



July 1, 2024

Initial Draft Spend Plan for the 2023/24 Bering Sea snow (BSS) crab fishery disaster. The Secretary of Commerce announced a positive determination for this fishery disaster in April 2024. Funding has not been allocated for this fishery disaster and therefore, estimated dollar amounts are not included.

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:

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Comments must be submitted by July 19, 2024, for consideration in the next iteration of the spend plan. A second draft of the spend plan will be available for public comment once funding for this fishery disaster has been announced.

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 assess and forecast future fishery performance and to develop management approaches that avoid and/or mitigate the impacts of future fishery disasters that cannot be prevented.

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

Category	Allocation Percentage
Research	8.5%
Communities and St. Paul entities	5%
Community Development Quota	10%
Harvesters/Processors	76.5%
ADF&G Program support	<0.1%
Total funds	100%^a

^a Additional funds are taken off the top by Pacific States Marine Fisheries Commission to administer the federal grant.

The impact of the fishery disaster created significant loss of income to those involved in the harvesting and processing sectors and to the communities in which the cultural and basic economic structure is the marine economy. A portion of these funds will be allocated to research activities that restore the fishery

or prevent a similar failure in the future, but they will also be used to help assist the fishing communities that were affected by this fishery resource disaster by recognizing the loss of incomes. These direct payments will compensate participants consistent with fishery investments and/or historical fishery performance. Historically one of the purposes of disaster funding was to get funds to communities and fishery participants as fast as possible. Direct payments provide that method.

Research –8.5%: 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 8.5% 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%: 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- 4%: Municipalities and boroughs rely on revenue generated from BSS crab fishery landings and other economic activities related to the crab fisheries. The state’s Fishery Business tax rate is 3% for shore-based crab landings and is shared 50/50 with the state and municipalities/boroughs where the landings occur. If landings occur in the bounds of a municipality and borough, landing tax revenues are shared 50/50 between each entity. Some municipalities and boroughs levy an additional local raw fish tax at a rate of 2% to 3.5% depending on the location and species. ADF&G proposes a 4% 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%: 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
Aleutian Pribilof Island Community Development Association	8%
Bristol Bay Economic Development Association	20%
Central Bering Sea Fisherman’s Association	20%
Coastal Village Region Fund	17%
Norton Sound Economic Development Association	18%
Yukon Delta Fisheries Development Association	17%
Total	100%

Harvesters and Processors – 76.5%: 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 to allocate 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 the 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. These challenges to keep processing plants open during fishery closures informs ADF&G’s decision to propose a compromise between the suggested approaches that allocates 76.5% to harvesters and 23.5% to processors.

Components	Allocation
Harvesters	76.5%
Processor	23.5%

Harvesters: ADF&G proposes harvester funds 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	Allocation
QS Holders	42%
Vessel owners	37%
Captains/crew	21%

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

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

claiming eligibility. These requirements are met by holding a permit or license in 2020 for the 2019/20 season or in 2021 for the 2020/21 season.

Captain and crew payments are 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: 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% of total funds: ADF&G is proposing to allocate funds to partially cover salary and benefits for a Program Coordinator who helps manage the fishery disaster program on behalf of the State of Alaska.

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