G and provide greater information in support of our positions.

Thank you for your consideration.

Sincerely

Ray Melovidov, President
Central Bering Sea Fishermen's Association



July 19, 2024

Karla Bush
Alaska Department of Fish and Game
RE: Supplemental Comments on Draft Spend Plan

From: North Pacific Crab Association

Dear Ms. Bush:

Thank you for the opportunity to comment on the initial spend plan for the 2023/24 BSS Opilio crab fishery declared disaster. We understand that the disaster has been declared but no funding has been appropriated. The NPCA commented previously on prior Bering Sea Crab Disaster spend plans and incorporates those comments again here.

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

We understand and appreciate the compromise presented in the initial spend plan regarding the allocation of disaster funds between the harvester (IFQ) and processor (IPQ) holders. We renew our objection to utilize the Crab Rationalization Program's arbitration system's non-binding price formula as a way to allocate crab disaster funds between crab IFQ and crab IPQ holders. We note that this new crab disaster declaration identified losses at the ex-vessel (IFQ holders) level AND at the wholesale (IPQ holders level). As we stated we support the proposed compromise. We also support the proposed allocation of disaster funds to IPQ holders contained in the initial spend plan.

We also support the crab communities requests and comments to the initial spend plan. Crab IPQ holders and crab dependent communities have a strong interdependent relationship operating in the remote Bering Sea crab fisheries. We need each other to remain viable. We support the supplemental comments from the crab dependent communities regarding their requested allocation of the disaster funds.

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

John Iani

A handwritten signature in blue ink, appearing to read "John Iani". The signature is stylized with a large, sweeping initial "J" and a long, horizontal stroke extending to the right.

President North Pacific Crab Association



Ounalashka Corporation
PO Box 149
Unalaska, Alaska 99685-0149
(907) 581-1276 | ounalashka.com



July 19, 2024

Doug Vincent Lang, Commissioner, Alaska Department of Fish and Game
PO Box 115526
Juneau, Alaska 99811-5526

RE: Comments on the Initial Draft Spend Plan for Bering Sea Snow Crab for the
2023/2024 Bering Sea Fishery Disaster

Dear Commissioner:

I am writing on behalf of the Ounalashka Corporation (OC), an Alaska Native Corporation formed under the Alaska Native Settlement Act. OC would like to thank the Alaska Department of Fish and Game for the opportunity to provide comments on the initial Bering Sea Snow Crab Spend Plan of July 1, 2024.

OC is supportive of ADFG efforts in moving this Snow Crab Spend Plan forward for the 2023/2024 fishery disaster draft plan in such a timely fashion. A concern for all the fishery-dependent communities has been the long time it has been taking for the distribution of disaster funds. We certainly appreciate ADFG efforts to speed up the process, in support of our fishery-dependent communities.

Concerning the July 1, 2024, Initial Draft Spend Plan, OC is very concerned that this initial draft had a major reduction for communities, not only from reducing the communities' percentage by 1% to 4% and 1% for the City of Saint Paul for a total of 5%. This reduction is different from the previous spend plans from 2021/22 and 2022/23 for Bering Sea Red King Crab and Snow Crab from 5% communities and 1% for Saint Paul for a total of 6%. This first draft also removed funding for the communities from off the top of the total amount for the upcoming disaster request, which is unknown at this time. Eliminating the off-the-top funding, represents additional reductions in funding for Unalaska and all the other fishery-dependent communities that depend on the crab fisheries of the Bering Sea. Unalaska strongly feels these reductions are not warranted.

Unalaska and all the Bering Sea communities are still facing many challenges. This includes continuing crab fishery closures, reduced allocations, poor market conditions for

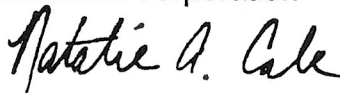
the seafood industry, reduced employment, and continued revenue declines. As you are aware, the City of St. Paul's situation is dire, as they continue to struggle with their only processing plant not operating. We can now add the Community of King Cove on that list, with the closure of the Peter Pan Seafoods Plant, their community's only processing plant. These types of closures are a severe blow to a community. The loss of local fishery landing taxes, and state share fish tax revenue, as well as sales tax revenues, are the lifeblood of a community. These impacts are felt community-wide affecting all sectors.

The City of Unalaska and OC knows firsthand about these impacts, having gone through the Bristol Bay Red King Crab crash of 1981. The community faced total plant closures, support sector businesses closed, and many residents left the community. The community struggled for four years before it got back on its feet until Pollock processing. Now is not the time to reduce the community's percentage of the upcoming disaster funding request.

OC is in full support of the City of Unalaska's recommendation, which is, for this spend plan to keep the previous 2021/22 and 2022/23 spend plan amounts at 5% for communities and 1% for the City of Saint Paul, all off the top of the total funding amount. If the off-the-top funding is not an option, the City of Unalaska would recommend an increase to 6% for communities and 1% for the City of Saint Paul for a total of 7%. We must remember that disaster funds are disbursed to assist affected Alaska Communities and these funds are invested in our state, benefitting our shareholders, and Unalaska residents and more likely to remain in Alaska.

Thank you for your consideration of OC's comments on the first draft of the spend plan for the Snow Crab fishery disaster funding.

Sincerely,
Ounalashka Corporation



Natalie A. Cale
Chief Executive Officer

CC: Karla Bush, Extended Jurisdiction Manager
Deputy Commissioner Rachel Baker
Darion Jones, ADFG
City Manager Bil Homka
Deputy City Manager Marjorie Veeder
Unalaska City Council Members



July 17, 2024

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

Re: INITIAL Draft Spend Plan for the 2023/24 Bering Sea Snow Crab Fishery Disaster

Dear Ms. Jones,

Thank you for the opportunity to comment on the [initial draft of the spend plan for the 2023/24 Bering Sea Snow \(BSS\) Crab Fishery Disaster](#). And thank you to the State for doing their part to shorten the fishery disaster process by getting started on the spend plan process quickly after the Secretary of Commerce declaration and before Congressional appropriation. Building from previous recent Alaska crab spend plan allocations that are percentage based, this is an excellent opportunity to begin planning even though dollar amounts are not yet known to help shorten the process at this initial draft stage.

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 (BSAI) Crab Rationalization Program. Our harvesters and our organization were directly harmed by the subject fishery disaster.

ABSC recommends the spend plan take 5% off the top for research. Of the remaining 95% of funds, ABSC recommends the spend plan allocate 5% for communities and Saint Paul (4% communities & 1% Saint Paul/Tribal Entities), 10% for Community Development Quota (CDQ) entities, and 85% for harvesters and processors with a 78%/22% harvester/processor split and <0.1% for ADFG program support. In addition, we recommend an allocation off the top of the harvester pool of money at a range of 0.5% - 1.0% to ABSC as an affected harvester organization, with the expectation that a final percentage would be determined during the second comment period.

Further rationale on our recommendation is provided below. Our comments in this letter build off the experience from recent rounds of fishery disaster spend plans for the 2019/20 bairdi fishery disaster and the 2021/22 & 2022/23 Bristol Bay red king crab and Bering Sea snow crab fishery disasters.

RESEARCH

ABSC recommends the research allocation be lowered to 5%. The initial draft spend plan proposal of 8.5% is too high given the substantial research dollars awarded for crab in recent years from other sources, like the North Pacific Research Board and other fishery disasters, totaling roughly \$28 million in a fishery that historically gets a fraction of that for research. We are very supportive of a portion of the disaster money being set aside for research, however, with unprecedented large amounts of funding currently designated paired with the challenges of finding the capacity to

conduct this magnitude of research within the next few years in a manner that's useful to prevent future disasters, we encourage the State to be responsible with the research funding by limiting it to 5%. The vast majority of the fishery disaster money should go to those stakeholders most affected by the disaster to help them build resilience.

COMMUNITIES, INCLUDING SAINT PAUL

ABSC supports the initial draft spend plan recommendation with communities at 4% and Saint Paul and Tribal entities at 1%, totaling 5%. However, we recommend that this amount should be 5% of the remaining 95% after research comes off the top. All affected stakeholders (harvesters, processors, CDQ, communities, Saint Paul Island and Tribal entities) should be contributing towards the research allocation. It is unfair to do otherwise. 5% to communities, including Saint Paul and Tribal entities is above and beyond what would be received by the communities if there was a fishery. With that said, ABSC supports communities receiving disaster funds as an affected stakeholder but no more than 5% total. Most crab communities, except for Saint Paul, are diversified in other fisheries and still have other fish landing taxes and supporting services available.

HARVESTER/PROCESSOR SPLIT

ABSC is surprised to see ADFG propose a harvester/processor split in this initial draft spend plan that is contrary to the data-driven approach ADFG recently finalized in the 2021/22 & 2022/23 Bristol Bay red king crab and Bering Sea snow crab fishery disaster final spend plan. ADFG moved away from the previously recommended compromise position because there was no data to support the processor proposal, and consequently, the compromise position.

