



October 20, 2023

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

Dear Mr. Jones:

Tanadgusix Corporation (TDX) respectfully submits the following comments in response to the Alaska Department of Fish & Game's (ADF&G) Initial Draft Spend Plan for funds appropriated to address both the 2021/22 and 2022/23 Bristol Bay red king crab (BBR) and Bering Sea snow (BSS) crab fisheries disaster determinations.

TDX is the Alaska Native Village Corporation representing shareholders from Saint Paul Island, Alaska. Saint Paul Island is located in the Central Bering Sea, the heart of both affected fisheries. TDX provides direct support services to multiple participants in the BBR and BSS crab fisheries including: land & dock leases and fuel storage to the largest crab processor in the Bering Sea; processed crab storage and shipping support; crab pot storage; fuel sales to the crab fishing fleet; lodging for itinerant crab harvesting and processing workers in Saint Paul and Anchorage; passenger and freight air carrier support, including passenger customer service, baggage and freight handling, and Jet-A fuel sales. The BBR and BSS crab fisheries are integral to TDX's business, and its contribution to the quality of life for Unanga shareholders on Saint Paul Island.

EXECUTIVE SUMMARY

1. The Research Set-Aside Must be Lower: TDX objects to the proposed unilateral increased set-aside for research, from the private stakeholder-recommended 2 – 10 percent, to 18 percent. This proposed increase, which potentially doubles the recommended set-aside, is arbitrary and not supported in the Spend Plan with research project cost estimates. Research project descriptions in the Spend Plan are vague such that they do not justify a set-aside of one fifth of the Congressional appropriation. Furthermore, this increased government set-aside includes additional embedded and unquantified administrative costs and cuts critical relief that would otherwise help stakeholders who directly participate in the affected fisheries. ADF&G should instead supplement a 10-12 percent research set-aside with state-appropriated funds, which are not available to private stakeholders suffering from the fisheries disaster.

2. Community Designated Funds Must be Available to Other Community Entities (Besides Municipalities and Boroughs) Affected by the Fishery Disaster: Community entities, other than municipalities and boroughs, must be eligible to receive disaster relief funds. TDX recognizes that municipalities and boroughs often provide valued public infrastructure to affected fisheries, which are financed by tax revenues. The 5 percent set-aside for Communities in the draft Spend Plan does not address the full scope of economic loss to affected communities. TDX provides multiple supports and services to fisheries that municipalities and boroughs do not. TDX directly serves BBR and BSS crab harvesters, processors, their personnel; and the sea cargo carriers and passenger/cargo airlines that support them. The fisheries disaster caused direct harm to TDX, its employees, and shareholders, slashing TDX's Saint Paul Island BBR and BSS crab-related revenue by an average of \$2.4 million per year*. From the first day crab was processed on Saint Paul, TDX has provided critical support services to the BBR and BSS crab fisheries, for which TDX has *earned* revenue and profit. This relationship was by the design of the US Congress, who was responsible for the Northern Fur Seal harvest on Saint Paul and therefore supported the economic transition to fishing and supporting the fishing industry. This fisheries disaster has financially devastated TDX's Saint Paul Operations, causing economic harm to its shareholders and employees. This economic harm is separate and distinct from that suffered by the City of Saint Paul, CBSFA and the Tribe. TDX and other entities that serve the affected fisheries must be eligible to directly receive relief funds appropriated by the Congress to the same extent contemplated for municipalities and boroughs.
3. Direct "Savings" from Reduced Research to Community Designated Funds: The small allocation to Communities minimizes their contribution to the success of the affected fisheries. Reducing the research set-aside from 18 percent to 12 percent will make \$11 million available for private stakeholders.
 - a. TDX recommends \$1.9 million of the \$11 million in savings be used to reinstate/implement the stakeholder recommendation to allocate 1 percent of total disaster funds to Saint Paul Island (on the basis that Saint Paul's economy is entirely dependent upon the BBK and BSS crab fisheries). Unilaterally discarding this stakeholder recommendation because Central Bering Sea Fisherman's Association (CBSFA) stands to receive a direct allocation ignores the devastating reality faced by all Saint Paul stakeholders. Furthermore, Saint Paul Island's, ergo TDX's, unique relationship to the BBR and BSS crab fisheries was by design of the US Congress, who financed the transition from federally sponsored Northern Fur Seal harvests to fishing, when it discontinued the harvest. The Spending Plan's implication that 5 percent is enough because CBSFA stands to receive funds, is insufficient. CBSFA is but one of many entities that have suffered because of the disaster.
 - b. TDX recommends further, that from the remaining \$9.1 million "savings" from a reduced research set-aside, \$2 million be directed to Communities under the BBR distribution for a total \$7 million, and \$2 million be directed to Communities under the BSS distribution

for a total \$7 million. The remaining \$5.1 million should be distributed pro-rata to all other categories of recipients other than research.

