



Koyukuk Tribal Council

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October 27, 2020

Alaska Department of Fish and Game
Office of the Commissioner
PO Box 1155526
Juneau, AK 99811-5526
Email: dfg.com.caresact@alaska.gov

Dear Honorable Commissioner Vincent-Lang;

Thank you for taking the time to share the Section 12005 CARES Act Relief for Fisheries Participants Draft Spend Plan from October 5, 2020 through October 21, 2020. It was important for fishermen and women to be able to read the spend plan and provide public comments on the allocation the CARES Act Relief funds because having access and opportunity to our fishery is vital, especially as we prepare for winter. Unfortunately, there was no communication between Koyukuk and any Alaska Department of Fish and Game program that could have allowed us to submit written comments about the allocation spend plan in a timely manner. Please keep in mind our rural communities we are preparing for winter and out on the land for our families during the time you chose to release the spend plan for review and for comments. We need this time to prepare ourselves for the hardships of winter by put away our traditional foods while doing the strenuous work of gathering firewood, and ensuring our families are prepared during a pandemic. We do not have adequate or affordable broadband connections so please do not understand that communication is streamlined and readily available. Life in rural Alaska is much different, our way of life and homelands are unique.

As you know salmon remain central to the ways of life for Alaska native people, providing for physical, social, economic, cultural, spiritual connection to our people and communities, subsistence fishing is essential for both sustenance and well-being, especially amid the global pandemic as it wanes on our health.

According to the State of Alaska, the harvest and processing of wild resources for food, raw materials, and other traditional uses have been a central part of the customs and traditions of many cultural groups in Alaska. The Alaska legislature passed and established subsistence as the priority use of Alaska's fish and wildlife. Law defines subsistence as "customary and traditional uses" of fish and wildlife and highlighted the unique importance of wild resources, and the continuing role of subsistence activities in sustaining the long-established (12,000 years) ways of life in Alaska. Subsistence fisheries is a strongly integrated part of native people and are complex social and ecological systems.

The CARES Act Relief for Fisheries Participants Draft Spend Plan does not reflect the importance of subsistence. 3% or 1.5 million dollars does not reflect priority and is insufficient relief for the negative impacts' subsistence fishermen experienced due to COVID.

Alaska received \$50 million of the \$300 million available for this assistance program. The spend plan provides eligibility criteria for participants in each of the eligible sectors, which are seafood processing, commercial harvesting, sport charter, subsistence, and aquaculture. The spending plan allocates 100% of available funds as direct payments to fishery participants in eligible sectors. While all sectors have been negatively impacted by the COVID-19 pandemic, 63% of the funds are to commercial, 34% to the sports fishing industry, and only 3% is going to the subsistence.

A 2019 ADFG memo that combined state and federal records shows that 16,959 households are already eligible for these funds and on average 59,367 households participate in subsistence and personal salmon fisheries based on state permits and surveys. The two criteria we have serious issue with allows ALL Alaskans under state subsistence to have opportunity to the smallest amount of funds provided to a fishery/sector and many subsistence fishermen and families do not have an age requirement for their family's providers and that criteria needs to be removed.

Subsistence Users Eligibility criteria:

- All Alaskan households may apply regardless of address
- The person applying on behalf of the household must be 18 years of age or older

To further heighten the inequity faced by subsistence fishermen in Rural Alaska, commercial industries and fishermen have several opportunities to receive relief but subsistence fishermen have only had this one opportunity.

Commercial Fisheries Funding Opportunities

- AK Cares, funding up to \$100,000: <https://www.commerce.alaska.gov/web/ded/AKCARESGrant.aspx>
- Seafood Trade Relief Program: <https://www.fsa.usda.gov/state-offices/Alaska/https://www.farmers.gov/Seafood>
- Paycheck Protection Program: <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program>
- Kodiak Area Business Economic gran: <https://kmxt.org/2020/06/emergency-grants-of-up-to-25000-ready-for-kodiak-small-businesses/> The cap was \$25,000 and there were 2 funding rounds, so a total of \$50,000.

We strongly encourage the allocation formula to allow for households that meet the criteria to receive additional funding.

- Households located in rural subsistence areas
- Households located in rural subsistence areas as defined by Federal Subsistence Management Program

We thank you ADF&G for your work on designing the Spend Plan and supporting Alaskans struggling with the impacts and disruptions of COVID-19.

Sincerely,

A handwritten signature in black ink, appearing to read "Luo Le... Tribal Chief". The signature is stylized and cursive.

Koyukuk Tribal Council

From:
To: [DFG, COM CARES ACT \(DFG sponsored\)](#)
Subject: Residency requirements
Date: Monday, November 9, 2020 10:11:26 AM

I am a commercial fisherman and a former 34 year resident of Sitka Alaska. Recently we moved to Washington state but still fish from April to November in Alaska. The first cares act plan said that I would have to apply for the cares act relief in Washington state. I tried to apply several times and got nowhere. From what I have been told the natives down here are claiming their share of it and it is all tied up in a big mess. And by the time they do get their share there probably won't be much left to go around to non-tribal fisherman. So I would like to recommend that Alaska commercial fisherman who live out of state are able to apply in the state of Alaska. Thank you,

Gary and Martha Egerton,
F/V Valle Lee

From:
To: [DFG, COM CARES ACT \(DFG sponsored\)](#)
Subject: Residence issue with Cares act
Date: Monday, November 9, 2020 12:05:03 PM

Hello,

I wrote in for the last public comment in regards to my vessel doing all of its commercial fishing in Alaska and being home ported in Oregon. Since my vessel catch's all of its product in Alaska and does not hold a license in Oregon it was not eligible to apply for cares assistance through Oregon. I see on the updated residency requirements that non resident vessels would be required to have a business license from the state of Alaska in order to apply. Most vessels that are in this same situation as Me would not have a business license in Alaska as it is not required to have a business license specifically to catch and sell its product in Alaska. However a vessel license is required. Perhaps it would be better to base the eligibility on the vessel license and actual permit/license's for product instead of a business license?

Thank you for your consideration.

Holly Hinshaw
Office Manager
Fred Wahl MarineConstruction, Inc.
Wahl Fisheries

From:

[DFG.COM CARES A](#)

Subject:

CARES grant comments

Date:

Monday, November 9, 2020 11:11:03 PM

Hello Rachel,

A Norton Sound commercial fisherman for 30 years I hope I can represent the concerns of many of the local fishermen here. I am concerned that once again the funding that should be for small operators that really have a need for the funding will be pushed out by businesses better represented. It will only be a small amount when divided up anyway and I can not understand why the funding is available to non residents when they have their own programs in their state. Here in northwest Alaska we live in a depressed economy already with high prices and it takes all the money we get just to be able to start up next season. We can't afford to park a boat in Seattle and then try to apply for funding there. All our money is spent here. That being said I think the language in the second draft on section five under commercial harvesters is confusing and should be clarified. It says must be a resident or a non resident with a business license issued by Dept of Commerce. Does that mean a non resident can go get a 50 dollar state business license and they can apply? We were already denied funding in the first round because the banks didn't understand that fishermen use their gear card to do business so it is odd to see that language about the state business license again. It looks like it could be interpreted either way saying that residents also need a state business license other than their gear card. Thank for the chance to voice my concerns.