"The allocation of funds between the harvester and processor sectors was revised to ... 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." Page 2 of [ADFG 2021/22 & 2022/23 Bristol Bay red king crab and Bering Sea snow crab fishery disaster final spend plan](#), January 10, 2024.

ABSC recommends a data-driven split that results in 78% to harvesters and 22% to processors. ABSC's comment letters on the 2021/22 & 2022/23 Bristol Bay red king crab and Bering Sea snow crab fishery disaster spend plan dated July 14, 2023, and December 11, 2023, herein incorporated by reference, captured the data and rationale for this data-driven approach. These letters are included as Attachment A (July 14, 2023) and Attachment B (December 11, 2023).

Using the processor's own data from their ADFG Commercial Operator's Annual Report (COAR) to determine the split yields results in an even higher amount going to harvesters with BSS at a split of 80%/20% harvester/processor whether looking at 2- or 5-year averages using the years before the snow crab closure. See tables below and, for more data, Attachment A in ABSC's July 14, 2023, comment letter. While ABSC would support this higher 80%/20% split using the processor-based COAR data, using data from the historical sharing arrangements in the BSAI Crab Rationalization Program that results in a 78%/22% split is consistent and strikes a compromise.

BSS - COAR Report 2 & 5 year splits

BSS - HARVESTER AND PROCESSOR SHARE - 2 YEAR AVERAGE PROFIT SHARE BASED ON COAR REPORT DATA

| | 2019 | 2020 | Total |
|---|----------------|----------------|---------------|
| Processor Wholesale Value (COAR Production Report) | \$ 139,826,357 | \$ 150,145,930 | |
| Divided by: Vessel Pounds Delivered (COAR Buying Report) | 26,313,098 | 32,317,123 | |
| Processor Gross Revenue Per Pound Delivered | \$ 5.31 | \$ 4.65 | |
| Less: Average Statewide Exvessel Price Per Pound (COAR Buying Report) | \$3.98 | \$3.96 | |
| Processor Profit Per Pound Delivered | \$ 1.33 | \$ 0.69 | |
| Processor Share (Profit Per Pound/Processor Gross Revenue Per Pound) | 25.09% | 14.83% | |
| Processor Average Share of BSS (Processor %/2 Years) | 12.54% | 7.42% | 19.96% |
| Vessel Share of BSS | | | 80.04% |

BSS - HARVESTER AND PROCESSOR SHARE - 2 YEAR AVERAGE PROFIT SHARE BASED ON COAR REPORT DATA

| | 2020 | 2021 | Total |
|---|----------------|----------------|---------------|
| Processor Wholesale Value (COAR Production Report) | \$ 150,145,930 | \$ 277,487,639 | |
| Divided by: Vessel Pounds Delivered (COAR Buying Report) | 32,317,123 | 42,240,645 | |
| Processor Gross Revenue Per Pound Delivered | \$ 4.65 | \$ 6.57 | |
| Less: Average Statewide Exvessel Price Per Pound (COAR Buying Report) | \$3.96 | \$4.96 | |
| Processor Profit Per Pound Delivered | \$ 0.69 | \$ 1.60 | |
| Processor Share (Profit Per Pound/Processor Gross Revenue Per Pound) | 14.83% | 24.43% | |
| Processor Average Share of BSS (Processor %/2 Years) | 7.42% | 12.22% | 19.63% |
| Vessel Share of BSS | | | 80.37% |

BSS - HARVESTER AND PROCESSOR SHARE - 5 YEAR AVERAGE PROFIT SHARE BASED ON COAR REPORT DATA

| | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
|---|----------------|----------------|---------------|----------------|----------------|---------------|
| Processor Wholesale Value (COAR Production Report) | \$ 154,703,485 | \$ 111,349,791 | \$ 87,302,357 | \$ 139,826,357 | \$ 150,145,930 | |
| Divided by: Vessel Pounds Delivered (COAR Buying Report) | 36,590,494 | 20,579,183 | 21,056,890 | 26,313,098 | 32,317,123 | |
| Processor Gross Revenue Per Pound Delivered | \$ 4.23 | \$ 5.41 | \$ 4.15 | \$ 5.31 | \$ 4.65 | |
| Less: Average Statewide Exvessel Price Per Pound (COAR Buying Report) | \$2.67 | \$4.07 | \$3.89 | \$3.98 | \$3.96 | |
| Processor Profit Per Pound Delivered | \$ 1.56 | \$ 1.34 | \$ 0.25 | \$ 1.33 | \$ 0.69 | |
| Processor Share (Profit Per Pound/Processor Gross Revenue Per Pound) | 36.35% | 24.78% | 6.10% | 25.09% | 14.83% | |
| Processor Average Share of BSS (Processor %/5 Years) | 7.39% | 4.96% | 1.22% | 5.02% | 2.97% | 21.55% |
| Vessel % Share of BSS | | | | | | 78.45% |

BSS - HARVESTER AND PROCESSOR SHARE - 5 YEAR AVERAGE PROFIT SHARE BASED ON COAR REPORT DATA

| BSS Calculation of Processor & Harvester Share | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
|---|----------------|--------------|----------------|----------------|---------------|---------------|
| Processor Wholesale Value (COAR Production Report) | \$ 111,349,791 | \$87,302,357 | \$ 139,826,357 | \$ 150,145,930 | \$277,487,639 | |
| Divided by: Vessel Pounds Delivered (COAR Buying Report) | 20,579,183 | 21,056,890 | 26,313,098 | 32,317,123 | 42,240,645 | |
| Processor Gross Revenue Per Pound Delivered | \$ 5.41 | \$ 4.15 | \$ 5.31 | \$ 4.65 | \$ 6.57 | |
| Less: Average Statewide Exvessel Price Per Pound (COAR Buying Report) | \$4.07 | \$3.89 | \$3.98 | \$3.96 | \$4.96 | |
| Processor Profit Per Pound Delivered | \$ 1.34 | \$ 0.25 | \$ 1.33 | \$ 0.69 | \$ 1.60 | |
| Processor Share (Profit Per Pound/Processor Gross Revenue Per Pound) | 24.78% | 6.10% | 25.09% | 14.83% | 24.43% | |
| Processor Average Share of BSS (Processor %/5 Years) | 4.96% | 1.22% | 5.02% | 2.97% | 4.89% | 19.05% |
| Vessel Share of BSS | | | | | | 80.95% |

Statewide COAR Buying by Species

| Year | Species Code | Species Name Common | COAR Buying Pounds Bought | COAR Buying Final Amount Paid | Preliminary Statewide Average Exvessel Price per Pound (Nominal) | Final Statewide Average Exvessel Price per Pound (Nominal) | Processor Count |
|------|--------------|-----------------------------|---------------------------|-------------------------------|--|--|-----------------|
| 2021 | 932 | crab, Tanner, snow (opilio) | 42,240,645 | \$209,692,960 | \$4.96 | \$4.96 | 10 |
| 2020 | 932 | crab, Tanner, snow (opilio) | 32,317,123 | \$127,877,948 | \$3.96 | \$3.96 | 10 |
| 2019 | 932 | crab, Tanner, snow (opilio) | 26,313,098 | \$104,748,403 | \$3.98 | \$3.98 | 10 |
| 2018 | 932 | crab, Tanner, snow (opilio) | 21,056,890 | \$81,979,505 | \$3.89 | \$3.89 | 10 |
| 2017 | 932 | crab, Tanner, snow (opilio) | 20,579,183 | \$83,756,674 | \$4.07 | \$4.07 | 11 |
| 2016 | 932 | crab, Tanner, snow (opilio) | 36,590,494 | \$97,534,713 | \$2.67 | \$2.67 | 9 |

Statewide COAR Production by Species

| Year | Species Name Common | Company Count | Net Weight (Sum) | Wholesale Value (Sum) |
|------|-----------------------------|---------------|------------------|-----------------------|
| 2021 | crab, Tanner, snow (opilio) | 11 | 32,982,486 | \$277,487,639 |
| 2020 | crab, Tanner, snow (opilio) | 9 | 25,609,455 | \$150,145,930 |
| 2019 | crab, Tanner, snow (opilio) | 11 | 22,207,384 | \$139,826,357 |
| 2018 | crab, Tanner, snow (opilio) | 10 | 14,204,007 | \$87,302,357 |
| 2017 | crab, Tanner, snow (opilio) | 12 | 17,366,493 | \$111,349,791 |
| 2016 | crab, Tanner, snow (opilio) | 10 | 29,018,034 | \$154,703,485 |

The processors previously cited extra costs as the rationale for their recommendation of a 75%/25% split without providing data to support their position. In reality, both harvesters and processors have faced increasing costs so that rationale doesn't hold up without providing data to support 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. To date, sharing arrangements between harvesters and processors in the BSAI Crab Rationalization Program do 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. Because both harvesters and processors have increased costs, the most fair approach is to use data, like the historical sharing arrangement or COAR data, to determine the split between harvesters and processors.

ABSC encourages the State to continue to lean on data-driven approaches in Council matters and when setting crab harvest levels. We encourage the State to use a data-driven approach here, too, in selecting the harvester-processor split.

