



October 31, 2022

Final DRAFT Spend Plan for funds appropriated to address the 2019 Norton Sound red king crab disaster determination. NOAA Fisheries allocated \$1,433,137 for the 2019 Norton Sound red king crab fishery disaster. This 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.

Process to develop the spend plan: ADF&G posted an initial draft spend plan for public comment on August 12, 2022 and received one written comment (Appendix 1). ADF&G revised the plan to include two additional research themes based on public comment and input from the department's Subsistence Section and posted a second draft plan for public comment on September 21, 2022. One additional comment from the City of Nome was received and in response, ADF&G is recommending including communities as a new category in the final draft of the spend plan.

Guiding principles for disaster fund distribution: Disbursement of funds is intended to:
1) assist fishery participants harmed by the 2019 Norton Sound red king 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.

Proposed categories for disaster relief funds:

- **Harvesters:** Direct payments to 2019 licensed Commercial Fisheries Entry Commission (CFEC) Norton Sound red king crab permit holders and their vessel crew who meet all eligibility criteria. Fish ticket data from commercial Norton Sound red king crab landings will be used to determine eligibility for permit holders.
- **Processors:** Direct payments to processing facilities. Fisheries production and value data from the Commercial Operators Annual Report (COAR) will be used to determine eligibility and payment for processors.
- **Research:** The 2019 Norton Sound red king crab fishery disaster resulted from natural and undetermined causes which resulted in extremely challenging and unexpected conditions on the fishing grounds during both the winter and summer fishing seasons.
- **Communities:** The City of Nome receives revenue generated from Norton Sound red king crab landings and other economic activities related to the red king crab fishery. Funds designated for the City of Nome can be used for managing, repairing, or maintaining infrastructure or services that support the Norton Sound red king crab fishery.
- **Program Support:** The Alaska Department of Fish and Game (ADF&G) is proposing to designate funds for staff working on fishery disaster plan development and implementation in coordination with PSMFC.

Proposed allocations and eligibility for disaster relief funds:

Harvesters – 69% of total funds (~\$ 988,000): The 2014-2018 average value for the Norton Sound red king crab fishery is \$2.65 million dollars and the value of the 2019 fishery was \$534 thousand dollars, for a total estimated loss due to the disaster of \$2.1 million dollars. The funds proposed for allocation to the harvesting sector are intended to mitigate this loss by providing funds to bring the harvesting sector up to approximately half of their recent historical value, which is similar to funding amounts provided for harvesters in other recent disaster spend plans. In addition, the proposed allocation reflects initial stakeholder input suggesting that harvesters should receive the bulk of disaster funds.

Based on public comments, ADF&G is proposing to divide the harvester funds into two pools, 8% for winter fishery participants and 92% for summer fishery participants based on the guideline harvest level proportion allocated to each season. The summer fishery allocation is proposed to be further subdivided into two pools: 85% for permit holders and 15% for vessel crew. Most fishery permit holders operate with one to three additional crew members who earn an average crew share of 10% each. We are proposing to use the most recent seasons of 2017 through 2019 to establish eligibility criteria. This period covers years when the most recent management measures were in place including the guideline harvest level (GHL) split between the winter and summer fishery that was established in 2016 and the winter season pot limit implemented in 2017.

Winter fishery participants - 8% of harvester funds (~\$79,000)

Permit holders who meet both criteria below are eligible for a payment amount based on their average landings in 2017 and 2018. Participation during the 2019 winter season is not proposed as an eligibility requirement because most permit holders who registered did not make landings due to poor ice conditions.

1. K09Z or K09ZE permit holder must have made a Norton Sound red king crab commercial landing during the winter fishing season in any two of three years from 2017 to 2019.
2. ADF&G proposes to allocate available funds among four tiers. The tiers are based on the average annual pounds of Norton Sound red king crab harvested during the winter season by all eligible permit holders in 2017 and 2018. The proposed allocation to each tier approximates the proportion of the total average landings by harvesters in that tier. Each permit holder's payment will be determined by the tier level corresponding to their average landings in 2017 and 2018. All permit holders in the same tier level will receive the same payment amount.

Tier level	Average landings 2017-2018	Allocation	Est. number of eligible permit holders
1	< 800 pounds	10%	7
2	800 - 1,299 pounds	20%	6
3	1,300 - 1,999 pounds	30%	7
4	> 2,000 pounds	40%	5

Summer fishery participants - 92% of harvester funds (~\$909,000)

Permit holders - 85% of summer fishery funds or ~\$773,000.

Permit holders who meet both criteria below are eligible for a tiered payment based on their average landings from 2017 through 2019, not including the lowest year. Participation in the 2019 summer season is proposed as an eligibility requirement because weather conditions did not limit participation and nearly all permit holders who registered for the fishery made landings.