Frank McFarland

F/V Mithril

From:
To: [DFG.COM CARES ACT \(DFG sponsored\)](#)
Subject: Cares Act Relief
Date: Tuesday, November 10, 2020 3:04:38 PM

We have been fishing in Alaska for over 30 years. I have a ADF&G Commercial Salmon Permit. We keep our vessel in Alaska. We hire people to watch it and to work on it from Alaska. We buy most of our gear, food and boat repair items from Alaska businesses. I have never had a business license to fish but spend a lot of my money from fishing in Alaska. My home state of Oregon said I could not qualify because I did not fish in Oregon. So I am now not being given the oppuritny to qualify in either state. If Oregon got money for me why would I not be able to file there which is now useless as they closed in September. This is unfair to many fishermen who live in other states that do not get NOAA Cares Money. Like Montana or Utah.

Sent from [Mail](#) for Windows 10

From:
To: [DFG.COM CARES ACT \(DFG sponsored\)](#)
Subject: Comment on grant allocation
Date: Wednesday, November 11, 2020 7:55:26 AM

To Whom It May Concern,

Thank you for your hard work on the qualification and allocation guidelines for the CARES ACT money for Sport Fishing Charters. Destination Alaska Charters Inc. was formed in 2018 and began full time operations in 2019. If I read the guidelines correctly, we are not eligible for grant money due to the following: "Applicants operating less than 5 years are eligible but must have operated in 2018 and 2019. Use years in operation to calculate average gross revenue for the same period for preceding years."

We have a substantial 2019 - 2020 year-over-year loss due COVID 19 and the lack of summer tourism in Homer. We find this requirement very unfair. Having run a solid business for 2 full years, we need the financial help just as much, if not more than companies that have operated for 20 years.

Please reconsider this restriction.

Sincerely,

Scott Jackson
Owner/Operator
Destination Alaska Charters, Inc

From:
To: [DFG.COM CARES ACT \(DFG sponsored\)](#)
Subject: Section 12005 CARES Act Relief for Fisheries
Date:

I would urge ADFG to highly consider the allocation to Charter Fisheries once more. Commercial Operators and seafood processors were eligible for additional Kenai Peninsula Borough Cares Act monies for fishing and operating within Cook Inlet that Charter Operators who harbor in Homer for example were excluded from. Home launch and Port were the determining factor for these businesses to be excluded from first round funding with the rationale that they are within City limits and therefore fell within City grant options (\$3,500 instead of \$40,000). Additionally, processors were more inclined to receive PPP from the employee count the preceding season whereas Charter operators received much less since the original count in PPP filing (which state legislators urged us to all apply early) was year-long full time employee count calculation and the majority run a very short season. That was later modified but any funding received (minimal) could not then be reapplied for (per Alaska USA FCU). On the Peninsula alone, Guided Excursions (Charter grouping) make up millions in sales tax dollars yet they seem to be the last to receive much Cares Act Assistance. Please see the attached sales tax reported for our Borough. I pulled this for another project as I serve on the Chamber of Commerce and you can see that there aren't notable taxes generated by the Processors nor the Commercial Harvesters but the Charter operators are a viable asset to the communities in which they live, dock, work and provide travelers to (equating to every other sector's; retail, accommodations and food service) income dollars to our communities. The Charter Industry has been sidelined and told that the Fisheries Money will help them once it is allocated and at the tail end of award cycles there is very little (even 27%) in that pot. I would urge ADF&G to consider the exclusions this industry has already experienced this season. To have opened up 7 days/week of Halibut fishing with emergency order AND still be down 50% non-resident license sales means those businesses may or may not open their doors again. Further, a consideration should be made to allow charters to file on a cash basis. In 2020, many operators (in order to not bankrupt) transferred their deposits for the 2020 season for the next 3 years to allow travelers to still utilize their trip money (deposited) but to also not deplete the cash put into preparing their vessels for the season. Our industry doesn't have trip insurance for canceled trips as the airlines do.

By March-April when these closures began, most charter operators had begun paying for their season based on those 2020 deposits. Bait, gear, insurance, repairs, harbor slip fees, licenses and drug testing costs incurred for crew, etc had already been outlaid and I have heard scrutiny and criticism how this deposit money "was not theirs to spend." All owners hire crew, outfit their boats and get them water-ready in the spring based on the reservations on the books. That IS seed money to run a charter with the balances collected at the time of the trip becoming the Charter's income. This criticism is disheartening until you talk to the Charter operators who often put their income back into their businesses if it's a good year and still will take out credit against the income coming in based on deposits in place to upgrade and outfit for the upcoming season. (Bait and gear are bought in January at the latest as waiting to June means there isn't much left as this year, due to closures, gear could not be bought for boats as plants in the lower 48 closed and were not manufacturing more). Because the total numbers received in income for ADFG calculation will be based on deposits for most Charters and not on cash received for completed trips, many (like us) prepay our sales tax based on collections so our income doesn't look as affected as someone who reports payments received upon trip completed. There seems to be confusion then when using your 5 year calculation as many

Charters are already taking deposits in 2020 income year for 2021. Asking for a calculation based on completed trip income will help to not exclude all Charters from hitting the 37.5% because only those who chose not to run will likely calculate out as eligible based on your formula again hurting those who still tried to 'make a go of the season' and took the risk for Alaskans to get out and fish.

Thank you for your consideration. There is a lot to consider and as I have been involved with the Federal, State, Borough and City disbursements so far I can see that still the Charter Industry will have the least direct help after this crisis.

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Crisi Matthews

From:
To: [DFG, COM CARES ACT \(DFG sponsored\)](#)
Subject: Fisheries CARES Act distribution Plan
Date: Wednesday, November 11, 2020 10:11:23 AM

I oppose the second draft plan for distribution of the Fisheries CARES Act relief. Go with the recommendations put forth by NOAA for allocation ratios.

Joel Doner

From:
To: [DFG.COM CARES ACT \(DFG sponsored\)](#)
Subject: Public Comment Guidance for Fisheries Participants Regarding CARES Act Relief Funding
Date: Wednesday, November 11, 2020 11:59:49 AM

I am strongly encouraging you to reduce the 35% average loss for this plan. i have worked with over 50 fisherman and not one can meet this requirement - they lost entire fisheries this year, ie Herring and had higher expenses and lower pricing at the market place. They should have made a lot more money - They 5 year average is too long and not a true look at how covid has affected commercial fisherman. Please re look at this. Several fisherman were not able to apply for the State Cares revenue, because they where still fishing, those individuals need an opportunity to apply for covid funds and you are their last hope and you have made it so strict they can't qualify.

Please consider reducing or eliminating the 35% statement and put in a requirement that they self affidavit that thye have been covid affected and lost revenue because of it. That is the requirement of every other CAREs Grant and is in line with what the original CAREs act specified.