HARVESTERS

ABSC supports the harvester split of 42% to QS holders, 37% to vessel owners, and 21% to captains/crew. However, ABSC also recommends 0.5-1% comes off the top of the harvester allocation as a direct payment to ABSC because we are a harvester trade association for the affected fishing community that is directly impacted by the subject fishery disaster. The Fishery Resource Disaster Improvement Act included in the [Consolidated Appropriations Act of 2023](#) included a new provision under paragraph (6)(F)(iii)(I)(ee) that allows direct assistance to “...a business to alleviate economic loss incurred as a direct result of a fishery resource disaster...”

As described in the introduction of this letter, 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 BSAI Crab Rationalization Program. ABSC was created in 2009 to organize and advocate for harvesters. Our mission¹ is to be vigilant stewards of the crab resource and the environment, provide economic stability to the crab industry and Alaska's coastal communities, support sound science and management, promote safety at sea, and produce premier crab products for American and global customers. We are proactive advocates to benefit the crab resource and the independently owned businesses of Alaska's Bering Sea crab fisheries.

ABSC is actively involved in fisheries management and policy issues for the benefit of crab fishermen. And our impact often goes beyond that to also helping processors, communities, CDQ groups, and everyone with a connection to crab fisheries. Some examples of the value we bring as an organization are our ability to initiate and secure millions in research funding quickly during the unprecedented crab closures to employ out of work crab vessels as platforms for urgent crab research. This was a prime example of our ability to mobilize quickly and leverage relationships to find positive, creative solutions and work collaboratively. Also, ABSC initiated four crab fishery disaster requests for the crab industry and affected communities that have all been approved. ABSC successfully educated decisionmakers on the magnitude of the crab crisis impacts and the need for significant disaster relief funding, one of the largest ever awarded. We secured record

¹ <https://www.alaskaberingseacrabbers.org/about>

fishery disaster funding, both in speed and amount of funding. ABSC sped up the fishery disaster process in several ways: by working with the State for the spend plan process to start ahead of Congressional appropriations, by closely tracking each disaster's progress and communicating the urgent need to keep it moving as quickly as possible through the process, by coordinating within harvesters and with other groups (processors, communities, CDQ) in spend plan negotiations, and by working with Pacific States Marine Fisheries Commission to streamline the application process and allow electronic submission. All to the benefit of our crab harvesters and the greater crab community.

In addition, we are working hard both internally and externally to avoid future fishery disasters. In 2023, ABSC released our [Resilient Fishery Action Plan](#) which provides steps that managers, scientists, and industry can do in the short, medium, and long term to build resilience. We continue to engage with decision-makers and within our industry working towards better solutions for the future of our fishery.

However, this work will come to an end if our organization doesn't survive these recent fishery disasters. Because our crab fishermen harvest three species of crab, we traditionally have had some built-in resilience, where if one crab stock is down in a given year, there are others to fish. Unfortunately, for the first time in the history of these fisheries, all three of the crab stocks are at historic lows or closed in recent years.

The result is that ABSC as an organization has been significantly harmed financially. ABSC is funded by member dues. In recent years, we've had to substantially reduce our member dues and use our reserves because our members could not afford to pay when their revenue was so greatly impacted. The snow crab fishery alone has historically provided more than half of ABSC's budget revenue. With recent historic closures of the snow crab fishery, including the subject fishery disaster, ABSC has been directly harmed. We respectfully ask that ABSC be considered for a direct payment from the fishery disaster given the new legislation that allows affected businesses to be eligible. If awarded, we would use the funds to operate at full capacity as a non-profit trade association advocating for the crab resource and crab fishermen. In addition, we would continue our work building resilience in our fishery and fishing communities using our Resilient Fishery Action Plan as a guide, along with coordinating with other industry partners and decision-makers.

Thank you for considering our comments.

Sincerely,



Jamie Goen
Executive Director
Alaska Bering Sea Crabbers

ATTACHMENTS



July 14, 2023

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

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

Dear Ms. Bush:

We appreciate the opportunity to comment on the spend plan for the 2021/22 and 2022/23 Bristol Bay red king crab (BBR) and Bering Sea snow crab (BSS) fishery disaster declarations. The Alaska Bering Sea Crabbers (ABSC) is a 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 (BSAI) Crab Rationalization Program. Our organization is funded by active BSAI crab harvesters and quota share (QS) holders. However, we strive to include the perspectives of and represent all crab harvesters (QS holders, vessel owners, captains, and crew) as the components that work together to harvest crab. To that end, ABSC held six meetings of crab harvesters that have extended beyond ABSC's membership and provided opportunity for input from any crab harvesters.

In addition, we coordinated four meetings open to all crab stakeholder groups, including harvesters, processors, communities, and community development quota (CDQ) groups, to better understand each group's perspective and to explore areas of potential alignment on the spend plan sharing, like what was done for the 2019/20 bairdi spend plan. ABSC appreciates the Alaska Department of Fish and Game's (ADFG's) willingness to extend the comment deadline to July 14th to give the larger group more time to explore a joint letter. Unfortunately, we were not able to reach agreement among all stakeholder groups for the main spend plan categories like we did for the recent bairdi disaster spend plan.

ABSC's recommendations for this spend plan were developed from the lens of helping those most impacted by these crab fishery disasters, working to share equitably among affected stakeholders, and using research to avoid future fishery disasters.

ABSC provides sharing recommendations for all categories. The fishery disaster model in the United States is structured around lost ex-vessel revenue. In other words, it's based on lost revenue to harvesters. Further, if the disaster is granted and funds allocated, they are traditionally a fraction of the total losses to harvesters. Then, those funds are required to be shared among other impacted fishery stakeholders, like processors and communities, and rightly so. What this results in, however, is a process where harvesters have a vested interest in every

dollar going to other impacted stakeholders, especially if those other groups have access to financial relief elsewhere or are more diversified in other fisheries or industries and not as dependent on crab fisheries. Added to this is the magnitude of the fishery disaster crab harvesters are facing with a near complete closure of all of our crab fisheries over multiple years resulting in tangible things like the sale of vessels and homes and multi-generational crab fishing families at risk of losing everything to less tangible ones like loss of identity. Because of the way the national fishery disaster program is structured, no impacted stakeholder will recover all their losses. Harvesters fully recognize the interdependence the larger crab stakeholder community (harvesters, processors, communities, CDQ groups, research) shares to keep this industry successful and want us all to share the available funds. However, we want to see the disaster funds matched with those that need them most and share our ideas on what we think is fair or reasonable for all categories.

ABSC offers the following recommendations for the BBR and BSS fishery disaster spend plan, largely modeled on approaches used in the recent final spend plan for the 2019/20 Bering Sea Tanner (bairdi) fishery disaster and to some extent on sharing in the Crab Rationalization Program. As was done in the bairdi spend plan, ABSC recommends research and community allocations come off the top before deducting the CDQ allocation, with the remainder split between harvesters and processors.

1. RESEARCH – 2% and goes through BSFRF

ABSC recommends research funds flow through the Bering Sea Fisheries Research Foundation (BSFRF) to further mitigate impacts on harvesters and processors that voluntarily fund that research organization based on pounds landed. The expectation is that BSFRF would work collaboratively with ADFG, National Marine Fisheries Service (NMFS or NOAA Fisheries), and the crab industry on BBR and BSS research. ABSC recommends research be awarded 2.00% because there are several other resources for crab research funding in the works through grants and Congress, totaling many millions of dollars. Further, given the \$191M awarded for the 2021/22 and 2022/23 BBR and BSS fishery disaster, 2% results in \$3.8M, a substantial additional amount toward research compared to typical annual BSFRF funding of between \$1M to \$2M. While funding is available for research from multiple sources, this fishery disaster funding is the only source of financial relief available for fishermen/harvesters that isn't a loan. Finally, harvesters would like to hear from research organizations on what specific projects they have in mind, how much money they need to do BBR/BSS research, and what it will provide to help keep the industry from experiencing future disasters.

2. COMMUNITIES – 4.75%

ABSC recommends awarding 4.75% to communities; the same amount that was agreed upon by communities, CDQ groups, processors, and harvesters in the recent final bairdi spend plan. This is roughly double the lost fishery landing tax which ranges from 2-3.5% depending on the community. Harvesters recognize there are impacts to the community beyond the lost landing tax revenue and that is why we are proposing a higher percentage to help those communities that are most severely impacted by this fishery disaster. In

addition, there are other sources of financial relief for communities that are not available to harvesters. We recognize different communities are impacted by the crab fishery disaster differently, due to their dependence on the crab fishery, their diversification into other fisheries, markets, and other factors. Some communities have actually seen increases in revenue during the subject fishery disaster years due to their diversification in other fisheries and positive markets. The communities that have diversified income streams do not need the same amounts as the less diversified and more severely impacted communities. We have seen in the news and heard from members of the community of Saint Paul Island how reliant that community is on crab and how it has devastated their economy. We encourage the state to consider within the pool of community funds how to best allocate to those affected communities most in need.