1. K09Z or K09ZE permit holder must have made a Norton Sound red king crab landing during the 2019 summer fishing season.
2. ADF&G proposes to allocate available funds among four tiers. The tiers are based on the average annual pounds of Norton Sound red king crab harvested during the summer season by all eligible permit holders from 2017 to 2019, not including the lowest year. For most permit holders, the lowest year was the 2019 disaster year. The proposed allocation to each tier approximates the proportion of the total average landings by harvesters in that tier. Each permit holder’s payment will be determined by the tier level corresponding to their average landings from 2017 through 2019, not including the lowest year. All permit holders in the same tier level will receive the same payment amount.

Tier level	Average landings 2017-2019, drop one	Allocation	Est. number of eligible permit holders
1	> 6,000 pounds	10%	8
2	6,000 - 9,999 pounds	20%	7
3	10,000 - 17,999 pounds	30%	6
4	> 18,000 pounds	40%	5

Vessel crew - 15% of summer fishery funds or ~\$136,000.

Vessel crew members who meet both criteria below are eligible for an equal share payment. All eligible crew members will receive the same payment.

1. Vessel crew member must have held a 2019 commercial crew license or 2019 CFEC permit for any fishery. This information will be verified using the ADF&G Licensing database or the CFEC permit database.
2. Vessel crew member must have worked for a permit holder that made a landing during the 2019 summer season. This information will be verified based on crew contract, crew settlement, 1099-MISC tax form, or a signed affidavit from the permit holder.

Processors – 14% of total funds (~\$200,000): The 2014-2018 average wholesale value of the Norton Sound red king crab fishery for shorebased processors was \$3.04 million dollars and the wholesale value of the 2019 fishery was \$625 thousand dollars, for a total estimated loss due to the disaster of \$2.42 million dollars. The proposed allocation of funds to the processing sector is intended to mitigate this loss by providing funds to bring the processing sector up to approximately 10% of their recent wholesale value. In addition, the proposed allocation reflects initial stakeholder input suggesting that harvesters should receive the bulk of disaster funds.

Processors who meet both criteria below are eligible for disaster funds. If more than one processing facility is eligible, payment will be pro-rata to the facility’s loss in 2019.

1. Processing facility must have processed Norton Sound red king crab in 2019.

2. The COAR data must show that the processing facility had a demonstrated first wholesale loss for Norton Sound red king crab in 2019 compared to the average annual first wholesale value for Norton Sound red king crab processed at the facility from 2014 to 2018.

Research – 14% of total funds (~\$200,000): Research funds will be allocated to improve available fishery information and help prevent and/or mitigate future fishery disasters. Research themes include:
1) Spatial distribution and movement of Norton Sound red king crab, including how environmental factors affect the distribution and movement of mature male crabs.

2) Evaluating the potential for electronic monitoring on small vessels to help estimate total catch.

3) Documentation of Traditional Ecological Knowledge of Norton Sound red king crab, including distribution, size distribution of subsistence harvest, developing community fishing profiles, and an evaluation of the impacts of changes in the fishery to Norton Sound communities.

4) Management strategy evaluation (MSE) analysis to look at the risks and tradeoffs of different management approaches that may allow for more consistent annual harvest and minimize fishery closures. Stakeholder goals for the fishery should be incorporated early in the MSE process.

ADF&G is requesting input on these or other suggested research themes. In addition, recent Alaska disaster spend plans have used competitive and non-competitive bid processes to award research funds. ADF&G is requesting input on the appropriate award process for the 2019 Norton Sound red king crab fishery disaster spend plan.

Communities – 3% of total funds (~\$42,000): A portion of the funds are allocated to the City of Nome to mitigate lost revenue generated from fish landings and other economic activity related to the fishery. The City must identify specific expenditures related to managing, repairing, or maintaining infrastructure or services that support the Norton Sound red king crab fishery prior to receiving disaster funds.

Because all Norton Sound red king crab is landed in the City of Nome, no eligibility criteria have been established.

Program Support - <1% of total funds (\$1,500): 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.

Appendix 1. Public comments on the initial and second drafts of the spend plan.



August 25, 2022

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

Re: Draft Spend Plan for 2019 Norton Sound Red King Crab Disaster Determination

Dear Ms. Enge,

Norton Sound Economic Development Corporation (NSED C) welcomes the opportunity to comment on the draft spend plan issued August 12, 2022 regarding the fishery disaster determination for the 2019 Norton Sound red king crab fishery.