Thank you

Lara Mcginnis

From:
To: [DFG, COM CARES ACT \(DFG sponsored\)](#)
Subject: CARES Act ver 2.0 comments
Date: Wednesday, November 11, 2020 1:56:51 PM

Andy Mezirow

Care Act Reviewer

I've reviewed the changes staff has made to the CARES Act spend plan for the fishing industry in Alaska. The actions taken seem appropriate in response to the 200 public comments, which I reviewed. I was especially pleased that you were responsive to subsistence user's comments as well as the many comments about the inconsistency of residency requirements. The revised split seems reasonable, especially since the funds reallocated charter went largely to subsistence users. However, reducing the portion of the funds set aside for charter fishermen any further would be unfortunate. Based on all the indices available, it looks like the Canadian boarder closure is still up in the air, normal airline scheduled travel (scheduled to be down by 60%) and the cruise ship industry will not be offering fishing excursions as an option in 2021. These are the means that non residents use to access the charter fishing fleet. With no further CARES Act money currently funded, these funds will be crucial for the guided Sportfishing industry to not only stay in business this year but to face the fact that 2021 will be far from normal. I would assume that Americans will still be eating in 2021, so markets will very likely be available for commercially harvested and processed Alaskan fish and seafood used for human consumption. What I am getting at is there is light at the end of the tunnel for all users; but guided fishing charters will likely continue to be the most financially impacted, directly from COVID-19 in 2021. Where even the most conservative projections show the vaccine being readily available in the 3 quarter of 2021, right when our season is over.

Thank you for taking comments again for this spend plan and the State should be commended for realizing that this money will not make anyone whole but will be greatly beneficial to Alaskans and the communities they live in.

Again thank you for looking out for ALL Alaskan Fishermen

From:
To: [DFG, COM CARES ACT \(DFG sponsored\)](#)
Subject: Second Draft Funding Comments
Date: Wednesday, November 11, 2020 3:31:14 PM

I am a member of the sport charter fishing class. I have offered trips for nearly 30 years in the Kenai Peninsula area. I am a business / owner guide combo and saw my 2020 decrease by more than 80% this season. Without aid, even basic living expenses will be tough to meet this winter.

I observed a wide variance to business losses. It appeared that the smallest operations seemed to suffer the biggest losses, and the decreases were dramatically different for many of us. I, for example, given my longevity in the industry have a quite old clientele base who were considered most at risk to travel. In addition, many of my regular guests come from Hawaii and their travel restrictions forced every group from there to cancel their plans for the 2020 season.

As such, I would vehemently oppose any reductions to the charter allocation for funding. In addition, I support seeing only those that suffered significant losses be allocated funding as some with more fortunate circumstances regarding their customer base had far more productive seasons. I would not oppose limiting further by increasing the requirement for percentage loss amount even higher yet, perhaps even to the 50% mark.

I am technically a non resident myself, and do support the requirements of having an AK Business license to qualify. As a business owner, much of my traditional income is spent in the normal course of business and supports the economic well being of many that are residents.

From:
To: [DFG, COM CARES ACT \(DFG sponsored\)](#)
Subject: Draft spend plan comments
Date: Thursday, November 12, 2020 8:09:09 AM

I am writing to comment on the current draft spend plan. I am a charter fishing operator out of Craig, Alaska.

Many charter operators made the choice to shorten or cancel seasons. Other operators decided to jump through all the hoops and go for it, and fish all season.

It is incredibly unfair that those who made the choice not operate are getting all the funds, while those who worked 14 hours a day, for 3 months straight get nothing. Although those who decided to work cannot show a financial loss, they took an incalculable mental and time loss as they dealt with operating in a pandemic. The stress was unreal, not to mention dealing with the public who had an unfavorable opinion of outsiders coming in. Making sure all clients had tests, taking temps, extra cleaning etc all took a toll. All while those who made the choice to cancel all or parts of their season were out on the grounds fishing for fun.

Every charter operator deserves a share of the fund. Those who dug in, filled canceled spots, and suffered through months of anxiety and uncertainty should not be left out.

Joel Steenstra
Alaska Wide Open Charters

From:
To: [DFG, COM CARES ACT \(DFG sponsored\)](#)
Subject: Cares Act Relief Funding
Date: Thursday, November 12, 2020 9:29:25 AM

I believe the five year average formula for benefits is arbitrary and flawed. It will be difficult for applicants to document and difficult for agencies to audit. Many participants will not qualify if they had a bad year in the period-perhaps due to an injury or breakdown. Fisherman entering the fishery in this period also may not qualify if they had weak catches due to the normal learning curve even though they may be the most hurt by the 2020 pandemic. Everyone who fished during 2020 was hurt by the low prices and difficulty of covid protocols. For example I wasn't able to bring on a deckhand because of the quarantine requirements and travel restrictions. Given the relatively small amount of money at stake it would be far better to just distribute it equally and avoid all the confusion and resentments. Even if a fisherman had a great year in 2020 it would have been far below what they would have made absent the pandemic. We were all losers in 2020 and excluding funding to many based on an arbitrary formula is the wrong approach.

James Lazar
Cook Inlet set netter

From:
To: [DFG, COM CARES ACT \(DFG sponsored\)](#)
Subject: Public Comment on Spend Plan
Date: Thursday, November 12, 2020 1:19:26 PM

To Whom It May Concern:

While I appreciate the opportunity for public comment on the spend plan, I would like ADF&G to consider those fisherman whom may not meet the criteria of 35% loss profit to allocate a minimum dollar amount of relief. It has been a very tough year for everyone and with \$50,000,000.00 allocated to the State of Alaska, I believe that is sufficient enough for a minimum payout to all commercial fisherman.

Additionally, the profit loss percentage may not be favorable for most commercial fisherman. It would be wise to consider a price per pound for species caught for commercial fisherman from 2018-2019 and do a payout that way. (Example: 2018 = 200,000 lbs 2019 = 250,000 lbs Total pounds = 450,000 lbs X \$0.75 = \$337,500)

Thank you for the opportunity to comment.

Kind regards,

Ivan Hoblet

From:
To: [DFG, COM CARES ACT \(DFG sponsored\)](#)
Subject: Comments on State Cares Act for Fisheries
Date: Friday, November 13, 2020 10:57:26 AM

Good morning from Sitka John Murray here.

I wish to comment on what I see as inequities with proposed language in the Second proposal from State dealing with how to disperse the 49 million dollars "relief for fisheries"

Case in point out my opposition to proposal .It gives a particularly high share to the Charter Fisheries 27%.

Reasoning: 1) the number of charter operations in Alaska is much smaller then the commercial side. Therefore a smaller number of participants will share a larger share of the pie.

2)Many charter operators and lodges have already reaped large grants already via the Alaska Cares Grant Program which opened on June 1 2020.I personally know of two one for 75 k one for 103k(charter operators) and these operators still had an active season in late June through August. .Those numbers are way more then I made in the 2020 salmon season and I fished May through October to try and salvage a season.This program was out of the gate a hindrance to Commercial fisherman. First there was the 5k or more ineligibility. (which was later rescinded).If one received PPP FUNDS. Secondly the Governor opened this program up Aug.31 2020 to all fisheries.(opened June 1 2020). I was out on the grounds during the open period (which closed Sept. 15 2020) . I totally miss the opportunity to even apply.

What I'm saying is charter operators and lodges already scored big on Grant funding. They will score big with their 27% share proposed in this program. I therefore claim this program is unfair and inequitable use of these funds.It favors Charters at the expense of the Commercial side.

