



October 20, 2023

Doug Vincent Lang  
Commissioner, Alaska Department of Fish & Game  
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P.O. Box 115526  
Juneau, Alaska 99811-5526

*Re: Comments on Initial Draft Spend Plan for the 2021/22 and 2022/23 Bering Sea Snow Crab and Bristol Bay Red King Crab Fisheries Disasters*

Dear Commissioner,

We wanted to thank you for meeting with us recently regarding our common concerns with the Initial Draft Spend Plan issued by ADF&G on September 28, 2023.

As Alaskan crab-dependent communities we are looking to you and our State government for support as we endure the economic impacts of the disastrous closure of the Bering Sea snow (BSS) crab and Bristol Bay red king crab (BBR) fisheries in 2021 and 2022. While the BBR fishery will open with under a modest quota this year, the challenges with the BSS fishery show no signs of abating and the fishery will remain closed in 23/24 season.

We believe it is vital, therefore, that sufficient levels of support be extended to our communities from the disaster funds appropriated by Congress last December to mitigate the losses in fisheries tax revenues we have suffered in 2021 and 2022, and to weather continuing economic difficulties in 2023 and onward.

For these reasons, we continue to support an allocation to communities that is higher than the 5% proposed by the State. We commented previously on the proposed Spend Plan and incorporate those comments again here. Our initial proposal of 7% to communities, plus a 1% allocation off the top for Saint Paul Island, was based on consideration of the BSS and BBR disaster funds as a single fund and was reflective of past annual revenues generated by local and state fisheries taxes. The 1% for Saint Paul Island was based on the recognition of its much higher levels of dependence on the BSS fishery and the lack of any other meaningful sources of revenues for that community.

However, we are supportive of the State's proposal in the Initial Draft Spend Plan to consider an allocation of funds for the two fisheries separately. Under such a scenario, there are other ways to recognize Saint Paul Island's higher level of dependence on the BSS fishery. As was discussed with you, one option would be to allocate 7% to communities from both the BSS and BBR disaster funds, with an additional 1% for Saint Paul Island from only the BSS disaster funds. However, there may be other options for achieving the abovementioned objectives and we are open to discussing these with you.

To arrive at the community sector allocations under this second option above, the amount dedicated to research under the draft spend plan would likely need to be reduced. We would propose a 10% research allocation which would result in over \$18 million for critically important research. Under our proposal, the amounts allocated to each sector would be as follows:

BBR / BSS Spend Plan	Initial Draft	Community Proposal	Difference
Research	\$ 34,000,000	\$ 18,728,897	\$ (15,271,103)
Communities	\$ 7,658,448	\$ 12,928,608	\$ 5,270,159
CDQ	\$ 15,316,897	\$ 16,844,007	\$ 1,527,110
Harvester/Processor	\$ 130,193,622	\$ 138,667,456	\$ 8,473,834
Total	\$ 187,168,967	\$ 187,168,967	\$ -

While our boroughs and municipalities remain fully supportive of additional research initiatives, it is vital that the current disaster funds provide boroughs and municipalities with sufficient resources to survive the current downturn and allow them to invest in projects, including research, that will lay the basis for diversification into new economic activities. Under a prolonged, multiyear, depression of the crab stocks, opportunities for affected boroughs and municipalities to obtain disaster funds will eventually be limited.

Our boroughs and municipalities also support the suggested allocation of 10% to the CDQ groups, all of which play a critical role in many Western Alaska communities and boroughs. However, the allocation to CDQ groups should not be considered in the aggregate with the allocation to communities. Not all affected communities are members of CDQ groups, nor do all CDQ groups have the same level of economic activity from crab fisheries within their regions. In addition, while CDQ groups support their eligible communities in multiple ways, they must also spend disaster funds pursuant to CDQ Program Statute directives and the Fishery Resource Disasters Improvements Act of 2022, which include recovering losses resulting from impacts to their crab fishery investments.

Finally, we believe that other community-based entities affected by the disaster should be considered separately, and not as part of the community sector allocation. We have based our allocation proposals strictly on average annual municipal/borough and state fisheries tax revenues, which are verifiable on State databases. Although we are supportive of efforts to assist all impacted sectors and stakeholders, we are not in a position to be able to verify monetary claims made by other entities and businesses based in our boroughs and municipalities, nor are we able to administer and then account for funds that may be designated to them. In this regard, going forward we would recommend that the communities' section be referred to instead as "Boroughs & Municipalities" to avoid confusion and establish the proper distinction between the various impacted sectors and stakeholders.

As stated at our meeting, disaster funds that are disbursed to assist affected Alaskan boroughs and municipalities are funds that are invested in our State and more likely to remain in Alaska, benefitting our residents. Similarly, a prolonged economic crisis and even a failure by some boroughs and municipalities to recover from the crab collapse, would likely result in additional economic burdens to the State.

We would like to thank you for your time and consideration and look forward to working with ADF&G towards successful implementation of the BSS and BBR Spend Plan.

Sincerely,



Alvin D. Osterback, Mayor  
Aleutians East Borough



Joe Bereskin, Mayor  
City of Akutan



Warren Wilson, Mayor  
City of King Cove



Jacob Mercurief, Mayor  
City of Saint Paul



Vince Tutiakoff, Mayor  
City of Unalaska