3. CDQ Groups – 10%

ABSC recommends CDQ be awarded 10%, after research and community has been allocated, consistent with Crab Rationalization Program's allocation of fishing quota, before allocating remaining funds between harvesters and processors. Further, for vessels with CDQ landings, those vessels, captains, and crew would receive their share of disaster funds from the funds that were allocated to the CDQ entities.

4. Harvesters/Processors – BBR 86.02%/13.98%, BSS 77.93%/22.07%

ABSC recommends the same approach for the harvester/processor split as the recently approved bairdi final spend plan which based the sharing on the non-binding price formula as reported the year before the fishery disaster. The harvester/processor sharing is calculated after the CDQ portion and is based on the historical distribution of revenue from the Non-Binding Price Formula for BBR and BSS as reported in the 2020/21 Non-Binding Price Formula Report.

| BBR - Harvester/Processor split | | 2020/2021 |
|------------------------------------|----|--------------------------------------|
| Formula (non-binding price) | | (FOB Alaska Price X 0.5744) - 0.4964 |
| TAC | | 2,648,000 |
| SAFE First Wholesale Price (T1.1) | | \$22.41 |
| Expected Ex-Vsl Price from formula | | \$12.38 |
| Recovery | | 64% |
| Fishery Gross Revenue | \$ | 38,097,359 |
| Ex-Vessel Gross Revenue | \$ | 32,771,394 |
| Harvester % of Gross | | 86.02% |
| Processor % of Gross | | 13.98% |

| | | |
|--|----|--------------------------------------|
| BSS - Harvester/Processor split | | 2020/2021 |
| | | (FOB Alaska Price X 0.5612) - 0.5354 |
| Formula (N&S) | | (FOB Alaska Price X 0.5760) - 0.5427 |
| TAC | | 45,000,000 |
| SAFE First Wholesale Price (T1.1) | | \$9.94 |
| Expected Ex-Vsl Price from formula (avg) | | \$5.11 |
| Recovery | | 66% |
| Fishery Gross Revenue | \$ | 295,218,000 |
| Ex-Vessel Gross Revenue | \$ | 230,077,530 |
| Harvester % of Gross | | 77.93% |
| Processor % of Gross | | 22.07% |

This approach is consistent with the approach used in the bairdi final spend plan and is consistent with established harvester/processor sharing arrangements in the Crab Rationalization Program (i.e., the Non-Binding Price Formula for the historical distribution of revenue). The processing sector average price per pound for the first wholesale price for BBR in 2020 and BSS in 2021 is from Table 1.1 in the [Crab Economic SAFE \(NMFS, Mar 2023\)](#). For BSS, the price formulas for North and South were averaged. Also, for BSS, harvesters increased the recovery from 62% to 66% based on processor input during discussions.

ABSC considered several different harvester/processor sharing arrangements before selecting this recommended approach. All were based on revenue sharing for reasons described below. ABSC considered revenue sharing based on the Non-Binding Price formula for one, two, and five years for each species (see Attachment A) with data coming from the Crab Economic SAFE. In addition to the price formula approach, we also considered the ratio of sharing from actual reported revenue in the Crab Economic SAFE for one, two, and five years (see Attachment B). These scenarios yielded fairly similar results except for the 5-year revenue ratio for BSS was quite a bit higher for harvesters. Finally, we looked at revenue reported in the Commercial Operator's Annual Report (COAR) reports for two and five years for both BBR and BSS (see Attachment C). Using COAR reports results in higher amounts going to harvesters in all cases.

ABSC stands behind the revenue-based approach to sharing between harvesters and processors as the fairest way to make an "apples to apples" comparison between impacts to the two groups. Others have pitched including costs into the equation. Both harvesters and processors have significant costs to participate in crab fisheries. Considering costs into the equation quickly becomes complicated by not being able to determine for many costs whether they are a result of crab fisheries or extend beyond to other fisheries or factors. For example, most if not all processors handle multiple species, not just crab, making it hard to tease apart costs by species or fishery. This is why the non-binding price formula was created based on revenue and purposely did not include costs and was agreed to by both harvesters and processors for the Crab Rationalization Program.

Further, as mentioned several places in our letter, we encourage the state to consider need in creating the spend plan, addressing those most harmed by the fishery disaster and matching relief to those needing it most. For many processors, crab is generally a small percent of their overall revenues (6% according to a [Report on the Economic Value of Alaska's Seafood Industry](#), Jan2022, p.8) while for most crab harvesters it is the large majority of their revenue.

The tables below show the resulting percent split between all categories for BBR and BSS.

BBR

| Off the Top Deductions | |
|---|--------|
| Communities | 4.75% |
| Research | 2.00% |
| Sum | 6.75% |
| Net | 93.25% |
| Then CDQ | |
| CDQ | 10.00% |
| CDQ % of Net | 9.33% |
| Net after CDQ | 83.93% |
| From remainder, Harvester/Processor split | |
| Harvester % of Gross | 86.02% |
| Processor % of Gross | 13.98% |
| Harvester % of Net | 72.19% |
| Processor % of Net | 11.73% |

BSS

| Off the Top Deductions | |
|---|--------|
| Communities | 4.75% |
| Research | 2.00% |
| Sum | 6.75% |
| Net | 93.25% |
| Then CDQ | |
| CDQ | 10.00% |
| CDQ % of Net | 9.33% |
| Net after CDQ | 83.93% |
| From remainder, Harvester/Processor split | |
| Harvester % of Gross | 77.93% |
| Processor % of Gross | 22.07% |
| Harvester % of Net | 65.41% |
| Processor % of Net | 18.52% |

Proposed HARVESTERS Sharing Arrangement

ABSC offers the following recommendations for subcategories within the harvester category, eligibility criteria, and how to allocate funds among the subcategories. These subcategories and recommendations are based on existing sharing arrangements resulting from the Crab Rationalization Program and largely following the model created by the 2019/20 Bering Sea Tanner (bairdi) crab fishery disaster final spend plan. A description by crab species, BBR and BSS, is provided below.

The recommended subcategories of affected crab harvesters are QS holders, vessel owners, and captains/crew. A harvester may receive funds for any of the following subcategories for which they qualify. ABSC recommends looking at data from the [Crab Economic SAFE \(NMFS,](#)

[Mar 2023](#)) over two seasons (2019/20 & 2020/21 as the most “normal” recent crab seasons) and using the actual lease amounts paid (Table 1.3 for total lease costs as reported for BBR and BSS for all quota types in calendar years 2019 & 2020 for BBR and 2020 & 2021 for BSS) to back calculate the lease rate percent to QS holders and using the actual captain and crew pay (Table 1.2 for total million dollars paid for captain and crew shares combined for BBR and BSS) in those seasons. The rationale was that compared to using reported lease rate percentages, this approach accounts for arrangements where there are no lease fees and helps the vessels the most given their continued costs. The percent share between QS holders and vessels (vessels owners & captains/crew) is based on ex-vessel gross revenue minus taxes to determine a net value. See Attachment D tables showing the calculations for both BBR and BSS.

The resulting harvester shares are:

BBR

53% to QS holders
30% to vessel owners
17% to captains/crew

BSS

42% to QS holders
37% to vessel owners
21% to captains/crew

- **QS Holders**

QS holders for BBR and BSS will be identified using the NMFS Restricted Access Management (RAM) database for the 2021/22 and 2022/23 BBR and BSS seasons (i.e., the fishery disaster years). For a QS holder to qualify for direct payment, they must be listed as the QS holder of Catcher Vessel Owner (CVO), Catcher/Processor Owner (CPO), Catcher Vessel Crew (CVC), and/or Catcher/Processor Crew (CPC) quota for BBR and/or BSS in the 2021/22 and/or 2022/23 seasons. Payment distribution for eligible QS holders is based on each QS holder’s proportion of the total QS units of all QS holders who apply and are eligible for QS holder funds.

- **Vessel Owners, Captains, and Crew**

The share between vessel owners and captains/crew is calculated using the net to the vessel after taxes and QS lease fees are deducted. Next, the crew shares and captain shares are calculated as reported for BBR and BSS in the [Crab Economic SAFE \(NMFS, Mar 2023\)](#) over two seasons (2019/20 & 2020/21 as the most “normal” recent crab seasons) (Table 1.2 for total million dollars paid for captain and crew shares combined for BBR in 2019 & 2020 and for BSS in 2020 & 2021). The remainder goes to the vessel owner. The resulting percent share between vessel owners and captains/crew is

64%/36%, respectively, for BBR and 63%/37% for BSS. See Attachment D for the calculations.

Like the sharing calculation, the eligibility criteria for vessel owners and captains/crew use the 2019/20 and 2020/21 BSAI crab seasons as the most “normal” recent crab seasons. Harvesters discussed the number of years, which years, and other options. The group settled on these two seasons as the most recent “normal” seasons for both fisheries and excluded the low BSS season in 2021/22 as not representative for the entire fleet. The group noted that including the small BSS season would penalize vessels that chose to stand down in a low quota year.