Sincerely John Murray

From:
To: [DFG.COM CARES ACT \(DFG sponsored\)](#)
Subject: Comments
Date: Friday, November 13, 2020 11:53:10 AM

To whom it may concern,
I have read over the fisheries cares act for Alaska and I applaud the consideration for changing the sport charter sector from 5.5% to 27%.

The eligibility criteria look good as well.

Thankyou

James S Kearns

--

Jim and Julene Kearns

From:
To: [DFG.COM CARES ACT \(DFG sponsored\)](#)
Subject: Section 12005 second allocation plan, Cares Act
Date: Friday, November 13, 2020 11:56:40 AM

UCIDA, still suggests that a further adjustment in percentages needs to occur from the Sport/Charter sector to the Processing sector. The original percentages, 5.5% to sport charter and 59.5% to the Processing sector is warranted. The level of financial risk to the processing sector supports using the original percentages.

From:
To: [DFG.COM CARES ACT \(DFG sponsored\)](#)
Subject: 2nd Draft Spend Plan Consideration Comments
Date: Friday, November 13, 2020 12:37:11 PM

Dear Sir,

I am Suzette Oslund, and my business of Alaska Fish Mounts/Real Life Taxidermy has been in the Kenai River/Cook Inlet area working with guides and lodges since 1988. We specialize in a fish only taxidermy business, and have experienced a dramatic reduction economically due to the sharp declines in tourism due to the COVID-19 pandemic.

As a front line fisheries participant this loss of fishing has been devastating, and it is important for you to understand that without fish we have no business. We are in a unique position in the fishery world, in that we depend on tourism in order to receive fish in our business, but we are also processors of that fish as well. And there really is more than one way to skin a fish! In our participation in the Cook Inlet/Kenai River fishery we directly handle fish from fishermen, just like processors and guides directly handle fish from their fishermen. The commercial and sport caught fish we process are both ocean marine and anadromous fish. These fish trophies are then placed directly into our hands for processing. In fish taxidermy, the skin, head, tail and fins need to be separated from the meat of the fish for processing by us. (I have included photos for you to review to show you how the skin of a fish is required in order for us to process these fish for our clientele.) We utilize “first-hand” the actual fish itself in order to perform the job we do for our clients in processing their fish. And we rely on tourism to bring people to our Alaskan waters to fish.

The permits and licenses we are required to obtain, and currently have, are an Alaskan business license, a AK taxidermy license issued by ADF&G and residency as an Alaskan . After reviewing Section 12005 (b) of the CARES Act I submit that our fish only taxidermy business definitely qualifies for relief assistance within this program. I think the fish only taxidermy industry as a “front-line” user group is an area that is being overlooked in the ADF&G Spend Draft Plans so far and would ask for consideration/amendments to also be made for these Alaskan fishery participants. Our fish taxidermy business has applied for and received disaster relief funds in the past from NOAA, so I am asking for clarification as to which classification my fish taxidermy business would apply to in the Section 12005 CARES Act Relief for Fisheries Participants.

In conclusion, I respectfully submit that inclusion of the fish only taxidermy industry into the allocation of the AK Spend Draft Plan as an eligible fishery participant would be equitable; and within the qualified eligibility requirements of this plan. As a fishery participant in the state of AK for the last 32 years it is important for you to understand that without fish our business ceases. Fish taxidermy is a front-line sector of the fishery industry and deserves the same consideration as all other fish sectors. We are exactly the same as every other business entity described in this plan, we rely on fish in our business, and we have also been directly impacted by the shutdown of Alaskan tourism industry due to the travel restrictions imposed because of COVID-19.

Thank you for your assistance.

Sincerely,
Suzette Oslund

From:
To: [DFG, COM CARES ACT \(DFG sponsored\)](#)
Subject: comment
Date: Friday, November 13, 2020 10:07:49 PM

As a 70 year resident of Alaska and a fisherman in Bristol Bay for 40 years I would like to express my opposition to handing out Cares funding to non resident fishermen. Each state has their own Cares program to aid their resident fishermen. Alaska Cares funding for Alaskan residents only! Period. There is no need to complicate this program with complicated formulas about losses through the years. There is no reason to turn this into a complicated welfare program. The U.S government created the Cares program mainly to get the economy stimulated. The funding should just be divided equally between All Resident commercial Alaskan fishermen. Why is it being limited to permit holders? There is no law that says it cannot go to each and every Alaskan that held a commercial fishing license. That is not right. I noticed that money was set aside for subsistence users. I am not sure how they were impacted but the Cares money is being disbursed to all subsistence users not just the chief of all subsistence users. How is a subsistence user different from an Alaskan resident commercial fisherman? No Care money for non residents. Cares money divided up equally between all resident commercial fishermen . Delete any reference to declining revenue. That is not what the Cares Act is about.

Brian Hakkinen
Kasilof



BRISTOL BAY

Regional Seafood Development Association

November 14, 2020

Via e-mail
dfg.com.caresact@alaska.gov

Kari Winkel
kari.winkel@alaska.gov

Rachel Hanke
rachel.hanke@alaska.gov

Re: Public Comment Section 12005 CARES Act Relief for Fisheries Participants Second Draft Spend Plan

Dear Alaska Department of Fish and Game, Ms. Winkel and Ms. Hanke:

Bristol Bay Regional Seafood Development Association ("BBRSDA") represents more than 8,000 commercial fishermen including nearly 2,000 permit holders whose livelihoods depend on the Bristol Bay's sockeye salmon fishery. Forty seven percent of SO3T Bristol Bay drift gillnet permit holders are not Alaska residents. Between 2019 and 2020 the decline in the base price of Bristol Bay sockeye salmon resulted in a \$130 million loss in revenue to Bristol Bay fishermen.

Thank you for being available to answer questions throughout the process of developing the Section 12005 CARES Act Spend Plan. It is of utmost importance to the BBRSDA that eligible Bristol Bay commercial fishermen have the information and access they need to receive vital economic relief.

Upon review of the document *Section 12005 CARES Act Relief for Fisheries Participants Second Draft Spend Plan* updated on November 9, 2020, I have the following question and comment.

- Does a CFEC fishing permit suffice as a business license from the state of Alaska? Many fishermen operate their businesses as sole proprietorships and do not have a business license.
- It would more fairly serve our membership if nonresident fishermen who are not eligible to apply for Section 12005 funding through their state of residence were eligible to apply through the state of Alaska without the requirement of a business license from the state of Alaska.

Thank you for your work opening this program and providing Alaska commercial fishermen with needed economic relief. We are happy to offer our support in making this process as straightforward as possible for eligible fishermen.

Sincerely,

A handwritten signature in black ink that reads "FRANCES BURSCH" with a long horizontal line extending to the right.

Frances Bursch
BBRSDA Program Specialist

Nancy Hillstrand
Pioneer Alaskan Fisheries Inc
Coal Point Trading Company

Re: Alaska Cares Act for Small Alaskan Custom Processors

Greetings,

A critical member of the Seafood Processor Sector is not considered and obscured in the 12005 CARES Relief Plan. Not all Seafood Processing affiliates, base their business plans on “average annual wholesale revenue.”

The Local Alaskan Community Custom Processor (LACCP) generally, does not base performance on “average annual wholesale revenue value” yet has been hard hit by the corona virus and has little resemblance to the function, scale, hiring practices, or markets of the enormous international processing conglomerates.