NSED C is the Community Development Quota (CDQ) organization representing 15-member communities and more than 8,700 people in the Norton Sound/Bering Strait region of Alaska. NSED C provides economic development through education, employment, training and financial assistance to our member communities, with our biggest economic driver tied to our investments in regional commercial crab, halibut, salmon, and cod fisheries. NSED C owns and operates three regionally based processing plants, four buying stations and a fleet of tender vessels that support more than 150 Norton Sound resident commercial fishers.

NSED C also aims to promote scientific research within the Norton Sound region with an emphasis on supporting both local commercial and subsistence fisheries through our Norton Sound Fisheries Research and Development (NSFR&D) Department.

NSED C is a stakeholder on several fronts in regard to the Norton Sound red king crab fishery. We operate as the sole buyer and processor for the commercial fishery, and support the fishing fleet with gear and loan programs. Our NSFR&D Department monitors the fishery and crab population while also conducting and supporting research on several fronts to better understand the dynamics of the resource. NSED C also acts as an advocate for the fishery and its participants by actively engaging with related regulatory and management processes to push for decisions and policies that protect the long-term health of the crab resource while delivering as much benefit to resident stakeholders as possible.

NSED C supports the draft spend plan's focus on the commercial fishery participants, as their loss is the most acute due to the 2019 failure and subsequent years of no commercial activity. NSED C is also supportive of the tiered approach both between and within the summer and winter commercial fisheries.

In regard to the proposed research funding, NSED C is supportive of the first proposed research item which would address the understanding of spatial distribution and movement of the crab population. NSED C would also support funding being directed toward a management strategy evaluation (MSE) for the fishery, as has

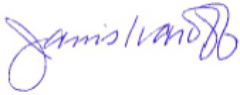
"NSED C will participate in the Bering Sea fisheries to provide economic development through education, employment, training and financial assistance to our member communities."

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been conducted for other Bering Sea crab fisheries, to determine possible outcomes of potential harvest strategy changes. NSEDC favorably views projects that would better inform and improve the accuracy of the current population modeling for the stock.

We are appreciative of the work done by ADF&G to prepare the draft spend plan, as well as the opportunity to provide comment. While we know disaster funds cannot replace what was lost by the fishery failure, we are hopeful that the spend plan, once finalized, will assist with mitigating the hardships that the loss of the fishery placed upon our resident fishers. Please do not hesitate to contact me if you have any questions.

Sincerely,



Janis Ivanoff
President & CEO

cc: Frank Katchatag, NSEDC Chairman
Simon Kinneen, NSEDC Vice-President
Tyler Rhodes, NSEDC COO

Sent: Tuesday, September 20, 2022 10:18 PM
To: Bush, Karla L (DFG) <karla.bush@alaska.gov>
Subject: FW: 2019 Norton Sound red king crab fishery disaster

Karla,

FYI, the City would like to make known that we have projects that support the impacted crab fishing fleet, and would like to pursue funding for this work once the funds and additional criteria for making application are available.

Please advise if further is needed at this time.

Thank you,

Joy L. Baker
Port Director
City of Nome
(907) 304-1905
www.nomealaska.org |

From: [Tyler Rhodes](#)
To: [DFG, ComFisheriesDisasters \(DFG sponsored\)](#)
Cc: [Janis Ivanoff](#); [Simon Kinneen](#); [Frank Wayne. Katchatag](#); [Enge, Ana C \(DFG\)](#)
Subject: RE: NSEDC Comment on Draft Spend Plan for 2019 NSRKC Fishery Disaster
Date: Friday, September 9, 2022 11:29:14 AM
Attachments: [image001.png](#)
[image003.png](#)
[image005.png](#)
[image006.png](#)
[image008.png](#)

Hello Karla,

Thanks for reaching out with the additional questions. We have had a few discussions internally on a possible MSE for the Norton Sound red king crab fishery, but have not firmly landed on any final, prioritized objectives yet. However, the following points are items that we have identified as possibilities should an MSE move forward:

- Are there management strategies that will allow more consistent harvest each year and minimize the years that are closed? (i.e. examine the effects of more conservative GHs in certain scenarios)
- Currently the GH is based on legal size of 4 ¾" while the market only purchases 5" or larger crab. Are there management changes that would likely lead to a more stable fishery considering that only 5" crab are retained in the summer fishery?
- When a pulse of crab comes into the fishery are there management strategies that would extend the number of years that could be fished on the pulse? How does reduced harvest on the front end of a pulse affect the number of years that crab from the pulse are available for harvest?

Additionally, if an MSE is to be considered, a process should be included in getting feedback from Norton Sound resident stakeholders on what goals they may want to see addressed. This is another aspect that could benefit from available funding.

Regards,

Tyler

Tyler Rhodes | [Norton Sound Economic Development Corporation](#)
Chief Operating Officer