- **Vessel Owners** - Vessel owners will be identified using the Commercial Fisheries Entry Commission (CFEC) vessel license database for BBR in each year 2021 and 2022 and for BSS in each year 2022 and 2023. The following criteria will be used to determine the vessel-based payments:
 1. The vessel must have been used to harvest BBR or BSS in the Individual Fishing Quota (IFQ) fishery during either the 2019/20 or 2020/21 season.
 2. Total vessel landings of BBR or BSS in the IFQ fishery for the 2019/20 or 2020/21 seasons must be greater than 100 pounds.

Payment distribution for qualified vessel owners is pro-rata to each eligible vessel’s proportion of the total 2019/20 and 2020/21 BBR and BSS landings by species and season, not including deadloss, landed by all eligible vessels.

64% for BBR and 63% for BSS of each eligible vessel’s payment is proposed to go to the vessel owner in the CFEC vessel database for BBR in each year 2021 and 2022 and for BSS in each year 2022 and 2023. The remainder for that vessel would go to the eligible captains/crew for that vessel. 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.

- **Captains/Crew** – 36% for BBR and 37% for BSS of each eligible vessel’s payment is proposed to be shared by the captains and crew who worked on the vessel during the 2019/20 and/or 2020/21 seasons for BBR and BSS and who meet all eligibility criteria. Instead of the point system used in the recent bairdi spend plan (see p.5 of the [bairdi spend plan](#)), payments would be calculated based on an affidavit submitted by the vessel owner with their application listing the captains and crew that participated in those years for BBR and BSS and the percent of that vessel's landings that each should be credited for (see example in Attachment E). This approach was deemed by those at the harvester meetings as fairer for captains/crew based on actual payment rates without much added complexity to the process.

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

1. Captains and crew must have participated in the BBR or 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 from each of the 2019/20 and 2020/21 seasons for BBR and BSS separately. Eligibility for captains may also be verified from the CFEC permit information on Fish Tickets.
2. Captains must have held a CFEC T91Q 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 or 2020 for the 2019/20 season and in 2020 or 2021 for the 2020/21 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.

If no eligible captains or crew apply for the captain/crew portion of a vessel-based payment, the funds are proposed to be shared proportionally among all other eligible captains and crew. These unclaimed funds would be additive to the captains/crew portion of the vessel-based payment for other captains and crew. This approach will ensure that the entire funds for captains/crew get shared within that funding pool and spent.

We are happy to answer any questions you may have on these recommendations and thank you for considering our comments.

Sincerely,



Jamie Goen
Executive Director
Alaska Bering Sea Crabbers
jamie@alaskacrabbers.org

Attachment A – Non-Binding Price Formula Harvester/Processor Splits for 1, 2, and 5 Years

| Price Formula Scenarios | BBR - Harvester/Processor split | 2020/2021 | BSS - Harvester/Processor split | 2020/2021 |
|-------------------------|------------------------------------|--------------------------------------|--|--|
| 1 year | Formula (non-binding price) | (FOB Alaska Price X 0.5744) - 0.4964 | Formula (N&S) | (FOB Alaska Price X 0.5612) - 0.5354 (FOB Alaska Price X 0.5760) - 0.5427 |
| | TAC | 2,648,000 | TAC | 45,000,000 |
| | SAFE First Wholesale Price (T1.1) | \$22.41 | SAFE First Wholesale Price (T1.1) | \$9.94 |
| | Expected Ex-Vsl Price from formula | \$12.38 | Expected Ex-Vsl Price from formula (avg) | \$5.11 |
| | Recovery | 64% | Recovery | 66% |
| | Fishery Gross Revenue | \$ 38,097,359 | Fishery Gross Revenue | \$ 295,218,000 |
| | Ex-Vessel Gross Revenue | \$ 32,771,394 | Ex-Vessel Gross Revenue | \$ 230,077,530 |
| | Harvester % of Gross | 86.02% | Harvester % of Gross | 77.93% |
| | Processor % of Gross | 13.98% | Processor % of Gross | 22.07% |

| Price Formula Scenarios | BBR - Harvester/Processor split | 2019/20 & 2020/21 | BSS - Harvester/Processor split | 2019/20 & 2020/21 |
|-------------------------|------------------------------------|--------------------------------------|--|--|
| 2 years | Formula (non-binding price) | (FOB Alaska Price X 0.5744) - 0.4964 | Formula (non-binding price) (N&S) | (FOB Alaska Price X 0.5612) - 0.5354 (FOB Alaska Price X 0.5760) - 0.5427 |
| | TAC | | TAC | |
| | | 2019/20 3,797,000 | | 2019/20 34,019,000 |
| | | 2020/21 2,648,000 | | 2020/21 45,000,000 |
| | SAFE First Wholesale Price (T1.1) | | SAFE First Wholesale Price (T1.1) | |
| | | 2019/20 \$21.29 | | 2019/20 \$8.34 |
| | | 2020/21 \$22.41 | | 2020/21 \$9.94 |
| | Expected Ex-Vsl Price from formula | | Expected Ex-Vsl Price from formula (avg) | |
| | | 2019/20 \$11.73 | | 2019/20 \$4.20 |
| | | 2020/21 \$12.38 | | 2020/21 \$5.11 |
| | Recovery | 64% | Recovery | 66% |
| | Fishery Gross Revenue (total) | \$ 89,995,438 | Fishery Gross Revenue | \$ 482,472,184 |
| | | 2019/20 \$ 51,898,079 | | 2019/20 \$ 187,254,184 |
| | | 2020/21 \$ 38,097,359 | | 2020/21 \$ 295,218,000 |
| | Ex-Vessel Gross Revenue | \$ 77,319,985 | Ex-Vessel Gross Revenue | \$ 373,061,904 |
| | | 2019/20 \$ 44,548,591 | | 2019/20 \$ 142,984,374 |
| | | 2020/21 \$ 32,771,394 | | 2020/21 \$ 230,077,530 |
| | Harvester % of Gross | 85.92% | Harvester % of Gross | 77.32% |
| | Processor % of Gross | 14.08% | Processor % of Gross | 22.68% |

| Price Formula Scenarios | BBR - Harvester/Processor split | 2016/17 - 2020/21 | BSS - Harvester/Processor split | 2016/17 - 2020/21 |
|-------------------------|---|--------------------------------------|--|--|
| 5 years | Formula (non-binding price) | (FOB Alaska Price X 0.5744) - 0.4964 | Formula (non-binding price) (N&S) | (FOB Alaska Price X 0.5612) - 0.5354 (FOB Alaska Price X 0.5760) - 0.5427 |
| | TAC | | TAC | |
| | | 2016/17 8,469,000 | | 2016/17 21,570,000 |
| | | 2017/18 6,601,000 | | 2017/18 18,961,000 |
| | | 2018/19 4,308,000 | | 2018/19 27,581,000 |
| | | 2019/20 3,797,000 | | 2019/20 34,019,000 |
| | | 2020/21 2,648,000 | | 2020/21 45,000,000 |
| | SAFE First Wholesale Price (T1.1 & T1*) | | SAFE First Wholesale Price (T1.1) | |
| | | 2016/17 \$19.61 | | 2016/17 \$7.86 |
| | | 2017/18 \$17.86 | | 2017/18 \$7.64 |
| | | 2018/19 \$19.23 | | 2018/19 \$7.51 |
| | | 2019/20 \$21.29 | | 2019/20 \$8.34 |
| | | 2020/21 \$22.41 | | 2020/21 \$9.94 |
| | Expected Ex-Vsl Price from formula | | Expected Ex-Vsl Price from formula (avg) | |
| | | 2016/17 \$10.77 | | 2016/17 \$3.93 |
| | | 2017/18 \$9.76 | | 2017/18 \$3.81 |
| | | 2018/19 \$10.55 | | 2018/19 \$3.73 |
| | | 2019/20 \$11.73 | | 2019/20 \$4.20 |
| | | 2020/21 \$12.38 | | 2020/21 \$5.11 |
| | Recovery | 64% | Recovery | 66% |
| | Fishery Gross Revenue (total) | \$ 325,489,891 | Fishery Gross Revenue | \$ 826,685,647 |
| | | 2016/17 \$ 106,621,492 | | 2016/17 \$ 111,896,532 |
| | | 2017/18 \$ 75,687,858 | | 2017/18 \$ 95,608,946 |
| | | 2018/19 \$ 53,185,103 | | 2018/19 \$ 136,707,985 |
| | | 2019/20 \$ 51,898,079 | | 2019/20 \$ 187,254,184 |
| | | 2020/21 \$ 38,097,359 | | 2020/21 \$ 295,218,000 |
| | Ex-Vessel Gross Revenue | \$ 278,398,587 | Ex-Vessel Gross Revenue | \$ 632,891,245 |
| | | 2016/17 \$ 91,190,669 | | 2016/17 \$ 84,773,249 |
| | | 2017/18 \$ 64,441,497 | | 2017/18 \$ 72,147,629 |
| | | 2018/19 \$ 45,446,436 | | 2018/19 \$ 102,908,462 |
| | | 2019/20 \$ 44,548,591 | | 2019/20 \$ 142,984,374 |
| | | 2020/21 \$ 32,771,394 | | 2020/21 \$ 230,077,530 |
| | Harvester % of Gross | 85.53% | Harvester % of Gross | 76.56% |
| | Processor % of Gross | 14.47% | Processor % of Gross | 23.44% |
| | *2016/17 values from Table 1.1 in the Feb2022 Crab Economic SAFE document | | | |
| | All other values from Table 1.1 in the Mar2023 Crab Econ SAFE document | | | |