The Local Alaskan Community Custom Processor (LACCP), are generally well established Alaskan based, mom and pop type owned and operated, fish processing businesses many that stay open year round. “Average annual wholesale revenue value” is not the basis of performance. LACCP’s perform multiple critical services of value adding producing high quality wild Alaskan seafood products for local communities, and local small boat fisherman and ship nationally.

Local Alaskan Community Custom Processors (LACCP) are geared toward providing value added Multiple services provide for most aspects of the Alaskan small boat fisheries partnering with:

- local communities personal use,
- subsistence,
- sport charter businesses,
- tourism businesses
- shipping
- local small boat commercial fisherman’s direct markets for resale.
- small retail fish markets
- internet sales
- community restaurants
- community B and B’s
- community custom smoking
- community custom canning.

The multiple value added services and local revenue generators of these more retail or local direct market LACCP processing facilities are distinct from the large wholesale processors so require a separate category considered in this Alaska Cares Relief Plan.

Please consider this critical sector that is hard hit by the corona virus in the Alaska Cares Relief Plan.

With kind Regards
Nancy Hillstrand

From:
To: [DFG, COM CARES ACT \(DFG sponsored\)](#)
Subject: Comments on 2nd CARES Act Fisheries Relief Funds distribution plan
Date: Saturday, November 14, 2020 8:52:56 PM

To whom it concerns:

My name is Carter Hughes and I am a Sitka based fisherman. I have been in the AK commercial fishing industry since 1984 and owned and operated my own vessel since 1993. I have been based out of Sitka since 2000 and fishing in the SE AK salmon troll and sablefish and halibut longline fisheries since 1988. I am also a member of Seafood Producers Cooperative, established in 1944 and having a plant in Sitka since 1980. I have been an SPC member since 1996. I am sending these comments to ADFG on the 2nd proposed CARES Act Fisheries Relief Funds distribution from the State of AK. I commented on the first distribution and my comments on this round are similar.

I strongly disagree with the State's approach to distribution and how it differs from the way other coastal states are distributing the funds. The State deviates from the NOAH formula which is based on historic economic contribution. The processing sector economic contribution to the AK economy is valued at about 60% of the fisheries generated revenue to the State verses about 5% from the charter sector. The State implies that the charter sector took a greater cut in revenues due to the Covid 19 restrictions this year than the commercial fishing sector or processing sector. This claim is made with no evidence to back it up. The SPC plant incurred serious costs, reduced hiring from outside the State and lost valuable access to the restaurant markets and foreign markets because of the Covid 19 issue. The commercial fishing industry, individual vessels and processors included, comprise the second highest employment sector in the State. We took a big hit this year. SPC successfully avoided a Covid outbreak, but we did it with serious increases in cost, hiring local as much as possible, meanwhile taking cuts in our market opportunities. As a fisherman, these cuts were felt in what I got paid at the dock. The extra costs will also be felt by what me and other SPC members ultimately make in our settlements next year.

I suggest that the State of AK and ADFG go back to the drawing board and either stick with the NOAH formula for distribution, because they have already done the work for you, or do a real study on how the Covid 19 situation really impacted the 3 sectors, fishing vessels, processors and charter boats. This is not stimulus money, it is relief money. Please consider treating it that way. This is especially true of fishermen that are also invested in and part of the processing sector.

Carter Hughes

11/14/2020

From:
To: [DFG_COM CARES ACT \(DFG sponsored\)](#)
Subject: Second Draft Comments
Date: Sunday, November 15, 2020 3:43:37 AM

We have just one comment on the second draft and that is to reinstate the equitable distribution between the Commercial Harvest, Commercial Processing and Sportfishing sectors. In the initial draft each of these sectors were to be allocated an equal share of the available funds and now the Sportfishing sector has been reduced to 27%.

Pound for pound Sportfishers that come to Alaska contribute a substantial amount more to Alaska's economy than Commercial Harvest or Processing does. Beyond using charter companies, camps and lodges most sportfishers in our 25 years of experience spend several days in Alaska besides what they spend on the river or ocean. They spend about \$200 per pound for the small amount of fish that they take if you include all of the lodging, food, entertainment etc. that they include in their trip. Very few if any sportfishing businesses were allowed to open this year either due to regional travel restrictions, statewide restrictions or cancellations from guests that couldn't travel. This means that we had ZERO revenue this season, yet we've still got a substantial amount of overhead we have to cover just to stay in business. Insurance and mortgage payments are a couple of the biggest expenses that are constant regardless of being open or not.

Thank you for your time, Cheryl Hickson

***Alaska's Anvik River Lodge
Cliff & Cheryl Hickson - Owners/Hosts***

Why is ADF&G implementing a requirement to harm new businesses? There is nothing in the federal allocation guidelines for sec. 12005 funding that requires a business to have been in operation in previous years (before COVID-19 and the market factors necessitating this funding). Deciding to categorically excluding any businesses in operation in 2020 that meets the federal guidelines is overreach of the responsibilities of ADF&G. It is especially unfortunate when those new businesses that are being excluded by ADF&G are the ones that are most likely to fail and are therefore in most need of the assistance.

From:
To: [DFG.COM CARES ACT \(DFG sponsored\)](#)
Subject: Cares act charter comments
Date: Sunday, November 15, 2020 10:32:06 AM

Cares Act distribution for Sport Fishing Charter System

Documentation; must be submitted with application, as proof of actual loss of 35% due to covi-19. (not just attest to it)

This should be very simple require IRS form 1040 schedule C, 1120-S or 1065 to be filed with application.

Reasoning: Many are not actual full time operators. They hold a business license/guide as a way of depreciating their pleasure boat and they have full time employment and not affected by the virus as to their ability to support their family with the necessities, as does the operator whose total income is derived from the business.

This requirement should be a basic request at time of application.

Share basis qualification, does not take into consideration amount of loss based on percentage loss. Example; one operator gross \$5,000 with 35% loss one \$150,000 with 100% loss, each has a loss but not equal and on a share basis the operator with the lower amount of loss awarded 1 share and larger amount 1 share. Example; (total base share value \$10,000,000) $\$5,000 \times 35\% = \1750 , $\$150,000 \times 100\% = \$150,000$ each of these are attributed one share. With 5000 in the pool each share is equal to \$2,000.

Under the present proposed system smaller amount of loss, 1 share, is equal to 1 share with total loss, this not equal consideration for incurred loss. Under the per share system smaller percentage loss could possibly be awarded more than their original gross depending on number of shares in the pool.

If a share model is applied it needs (must) have consideration for share value in the charter fleet.

The years of participation in the fishery should also be included in model for qualification and disbursement of assistance. Each year or participation should have a value, up to 5 years, with each year of participation the value of that

share increases.

The intent of the act is to support business for loss-incurred do to the virus and fairly shared. Share values need to be based on actual loss due to the virus not because fish did not return no matter which group you are in.