DISCUSSION

Eligibility for Community Designated Funds Must Reach Beyond Municipalities and Boroughs:

The 2021/22 and 2022/23 BBR and BSS crab fishery disasters struck a devastating and continuing economic setback to the Saint Paul Island community. Saint Paul’s economy is entirely dependent on commercial fishing, especially Bering Sea crab fisheries.

Accordingly, TDX collaborated with our community partners, i.e., the City of Saint Paul; CBSFA; and the Aleut Community of Saint Paul Island (Tribe) to support an emergency declaration. The result of this joint effort was a letter dated *October 24, 2022*, signed by the Mayor and City Manager, to the Secretaries of U.S. Department of Commerce and U.S. Department of the Interior; Governor Dunleavy; and the Alaska Congressional delegation. The letter requested disaster declarations for these fisheries. TDX is grateful that these public officials shared our concern and advocated for fishery disaster declarations, and that ultimately, such disasters were declared by the U.S. Department of Commerce. The resulting funds represent critical economic relief to the citizens and entities of Saint Paul Island; and will help mitigate economic harm from losses incurred in these crab fisheries.

*As outlined in our shared October 26, 2022, letter, TDX has and will continue to lose significant revenue because of these crab fishery disasters. Below is an excerpt from the October 2022 letter as it applies to TDX revenue:

“Tanadgusix (TDX) Corporation, the Alaska Native Village Corporation for Saint Paul, formed under the Alaska Native Claims Settlement Act, also supports the crab fishery on Saint Paul Island. TDX estimates a 100 percent loss of revenue for services and sales provided to the crab processor and fishing fleet. Such services and sales include moving and storage of crab pots; fuel sales to Trident Seafoods, fishing boats and electricity generation specific to fisheries; and lodging of itinerant workers. TDX estimates a total revenue loss, from its 2020 to 2022 average revenue of \$2,369,792, to \$0 in 2023. Such loss will affect City sales taxes, TDX revenue and profit, and staffing changes that may result from diminished economic activity.

TDX - Revenue Comparison

2018 - 2022 Average	\$2,369,782
2021	\$2,142,674
2022	\$1,736,644

2023 Projection \$ 0

2023 Budget Comparison

Change from 2021 (-)100%
Change from Average (-)100%”

“Other Community Entities (Besides Municipalities and Boroughs) Affected by the Fishery Disaster” Must Receive Direct Awards of Community-Designated Funds:

In past fisheries disasters (e.g., 2000), the City of Saint Paul acted as lead entity on behalf of the Tribe, TDX and CBSFA. In 2000, the City coordinated meetings with local entities to aggregate community losses and further coordinated with State or Federal authorities to maximize funding for Saint Paul.

This year however, the City has informed TDX, the Tribe, and others that it will not serve in any role in which it functions as a pass-thru entity, or that requires it to subcontract funds received from the Pacific States Marine Fisheries Commission (PSMFC) to sub-applicants. The City states it does not have the resources to act in this role, nor does it wish to incur any legal liability that may come with it but rather, prefers that other entities such as TDX and the Tribe be explicitly included in the State’s spending plan such that all affected entities may receive awards directly from PSMFC.

Guidance for Funds Dispensation Must Clearly State that Community Entities Other Than Municipalities and Boroughs are Eligible for Direct Awards:

TDX’s understands that the PSMFC will administer fisheries disaster funds on the National Oceanic and Atmospheric Administration’s (NOAA) behalf, including the full scope of funds distribution: grants proposal solicitation, award, and administration activities. Furthermore, TDX understands that PSMFC requires proposals and statements of work from applicants; and, that reporting requirements and potential audits are likely. TDX has heard that through the subcontracting process, any single entity charged with distributing funds to local businesses through a subaward would assume the responsibilities otherwise assigned to PSMFC, hence the City’s refusal to administer sub-awards.

TDX also understands that the Department of Commerce, through NOAA, will retroactively apply the changes required by the Consolidated Appropriations Act of 2023, Title II, the “Fishery Resource Disasters Improvement Act,” which amended Magnuson-Stevens Fishery Conservation and Management Act (MSA).

Summary

In closing, TDX respectfully recommends: 1) that the set-aside for research be reduced to 12 and the “savings” be directed to Communities; 2) Community Entities other than Municipalities and Boroughs, including specifically TDX and the Aleut Community of Saint Paul Island, must be eligible for direct awards of disaster relief funds and, 3) the 1 percent set-aside for Saint Paul Island be reinstated and \$2 million be added to Communities under both BBR and BSS. We also ask that the State’s Spending Plan be amended to reflect TDX and the Tribe’s important role in supporting the fisheries industry in and around Saint Paul Island. The significant economic losses these entities have and will continue to incur because of these devastating crab fisheries disasters warrant that the State’s spending plan clearly confirm that all island entities that demonstrate a nexus between the fisheries disaster and economic harm suffered receive an equitable share of the Communities allocation.

Thank you for your consideration. TDX’s employees and shareholders sincerely appreciate Governor Dunleavy’s leadership on this important issue and look forward to fully participating in the State’s process moving forward.

Sincerely,



Christopher Mandregan, Jr.
Chief Executive Officer