Attachment B – Revenue-based Harvester/Processor Splits for 1, 2, and 5 Years – CRAB ECONOMIC SAFE

In the first set of revenue-based tables, the data comes from revenue as reported in the Crab Economic SAFE documents. Harvester/processor revenue is shown for BBR and BSS in a single year (2020/21), as well as averages over two years (2019/20 & 2020/21) and five years (2016/17 – 2020/21). For the single year, the year before the fishery disasters was chosen. For all other scenarios, additional two years and five years were explored to consider changing markets and different harvest levels. In the 5-year scenario, 2016/17 values from Table 1 in the [Feb2022 Crab Economic SAFE document](#). All other values from Table 1.1 in the [Mar2023 Crab Econ SAFE document](#).

| Revenue Ratio | BBR - Harvester/Processor split | 2020/21 | | | BSS - Harvester/Processor split | 2020/21 | | |
|---------------|---|-------------------|-------|--------|---------------------------------|-------------------|--------|------|
| Scenarios | Wholesale Gross Revenue (T1.1) | \$ 39,940,000 | | | Wholesale Gross Revenue (T1.1) | \$ 287,390,000 | | |
| 1 year | Ex-Vessel Gross Revenue (T1.1) | \$ 33,610,000 | | | Ex-Vessel Gross Revenue (T1.1) | \$ 219,130,000 | | |
| | Harvester % of Gross | 84.15% | | | Harvester % of Gross | 76.25% | | |
| | Processor % of Gross | 15.85% | | | Processor % of Gross | 23.75% | | |
| | | | | | | | | |
| Revenue Ratio | BBR - Harvester/Processor split | 2019/20 & 2020/21 | | | BSS - Harvester/Processor split | 2019/20 & 2020/21 | | |
| Scenarios | Wholesale Gross Revenue (T1.1) | \$ 47,095,000 | | | Wholesale Gross Revenue (T1.1) | \$ 235,445,000 | | |
| 2 years | Ex-Vessel Gross Revenue (T1.1) | \$ 40,435,000 | | | Ex-Vessel Gross Revenue (T1.1) | \$ 178,400,000 | | |
| | Harvester % of Gross | 85.86% | | | Harvester % of Gross | 75.77% | | |
| | Processor % of Gross | 14.14% | | | Processor % of Gross | 24.23% | | |
| | | | | | | | | |
| Revenue Ratio | BBR - Harvester/Processor split | 2016/17 - 2020/21 | 97.9 | 111.28 | BSS - Harvester/Processor split | 2016/17 - 2020/21 | 95.9 | 110 |
| Scenarios | Wholesale Gross Revenue (T1.1 & T1) | \$ 67,876,000 | 66.06 | 78.98 | Wholesale Gross Revenue (T1.1) | \$ 161,786,000 | 80.76 | 94.2 |
| 5 years | Ex-Vessel Gross Revenue (T1.1 & T1) | \$ 58,406,000 | 47.2 | 54.93 | Ex-Vessel Gross Revenue (T1.1) | \$ 129,558,000 | 114.33 | 134 |
| | Harvester % of Gross | 86.05% | 47.26 | 54.25 | Harvester % of Gross | 80.08% | 137.67 | 184 |
| | Processor % of Gross | 13.95% | 33.61 | 39.94 | Processor % of Gross | 19.92% | 219.13 | 287 |
| | *2016/17 values from Table 1 in the Feb2022 Crab Economic SAFE document | | | | | | | |
| | All other values from Table 1.1 in the Mar2023 Crab Econ SAFE document | | | | | | | |

Attachment C – Revenue-based Harvester/Processor Splits for 2 and 5 Years – COAR REPORTS

BBR - COAR Report 2 & 5 year splits

BBR - HARVESTER AND PROCESSOR SHARE - 2 YEAR AVERAGE PROFIT SHARE BASED ON COAR REPORT DATA

| | 2019 | 2020 | Total |
|---|--------------|---------------|---------------|
| Processor Wholesale Value (COAR Production Report) | \$51,789,961 | \$ 34,819,491 | |
| Divided by: Vessel Pounds Delivered (COAR Buying Report) | 3,852,158 | 2,600,051 | |
| Processor Gross Revenue Per Pound Delivered | \$ 13.44 | \$ 13.39 | |
| Less: Average Statewide Exvessel Price Per Pound (COAR Buying Report) | \$11.77 | \$11.89 | |
| Processor Profit Per Pound Delivered | \$ 1.67 | \$ 1.50 | |
| Processor Share (Profit Per Pound/Processor Gross Revenue Per Pound) | 12.43% | 11.19% | |
| Processor Average Share of BBR (Processor %/2 Years) | 6.22% | 5.59% | 11.81% |
| Vessel Share of BBR | | | 88.19% |

BBR - HARVESTER AND PROCESSOR SHARE - 5 YEAR AVERAGE PROFIT SHARE BASED ON COAR REPORT DATA

| | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
|---|----------------|---------------|---------------|---------------|---------------|---------------|
| Processor Wholesale Value (COAR Production Report) | \$ 102,964,375 | \$ 75,368,660 | \$ 55,085,171 | \$ 51,789,961 | \$ 34,819,491 | |
| Divided by: Vessel Pounds Delivered (COAR Buying Report) | 9,140,822 | 7,235,975 | 5,128,192 | 3,852,158 | 2,600,051 | |
| Processor Gross Revenue Per Pound Delivered | \$ 11.26 | \$ 10.42 | \$ 10.74 | \$ 13.44 | \$ 13.39 | |
| Less: Average Statewide Exvessel Price Per Pound (COAR Buying Report) | \$ 10.18 | \$ 8.91 | \$ 9.27 | \$ 11.77 | \$ 11.89 | |
| Processor Profit Per Pound Delivered | \$ 1.08 | \$ 1.51 | \$ 1.47 | \$ 1.67 | \$ 1.50 | |
| Processor Share (Profit Per Pound/Processor Gross Revenue Per Pound) | 9.63% | 14.46% | 13.70% | 12.45% | 11.21% | |
| Processor Average Share of BBR (Processor %/5 Years) | 1.93% | 2.89% | 2.74% | 2.49% | 2.24% | 12.29% |
| Vessel Share of BBR | | | | | | 87.71% |

Statewide COAR Buying by Species

| Year | Species Code | Species Name Common | COAR Buying Pounds Bought | COAR Buying Final Amount Paid | Preliminary Statewide Average Exvessel Price per Pound (Nominal) | Final Statewide Average Exvessel Price per Pound (Nominal) | Processor Count |
|------|--------------|---------------------|---------------------------|-------------------------------|--|--|-----------------|
| 2020 | 921 | crab, red king | 2,600,051 | \$30,924,839 | \$11.85 | \$11.89 | 11 |
| 2019 | 921 | crab, red king | 3,852,158 | \$45,350,365 | \$11.77 | \$11.77 | 12 |
| 2018 | 921 | crab, red king | 5,128,192 | \$47,553,513 | \$9.27 | \$9.27 | 11 |
| 2017 | 921 | crab, red king | 7,235,975 | \$64,498,202 | \$8.91 | \$8.91 | 18 |
| 2016 | 921 | crab, red king | 9,140,822 | \$93,075,940 | \$10.18 | \$10.18 | 14 |

Statewide COAR Production by Species

| Year | Species Name Common | Company Count | Net Weight (Sum) | Wholesale Value (Sum) |
|------|---------------------|---------------|------------------|-----------------------|
| 2020 | crab, red king | 11 | 1,948,584 | \$34,819,491 |
| 2019 | crab, red king | 12 | 2,743,997 | \$51,789,961 |
| 2018 | crab, red king | 12 | 3,249,845 | \$55,085,171 |
| 2017 | crab, red king | 19 | 5,050,262 | \$75,368,660 |
| 2016 | crab, red king | 14 | 5,586,973 | \$102,964,375 |

BSS - COAR Report 2 & 5 year splits

BSS - HARVESTER AND PROCESSOR SHARE - 2 YEAR AVERAGE PROFIT SHARE BASED ON COAR REPORT DATA

| | 2019 | 2020 | Total |
|---|----------------|----------------|---------------|
| Processor Wholesale Value (COAR Production Report) | \$ 139,826,357 | \$ 150,145,930 | |
| Divided by: Vessel Pounds Delivered (COAR Buying Report) | 26,313,098 | 32,317,123 | |
| Processor Gross Revenue Per Pound Delivered | \$ 5.31 | \$ 4.65 | |
| Less: Average Statewide Exvessel Price Per Pound (COAR Buying Report) | \$3.98 | \$3.96 | |
| Processor Profit Per Pound Delivered | \$ 1.33 | \$ 0.69 | |
| Processor Share (Profit Per Pound/Processor Gross Revenue Per Pound) | 25.09% | 14.83% | |
| Processor Average Share of BSS (Processor %/2 Years) | 12.54% | 7.42% | 19.96% |
| Vessel Share of BSS | | | 80.04% |