Thank you,
Johny Gison

November 13th, 2020
Kodiak Seiners Association
P.O. Box 9935
Kodiak, AK 99615

Alaska Department of Fish and Game
Commissioner Doug Vincent Lang
Kari Winkel / Rachel Hanke
Juneau, AK 99801

Re: Section 12005 CARES Act Funding draft

Dear Commissioner Doug Vincent Lang:

Kodiak Seiners Association (KSA) would like to thank you for considering the comments submitted for the first draft of the CARES Act section 12005 spend plan and giving opportunity for further public comment after revisions were made following the first comment period. KSA represents over 100 Kodiak salmon seine permit holders who have all been affected by COVID-19 along with the rest of our state and country. We recognize this is an economic stimulus program with drastically low funding relative to the need, and in no way can be designed to recoup losses attributed to COVID-19 for all participants, however we feel it necessary to comment on the revised draft spend plan for the members of our organization that will be disqualified from the program due to the “new” revisions to the draft spend plan.

KSA’s first concern is the qualification of funds to determine eligibility. We do agree that any COVID related relief should be added to our 2020 revenue when comparing to our five-year average for eligibility, however we do not agree that the USDA STRP funds should be considered in 2020 as income qualifying to bridge the gap created by losses in income related to COVID-19. The STRP funds are compensation for retaliatory tariffs in 2019 and are akin to a fish price adjustment for 2019. If they are to be considered in calculations for qualification for CARES funds, they should be in the form of 2019 revenue used in calculating income for a five-year average. We would also like to point out that the distribution of the STRP funds to recipients is very sporadic, as the Palmer USDA office is swamped, and the USDA gives no indication if an application is approved until the funds are deposited. There could be fishermen who have applied for and are eligible for STRP funds but would not know at the time the CARES act application period is open.

Secondly, we feel it prudent that there be clarifying language that a non-resident fisherman who holds an Alaskan business license should be eligible to apply only if they have not and will not apply for CARES funds in their home state.

We thank you for considering our comments and look forward to the spend plan approval by NOAA so these funds can be utilized for those in need.

Sincerely,



Nate Rose
President-Kodiak Seiners Association



Southeast Alaska Fishermen's Alliance

1008 Fish Creek Rd

Juneau, AK 99801

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Website: <http://www.seafa.org>

November 12, 2020

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

Submitted via email: dfg.com.caresact@alaska.gov

RE: Section 12005 CARES Act Relief for Fisheries Participants Draft 2 Spend Plan

Dear Commissioner Doug Vincent-Lang,

Thank you very much for providing a second comment period on the revised draft spend plan. The plan has improved in many aspects but there are several new issues the second draft plan needs to have addressed as well as some outstanding clarifications from the first draft.

1. In the Commercial Harvesting Sector, the same mistake that was made in the AK CARES Act program and needed to be revised was just built into this plan with the requirement to have a business license issued by the AK Dept of Commerce, Community and Economic Development (DCCED). **Commercial Fishermen are not required to have a business license per Sec. 43.70.105. Exemptions. (a) This chapter does not apply to (1) a fisheries business¹.** This requirement would disqualify most commercial fishermen and those few fishermen that have a business license, have it because they are a direct marketer and would most likely qualify under the processing sector. You semi acknowledge that there is not a need for a business license in Alaska from DCCED for commercial fishermen under residency requirements on page 4 but then specifically require it under the Commercial Harvesting Sector. OR this section as written needs further clarification by splitting into two separate bullet points with an "or" between them.
2. General Eligibility requirements on page 3 states that after self-certifying the 35% decline, that you then include other payments received in 2020 to determine if you have been brought back to your five-year average. The Seafood Trade Relief Program (STRP) funds should not be included in this determination. This program is based on 2019

¹ <https://www.commerce.alaska.gov/web/Portals/5/pub/BusinessLicenseStatutes.pdf>

harvests and is not a part of COVID funding relief. It is also difficult to include the STRP funding in the calculations as most fishermen will not have received the funds by the November 30th revenue period, so the few fishermen who received their funds early will be penalized for it.

3. Under residency requirements, what is the definition of “homeport” for at-sea processing vessels?
4. The allocation for the five sectors only totals forty-nine million. What is the plan for the remaining 1 million dollars allocated to the State of Alaska?

This second draft of the spend plan under the Commercial Harvesting Sector still does not clarify several issues we previously brought up in the first draft and include the following:

- The spend plan needs to accurately and in detail define the eligibility of a CFEC commercial vessel license. Clarify when a second vessel for an applicant is eligible and when it is considered not eligible such as support vessels (seine skiffs, life rafts/skiffs). Application should request the CFEC numbers on the side of the vessel owned and is being requested for eligibility for a share.
- The eligibility of CFEC commercial fishing permits (limited entry and interim use) needs a more detailed explanation. The explanation and which permits would qualify for a share needs additional description which we show examples below to help illustrate our point.
 - Salmon permits of the same gear type aren’t allowed to be fished in the same year, but you can only designate one salmon fishery per year. How do you ensure that only what permit is being fished is applied for a share? Keep in mind that you can have salmon permits for different gear types and fish them all in the same year.
 - In some fisheries an individual holds the exact same Limited Entry permit although they can only fish one as a method of creating some fleet consolidation. Would this second permit be eligible for a share?
- Under NOAA guidance it states that COVID 19 related aid under any of the programs can’t make the amount exceed the five-year average (i.e. make a person more than “whole”). How does an individual determine if they are eligible for this funding when they don’t have any idea what they may receive under this program? What are the options if a portion of the Section 12005 Cares Act Relief funds received makes an individual exceed their average annual five-year income? Are they eligible, only partly eligible or are they paid up to their average five-year income?

Southeast Alaska Fishermen’s Alliance still does not understand the large differential in change to the allocation plan to the sport fish charter sector. All sectors have been harmed but the

justification provided still does not provide enough qualitative information without more details on the economic impact and benefit of the program to each of the sectors. This second draft of the spend plan tried to address the issue raised by comments regarding the differential in residency between sectors. This plan failed in that attempt. It allows all non-resident sport fish charter sector businesses to qualify because in order to operate they must have an AK business license but then requires State of Alaska resident commercial harvesters to also have a State of AK business license but we are exempt by Statute from the requirement to have a business license so the effect is that all resident commercial fishermen will mostly be ineligible for the program.

If you have any questions about any of the points we raise, please feel free to call at any time.

Sincerely,

A handwritten signature in black ink, appearing to read "Kathy Hansen", followed by a long horizontal flourish line extending to the right.

Kathy Hansen
Executive Director

CC: Rachel Baker, Rachel Hanke, Kari Winkel



Alaska Longline

FISHERMEN'S ASSOCIATION

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ALASKA TROLLERS ASSOCIATION

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Kari Winkel, Office Manager
Office of the Commissioner
Department of Fish and Game
Juneau: 465-6136
dfg.com.caresact@alaska.gov

November 15, 2020

Dear Kari,

We submit this letter on behalf of the numerous Alaska resident and non-resident commercial fishing vessel owners, federal and state fishery permit holders, and licensed Alaska seafood processors (both at-sea and shore-based) represented by the Alaska Longline Fishermen's Association (ALFA) and Alaska Trollers Association (ATA). The following comments respond to the Alaska Department of Fish and Game's (ADF&G) "Section 12005 CARES Act Relief for Fisheries Participants Second Draft Spend Plan" which will distribute \$49 million in fisheries disaster relief funds to eligible participants from the commercial fishing, seafood processing, charter fishing, aquaculture and subsistence sectors.

We request that you substantially revise this spend plan. The spend plan's formula takes over ten million dollars in CARES Act funds initially allocated to Alaska based on revenues earned by at-sea and shore-based processors and diverts those funds to the charter fishing sector. ALFA and other fishery stakeholders have repeatedly requested that the ADF&G use the approach of other spend plans which allocated funds by sector using NOAA Fisheries' distribution formula. Every coastal state's charter sector suffered significant COVID caused economic harm along with the seafood industry. Alaska is the only state with a spend plan that re-allocates a significant amount of funds from one sector to another. The spend plan provides no data to support of the ADF&G's belief that the charter fishing sector experienced grossly disproportionate economic harm relative to commercial fisheries. The table below shows the respective allocations from NOAA and ADF&G.

Sector	NOAA Fisheries Formula	ADF&G Spend Plan Allocation
Processors*	59.3%/ \$29.65 million	32%/ \$15.68 million
Harvesters	35.2%/ \$17.6 million	35%/ \$17.15 million
Charter	5.5%/ \$2.75 million	27%/ \$13.23 million
Subsistence	n/a	5%/ \$2.45 million
Aquaculture	n/a	1%/ .49 million

*NOAA allocation included processors, wholesalers, and distributors. ADFG only includes processors.

The Spend Plan’s re-allocation of commercial fishing funds is arbitrary¹

The Department of Commerce’s press release for the CARES Act fishery relief package states that the funds are to “support America’s fishermen and our seafood sector’s recovery” and “the men and women working to provide healthy and safe seafood.”² Alaska’s \$50 million allocation reflected NOAA Fisheries multi-year revenue information measuring contributions from the state’s fishing sectors as shown in the table above. We have repeatedly urged ADF&G to use this formula for allocating relief funds – a formula followed directly or indirectly in every other approved state spend plan.³

Alaska’s fisheries produce more seafood volume than all the other states combined - nearly 60 percent of all commercial fishery landings in the United States by volume, and one-third of the nation’s commercial fishery economic value. The seafood industry is Alaska’s leading employer, making it important to utilize the limited funds in a way that fairly allocates relief and meets the program purpose of supporting seafood sector recovery. The McDowell Group’s 2020 report, “The Economic Value of Alaska’s Seafood Industry” identified a total of 29,000 fishermen working on over 9,000 fishing vessels that generated an average of \$2 billion in ex-vessel value in 2017 and 2018.⁴ The commercial fishing sector overall contributes an estimated \$5.6 billion (total output) to Alaska’s economy.⁵ In contrast, the

¹ Because many of our fishing vessel owner/members hold Alaska seafood processing permits, the re-allocation diverts relief funds from commercial fishermen/harvesters as well as larger shore-based processors.

² <https://www.fisheries.noaa.gov/feature-story/commerce-secretary-announces-allocation-300-million-cares-act-funding>

³ See, e.g. <https://www.mass.gov/doc/ma-cares-act-fisheries-relief-spending-plan/download>; http://www.psmfc.org/wp-content/uploads/2020/11/Hi_Spend-Plan_Final.pdf; <http://portal.ncdenr.org/web/mf/cares-act>; https://www.wlf.louisiana.gov/assets/Fishing/Commercial_Fishing/Files/LA_CARES_Act_Application_and_Spending_Plan.pdf. Those spend plans using a different allocation formula apportioned funds based the number of license holders and businesses in each sector, resulting in sector allocations resembling the NOAA formula. See, e.g. http://www.psmfc.org/wp-content/uploads/2020/11/CA_Spend-Plan_Final.pdf; http://www.asmfc.org/files/CARESAct/ME_CARES_SpendPlan.pdf.

⁴ http://www.mcdowellgroup.net/wp-content/uploads/2020/01/mcdowell-group_asmi-economic-impacts-report-jan-2020-1.pdf.

⁵ *Id.*

recent estimated charter fishing sector total output is roughly \$166 million - and less than the amount paid annually in state taxes by commercial fishermen and processors.⁶

Despite these significant differences in economic outputs, ADF&G's second draft spend plan allocates over a quarter of the funds to the charter sector. The seafood processing sector, which includes both shore-based processors and numerous commercial fishing vessels with processing permits that freeze, participate in dive fisheries or direct market their catch, takes a \$14 million cut to shift over \$10 million to the charter sector, provide another \$3 million to the aquaculture and subsistence sectors and another \$1 million withheld without explanation by ADF&G.⁷

ADF&G's rationale for taking these relief funds from fishermen is "to mitigate losses ... resulting from travel restrictions and health mandates which reduced demand for sport charter services." The spend plan identifies a 54 percent reduction in non-resident sport fish license purchases which it describes as "only one indication of impacts to the charter sector." The spend plan's charter sector allocation is 7.8 percent of its recent estimated economic output while the combined harvester and processor allocation is .07% of the recently estimated output.⁸ Does ADF&G believe that the charter sector suffered more economic harm by a factor of one hundred? Where is the data to support ADF&G's assumption that adverse economic impacts to the charter sector caused by the pandemic were so grossly disproportionate to economic harms experienced by other sectors?

No other state considering the relative economic harms affecting commercial and charter fishing sectors reached such a dramatic conclusion.⁹ Health mandates, social distancing requirements and other COVID-caused factors greatly decreased the number of charter fishing trips in every coastal fishing state.¹⁰ Other spend plans recognized the serious impacts of business closure and travel restrictions on the charter sector, but still utilized the NOAA formula or made minor adjustments so

⁶ Lew, D.K. & C.K. Seung. 2018. Measuring economic contributions of the marine recreational charter fishing sector using a resampling approach. In: ICES Journal of Marine Science, doi:10.1093/icesjms/fsz027; see also <http://www.ufafish.org/wp-content/uploads/2015/02/4a-Alaska-Seafood-Industry-Taxes-Fees-021115-v1s.pdf>

⁷ ALFA and ATA recognize that the \$50 million includes an allowance for administrative costs; many states waived those costs to maximize benefits for their fishermen and other states documented incurred costs. If ADF&G is keeping the missing million, a revised spend plan should inform stakeholders how the agency intends to use the funds. For example, the spend plan deducts \$670,000 from the two commercial fishing allocations without identifying any administrative costs incurred "estimating" sector losses or other analysis. The Pacific States Marine Fisheries Commission will administer actual applications and disburse funds. A revised spend plan should explain expenditures.

⁸ \$13,000,000/\$166,000,000; \$33,380,000/\$4,400,000,000.

⁹ See https://www.wlf.louisiana.gov/assets/Fishing/Commercial_Fishing/Files/LA_CARES_Act_Application_and_Spending_Plan.pdf

¹⁰ See <http://portal.ncdenr.org/web/mf/cares-act>;

https://www.wlf.louisiana.gov/assets/Fishing/Commercial_Fishing/Files/LA_CARES_Act_Application_and_Spending_Plan.pdf.

that fund disbursement remained consistent with the CARES Act goal of supporting fishermen and seafood sector recovery.¹¹

Every one of the state spend plans that we reviewed (except for Alaska’s) endeavored to identify and/or quantify significant losses to seafood harvesters and processors, including changes in ex-vessel values, in order to inform the development of the plans.¹² ADF&G’s spend plan merely acknowledges “changes” in demand and markets for Alaska seafood. ADF&G then “adjusted” the commercial fishing allocation to reflect undisclosed “estimated losses.” Nowhere in the document is there quantitative data or even a qualitative description showing that the “estimated losses” are so low as to justify diverting millions of dollars in relief funds from commercial fishermen.