BSS - HARVESTER AND PROCESSOR SHARE - 2 YEAR AVERAGE PROFIT SHARE BASED ON COAR REPORT DATA

| | 2020 | 2021 | Total |
|---|----------------|----------------|---------------|
| Processor Wholesale Value (COAR Production Report) | \$ 150,145,930 | \$ 277,487,639 | |
| Divided by: Vessel Pounds Delivered (COAR Buying Report) | 32,317,123 | 42,240,645 | |
| Processor Gross Revenue Per Pound Delivered | \$ 4.65 | \$ 6.57 | |
| Less: Average Statewide Exvessel Price Per Pound (COAR Buying Report) | \$3.96 | \$4.96 | |
| Processor Profit Per Pound Delivered | \$ 0.69 | \$ 1.60 | |
| Processor Share (Profit Per Pound/Processor Gross Revenue Per Pound) | 14.83% | 24.43% | |
| Processor Average Share of BSS (Processor %/2 Years) | 7.42% | 12.22% | 19.63% |
| Vessel Share of BSS | | | 80.37% |

BSS - HARVESTER AND PROCESSOR SHARE - 5 YEAR AVERAGE PROFIT SHARE BASED ON COAR REPORT DATA

| | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
|---|----------------|----------------|---------------|----------------|----------------|---------------|
| Processor Wholesale Value (COAR Production Report) | \$ 154,703,485 | \$ 111,349,791 | \$ 87,302,357 | \$ 139,826,357 | \$ 150,145,930 | |
| Divided by: Vessel Pounds Delivered (COAR Buying Report) | 36,590,494 | 20,579,183 | 21,056,890 | 26,313,098 | 32,317,123 | |
| Processor Gross Revenue Per Pound Delivered | \$ 4.23 | \$ 5.41 | \$ 4.15 | \$ 5.31 | \$ 4.65 | |
| Less: Average Statewide Exvessel Price Per Pound (COAR Buying Report) | \$2.67 | \$4.07 | \$3.89 | \$3.98 | \$3.96 | |
| Processor Profit Per Pound Delivered | \$ 1.56 | \$ 1.34 | \$ 0.25 | \$ 1.33 | \$ 0.69 | |
| Processor Share (Profit Per Pound/Processor Gross Revenue Per Pound) | 36.95% | 24.78% | 6.10% | 25.09% | 14.83% | |
| Processor Average Share of BSS (Processor %/5 Years) | 7.39% | 4.96% | 1.22% | 5.02% | 2.97% | 21.55% |
| Vessel % Share of BSS | | | | | | 78.45% |

BSS - HARVESTER AND PROCESSOR SHARE - 5 YEAR AVERAGE PROFIT SHARE BASED ON COAR REPORT DATA

| | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
|---|----------------|--------------|----------------|----------------|---------------|---------------|
| BSS Calculation of Processor & Harvester Share | | | | | | |
| Processor Wholesale Value (COAR Production Report) | \$ 111,349,791 | \$87,302,357 | \$ 139,826,357 | \$ 150,145,930 | \$277,487,639 | |
| Divided by: Vessel Pounds Delivered (COAR Buying Report) | 20,579,183 | 21,056,890 | 26,313,098 | 32,317,123 | 42,240,645 | |
| Processor Gross Revenue Per Pound Delivered | \$ 5.41 | \$ 4.15 | \$ 5.31 | \$ 4.65 | \$ 6.57 | |
| Less: Average Statewide Exvessel Price Per Pound (COAR Buying Report) | \$4.07 | \$3.89 | \$3.98 | \$3.96 | \$4.96 | |
| Processor Profit Per Pound Delivered | \$ 1.34 | \$ 0.25 | \$ 1.33 | \$ 0.69 | \$ 1.60 | |
| Processor Share (Profit Per Pound/Processor Gross Revenue Per Pound) | 24.78% | 6.10% | 25.09% | 14.83% | 24.43% | |
| Processor Average Share of BSS (Processor %/5 Years) | 4.96% | 1.22% | 5.02% | 2.97% | 4.89% | 19.05% |
| Vessel Share of BSS | | | | | | 80.95% |

Statewide COAR Buying by Species

| Year | Species Code | Species Name Common | COAR Buying Pounds Bought | COAR Buying Final Amount Paid | Preliminary Statewide Average Exvessel Price per Pound (Nominal) | Final Statewide Average Exvessel Price per Pound (Nominal) | Processor Count |
|------|--------------|-----------------------------|---------------------------|-------------------------------|--|--|-----------------|
| 2021 | 932 | crab, Tanner, snow (opilio) | 42,240,645 | \$209,692,960 | \$4.96 | \$4.96 | 10 |
| 2020 | 932 | crab, Tanner, snow (opilio) | 32,317,123 | \$127,877,948 | \$3.96 | \$3.96 | 10 |
| 2019 | 932 | crab, Tanner, snow (opilio) | 26,313,098 | \$104,748,403 | \$3.98 | \$3.98 | 10 |
| 2018 | 932 | crab, Tanner, snow (opilio) | 21,056,890 | \$81,979,505 | \$3.89 | \$3.89 | 10 |
| 2017 | 932 | crab, Tanner, snow (opilio) | 20,579,183 | \$83,756,674 | \$4.07 | \$4.07 | 11 |
| 2016 | 932 | crab, Tanner, snow (opilio) | 36,590,494 | \$97,534,713 | \$2.67 | \$2.67 | 9 |

Statewide COAR Production by Species

| Year | Species Name Common | Company Count | Net Weight (Sum) | Wholesale Value (Sum) |
|------|-----------------------------|---------------|------------------|-----------------------|
| 2021 | crab, Tanner, snow (opilio) | 11 | 32,982,486 | \$277,487,639 |
| 2020 | crab, Tanner, snow (opilio) | 9 | 25,609,455 | \$150,145,930 |
| 2019 | crab, Tanner, snow (opilio) | 11 | 22,207,384 | \$139,826,357 |
| 2018 | crab, Tanner, snow (opilio) | 10 | 14,204,007 | \$87,302,357 |
| 2017 | crab, Tanner, snow (opilio) | 12 | 17,366,493 | \$111,349,791 |
| 2016 | crab, Tanner, snow (opilio) | 10 | 29,019,034 | \$154,703,485 |

Attachment D – Harvester Sharing Calculations

BBR - Vessel/Captain-Crew split 2019/20 & 2020/21

| | \$M | % | |
|------------------------------|-------|------------------------|----------------|
| Ex-vsl Gross Revenue | 80.87 | | |
| 2019/20 | 47.26 | | |
| 2020/21 | 33.61 | | |
| minus taxes | 4.54 | | |
| 2019/20 (5.7%) | 2.69 | | |
| 2020/21 (5.5%) | 1.85 | | |
| net after taxes | 76.33 | | |
| minus Lease Fees (actuals) | 40.43 | 53% of net after taxes | |
| 2019/20 | 23.56 | | |
| 2020/21 | 16.87 | | |
| net after royalties subtotal | 35.9 | | vsl/crew split |
| minus Captain+Crew Pay | 12.97 | 17% of net after taxes | 36% |
| 2019/20 | 7.59 | | |
| 2020/21 | 5.38 | | |
| Net Revenue to Vessel | 22.93 | 30% of net after taxes | 64% |

Crab Econ SAFE on calendar year - used 2020 for BBR; 2021 for BSS

Table 1.1 - Crab Econ SAFE (Mar 2023)

BBR Taxes 19/20 = 0.85% IFQ fee, 2% landing tax, 2.5% buyback fee, 0.33% BSFRF fee, no arbitration fee

BBR Taxes 20/21 = 0.655% IFQ fee, 2% landing tax, 2.5% buyback fee, 0.33% BSFRF fee, no arbitration fee

Table 1.3 for all quota types in 2020/BBR & 2021/BSS - Crab Econ SAFE (Mar 2023)

Table 1.2 total million \$ for crew and captain shares combined - Crab Econ SAFE (Mar 2023)

BSS - Vessel/Captain-Crew split 2019/20 & 2020/21

| | \$M | % | |
|------------------------------|--------|------------------------|----------------|
| Ex-vsl Gross Revenue | 356.80 | | |
| 2019/20 | 137.67 | | |
| 2020/21 | 219.13 | | |
| minus taxes | 31.31 | | |
| 2019/20 (8.9%) | 12.25 | | |
| 2020/21 (8.7%) | 19.06 | | |
| net after taxes | 325.49 | | |
| minus Lease Fees (actuals) | 135.50 | 42% of net after taxes | |
| 2019/20 | 51.88 | | |
| 2020/21 | 83.62 | | |
| net after royalties subtotal | 189.99 | | vsl/crew split |
| minus Captain+Crew Pay | 69.73 | 21% of net after taxes | 37% |
| 2019/20 | 27.11 | | |
| 2020/21 | 42.62 | | |
| Net Revenue to Vessel | 120.26 | 37% of net after taxes | 63% |

Crab Econ SAFE on calendar year - used 2020 for BBR; 2021 for BSS

Table 1.1 - Crab Econ SAFE (Mar 2023)

BSS Taxes 19/20 = 0.85% IFQ fee, avg 3.5%N-2%S (2.75%) landing tax, 5% buyback fee, 0.33% BSFRF fee, no arbitration fee

BSS Taxes 20/21 = 0.655% IFQ fee, avg 3.5%N-2%S (2.75%) landing tax, 5% buyback fee, 0.33% BSFRF fee, no arbitration fee

Table 1.3 for all quota types in 2020/BBR & 2021/BSS - Crab Econ SAFE (Mar 2023)

Table 1.2 total million \$ for crew and captain shares combined - Crab Econ SAFE (Mar 2023)

Attachment E – Example Captain/Crew Affidavit

| | | | | | | | | | |
|-------------------------------|---------|-------------------|---------------------|-----------|-------------------|---------------------|-----------|-------------------|---------------------|
| BSS EXAMPLE - Vessel A | | | | | | | | | |
| Year | 2020 | | | 2021 | | | Total | | |
| Lbs | 910,000 | | | 1,200,000 | | | 2,110,000 | | |
| | | | | | | | | | |
| | | | | | | | | | |
| <u>Name</u> | | <u>Relative %</u> | <u>Relative lbs</u> | | <u>Relative %</u> | <u>Relative lbs</u> | | <u>Relative %</u> | <u>Relative lbs</u> |
| 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 |

Attachment B



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 20th 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 | 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 | 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

CITY OF UNALASKA

P.O. BOX 610
UNALASKA, ALASKA 99685-0610
(907) 581-1251 FAX (907) 581-1417



July 15, 2024

Doug Vincent Lange, Commissioner, Alaska Department of Fish and Game
ATTN: Darion Jones, dfg.com.fisheriesdisasters@alaska.gov
PO Box 115526
Juneau, Alaska 99811-5526

RE: Comments on the Initial Draft Spend Plan for Bering Sea Snow Crab for the 2023/2024 Bering Sea Fishery Disaster

Dear Commissioner:

The City of Unalaska would like to thank the Alaska Department of Fish and Game for the opportunity to provide comments on the initial Bering Sea Snow Crab Spend Plan of July 1, 2024.

We are supportive of ADFG's efforts in moving this Snow Crab Spend Plan forward for the 2023/2024 fishery disaster draft plan in such a timely fashion. A concern for all the fishery-dependent communities has been the long time it has been taking for the distribution of disaster funds. We certainly appreciate ADFG's efforts to speed up the process in support of our fishery-dependent communities.

We were very concerned that the draft July 1, 2024, Initial Draft Spend Plan proposed major reductions for fishery-dependent communities. It reduces the communities' percentage by 1% from previous spend plans from 2021/22 and 2022/23 for Bering Sea Red King Crab and Snow Crab from 5% for communities and 1% for Saint Paul for a total of 6%. This first draft also removes funding for the communities from off the top of the total amount for the upcoming disaster request, which is unknown at this time. Eliminating the off-the-top funding represents additional reductions in funding for Unalaska and all the other Bering Sea crab fishery-dependent communities. Unalaska strongly feels these reductions are not warranted.

Unalaska and all the Bering Sea communities are still facing many challenges. These include the continuing crab fishery closures, reduced allocations, poor market conditions for the seafood industry, employment reductions, and continued revenue declines. As you are aware, the City of St. Paul's situation is dire, as they continue to struggle with their only processing plant not operating. We can now add the Community of King Cove to that list, with the closure of the Peter

Pan Seafoods Plant, their only processing plant. These types of closures are a severe blow to a community. The loss of local fishery landing taxes, state share fish tax revenue, and sales tax revenues are the lifeblood of a community. These impacts are felt community-wide, affecting all sectors. The City of Unalaska knows firsthand about these impacts, having experienced the Bristol Bay Red King Crab crash of 1981. Our community faced total plant closures, support sector businesses shut down, and many residents left. The community struggled for four years before it recovered thanks to the start of Pollock processing. Now is not the time to reduce the community's percentage of the upcoming disaster funding request.

In closing, the City of Unalaska recommends that this spend plan retain the previous 2021/22 and 2022/23 allocation amounts at 5% for communities and 1% for the City of Saint Paul, all taken off the top of the total funding amount. If the off-the-top funding is not an option, the City of Unalaska recommends increasing the allocation to 6% for communities and 1% for the City of Saint Paul, for a total of 7%. We must remember that disaster funds are disbursed to assist affected Alaska communities, and these funds are invested in our state, benefitting our residents and more likely to remain in Alaska.

Thank you for your consideration of the City of Unalaska's comments on the first draft of the spend plan for the Snow Crab fishery disaster funding.

Sincerely,
City of Unalaska

A handwritten signature in cursive script that reads "Vincent M. Tutiakoff Sr.".

Vincent Tutiakoff Sr.
Mayor

CC: Extended Jurisdiction Manager, Karla Bush
Deputy Commissioner, Rachel Baker
ADFG, Darion Jones
City Manager, William Homka
Deputy City Manager, Marjorie Veeder
Unalaska City Council Members



July 18, 2024

Darion Jones
ADFG
PO Box 115526
Juneau, AK 99811-5526
Submitted via email to: dfg.com.fisheriesdisasters@alaska.gov

Re: Initial draft spend plan for 2023/24 Bering Sea snow crab fishery disaster

Dear Mr. Jones:

Thank you for the opportunity to comment on the initial spend plan for the 2023/24 Bering Sea snow crab fishery disaster. The Pacific Seafood Processors Association represents processing plants operating across Alaska, including shoreside processors historically dependent on the snow crab fishery in Unalaska, St. Paul, Kodiak, and the Aleutians East Borough. Shoreside processing in Alaska is extremely capital intensive, with significant fixed and operating costs, especially in remote ports in the Bering Sea. Fishermen depend on viable shoreside markets across Alaska to deliver their catch, and these communities depend on the jobs, fish tax and property tax revenue, and support service businesses resulting from local processing.

We are certain you are aware of the very challenging conditions in the Alaska seafood industry, which includes the Bering Sea crab fisheries. Few active Alaska processors remain in the Bering Sea crab fisheries¹ and the closure of the snow crab fishery represented a significant loss to active processors, making the distribution of funds to retain local processing infrastructure through these difficult times even more important.

In addition to the uncertainty with snow crab stock status due to the rapidly changing and warming marine ecosystem, poor global market conditions (higher global crab supply particularly from Russia and Canada; strong US dollar; trade policy) and other external factors such as rising costs greatly affect the overall crab and groundfish processing capacity in BSAI communities. These changes have created significant disruption to harvesters, processors, and dependent communities in the BSAI, including extremely inefficient operations and high costs to process small volumes of crab. While disaster funds have not yet been appropriated in this case, direct payments to harvesters and processors are a crucial

¹There were only 8 active processors in any federal Bering Sea crab fisheries in 2022, 6 of those being shoreside plants, and only 4 of those 6 are currently operating. Compare to the 2011 – 2015 annual average number of active processors (14). Source: BSAI Crab Rationalization Program Review, NPFMC, May 2024. Table 8-16, p. 170.

www.pspafish.net

ANCHORAGE

721 W. 1st Avenue
Suite 100
Anchorage, AK 99501
907 223 1648

JUNEAU

222 Seward Street
Suite 200
Juneau, AK 99801
907 586 6366

SEATTLE

1900 W. Emerson Place
Suite 205
Seattle, WA 98119
206 281 1667

WASHINGTON DC

20 F Street NW
Floor 7
Washington, DC 20001
202 431 7220

component of the spend plan, to retain the basic infrastructure needed to prosecute a fishery. The costs associated with maintaining processing infrastructure and reviving or finding new markets once lost due to a complete fishery closure are extremely high.

We appreciate the department's efforts in preparing this and other spend plans and addressing the difficult issues associated with allocating disaster funds to crab stakeholders and communities severely impacted by the recent crab fishery disasters and closures. We continue not to support using the crab rationalization program's arbitration system non-binding price formula as the method to allocate crab disaster funds, as there is no connection between losses in either sector as a result of the recent snow crab disaster to that formula identified almost thirty years ago for a different purpose (historical distribution of first wholesale revenue between harvesters and processors). The initial spend plan proposes to allocate 76.5% of the disaster funds to harvesters and processors, and of that, 23.5% to the processing sector, for an effective allocation of 18% of total funds. While the processing sector's losses will likely outweigh such an allocation when funds are appropriated, we support ADFG's proposed distribution, but no less.

We also support crab community allocations as part of the initial spend plan. Crab processors and dependent communities have a strong interdependent relationship operating in the remote Bering Sea crab fisheries. Both need to remain viable, and the Congressional intent is such that disaster funds are intended to assist in that regard as the fishery recovers.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Julie Decker". The signature is fluid and cursive, with the first name "Julie" being more prominent than the last name "Decker".

Julie Decker
President, PSPA