As explained in ALFA’s comments on the initial draft spend plan, restaurant closures and COVID-caused impacts on Asian markets resulted in 40-60 percent reductions in prices paid to our fishermen in 2020. This trend was relatively consistent across the state. Other fishing state spend plans agreed, finding that prices for some seafood products, particularly those destined for restaurants as well as other harms to food supply and distribution chains caused “significant losses” and “sharp declines in demand” and “some of the lowest prices ever.”¹³ Even fishery businesses that were able to find new markets faced reductions in product values and experienced financial hardships.¹⁴

The nation’s second most economically productive fishing state, Massachusetts, estimated ex-vessel value declines for 10 commercially caught fish species showing an overall loss of roughly \$60 million during a three month period.¹⁵ Four of the species had ex-vessel value declines in excess of fifty percent. Hawaii’s spend plan also evaluated fishery ex-vessel revenue declines, identifying a 50% revenue loss in 2020 caused by restaurant closures and other market losses and found that each individual vessel in its longline fisheries would experience the 35% revenue decline. The failure to consider similar data for the nation’s largest fishing economy is unacceptable.

The spend plan’s re-allocation rationale also relies on the impacts of travel restrictions borne by the charter sector and ignores the significant travel restrictions placed on fishing workers and crew

¹¹ <https://www.mass.gov/doc/ma-cares-act-fisheries-relief-spending-plan/download>; http://www.psmfc.org/wp-content/uploads/2020/11/HI_Spend-Plan_Final.pdf;

¹² Our review focused on the largest fishing economies and included all approved west Pacific coast plans, Massachusetts, Maine, Louisiana, Florida, Hawaii and other plans from smaller but geographically representative coastal fishing states.

¹³ See http://www.asmfc.org/files/CARESAct/ME_CARES_SpendPlan.pdf (recognizing that “fishing related businesses have suffered significantly” due to impacts caused initially by declines in Asian markets followed by domestic restaurant closures and other avenues for seafood sales and that “the for hire industry has been hard hit by the challenges of social distancing requirements, reduced tourism, and mandatory quarantines for visitors from out of state”); *see also*

<http://portal.ncdenr.org/web/mf/cares-act>;
https://www.wlf.louisiana.gov/assets/Fishing/Commercial_Fishing/Files/LA_CARES_Act_Application_and_Spending_Plan.pdf

¹⁴ See <http://portal.ncdenr.org/web/mf/cares-act>

¹⁵ <https://www.mass.gov/doc/ma-cares-act-fisheries-relief-spending-plan/download> See Table 1.

members entering the state. Indeed, while the Governor relaxed quarantine requirements for most travelers in June, the state maintained an expensive two-week quarantine requirement imposed only on commercial fishing participants and seafood processing workers.¹⁶ Alaska economists estimate that processors incurred \$50 million in COVID caused costs needed to test, transport and quarantine employees and observe health protocols in seafood plants. Several companies reported spending \$10 million alone. For example, processors needed to provide hotels, food, daily medical screening, multiple tests for each worker, onsite medical companies, protective equipment and hire on-site health care personnel. Economists believe the cost estimates will increase.¹⁷ Harvesters faced similar expenses providing accommodations for crew in addition to the increased complications and costs of operating in communities where they were prohibited from leaving their vessels.

A related problem with the spend plan re-allocation of processor relief funds is the failure to meet its stated goal “to broadly distribute stimulus payments” Nearly all saltwater charter businesses (98-99%) are concentrated in portions of Southeast and Southcentral Alaska.¹⁸ This means that funds which would otherwise provide relief to processors and the numerous commercial fishing vessels with processor permits that operate in rural coastal fishing communities throughout the state will instead accrue to businesses concentrated in just a few communities – or even to residents of other states. The allocation will be unfair to Alaska’s rural coastal fishing communities because while “virtually all recreational charter fishing occurs in the Gulf of Alaska region,” the seafood industry also supports the Bering Sea and Aleutians Islands region and numerous smaller coastal fishing communities.¹⁹

In sum, the spend plan’s diversion of CARES Act relief funds to the charter sector deprives commercial fishermen who hold processor permits and shorebased processors from access to over \$10 million in CARES Act relief funds otherwise allocated to Alaska’s processing sector under NOAA’s formula. The spend plan provides no support for the state’s assumption that the charter sector experienced massively more cumulative economic harm than commercial fisheries and seafood processors.

ADF&G needs to redo its residency eligibility requirements

The initial draft spend plan disqualified commercial fishermen who were not Alaska residents based on NOAA’s formula attributing landings to each vessel owner’s home state. However, it also allowed charter operators residing in other states to apply in Alaska for relief funds. This second draft plan includes new eligibility requirements that ADF&G suggests will provide “consistency between the primary vessel based sectors eligible for assistance, the commercial harvesting and sport charter sector.” But the change fails to achieve consistency because commercial fishermen who are residents

¹⁶ <https://covid19.alaska.gov/health-mandates/>

¹⁷ See <https://www.homernews.com/news/seawatch-fisheries-asking-for-disaster-relief/>

¹⁸ Sigurdsson, D. and B. Powers. 2012. Participation, effort and harvest in the sport fish business/guide licensing and logbook programs. 2011. Alaska Department of Fish and Game, Fishery Data Series No. 12-27 Anchorage.

¹⁹ Lew, D.K. & C.K. Seung. 2018. Measuring economic contributions of the marine recreational charter fishing sector using a resampling approach. In: ICES Journal of Marine Science, doi:10.1093/icesjms/fsz027.

of other states will qualify only if they have a business license issued by Alaska Department of Commerce, Community and Economic Development (DCCED). Otherwise they must apply in their home state. Alaska exempts most commercial fishing businesses from the DCCED business license requirement. In contrast, every charter business must have a state of Alaska business number to operate.²⁰ As a result, the second plan excludes non-resident commercial fishermen from the program but includes non-resident charter businesses. **A revised spend plan should eliminate the DCCED business license requirement and instead condition actual state requirements for commercial fishermen such as a valid vessel license or commercial fishing permit.**

Our review of other spend plans shows that coastal states have used multiple approaches to residency requirements, and several approved plans have extended program eligibility to residents of other states if they have a permit and demonstrated active participation in the fisheries of the state where they apply for relief.²¹ ALFA and ATA have members residing throughout the United States and support expanding program eligibility to permit holders or vessel owners who reside in other states. This eligibility is important in the context of Alaska because of the large number of out-of-state permit holders who would otherwise be unable to obtain fisheries disaster relief in any other state.

Over 12,000 commercial fishermen (crew and permit holders) from other states participate in Alaska's fisheries.²² In 2019, non-residents held 30 percent of CFEC limited entry permits.²³ The majority of these fishermen reside in Washington, Oregon and California but we also have members who reside in states that did not receive any CARES Act fisheries disaster relief. California's application period has closed, and, with very limited exceptions, the California spend plan authorized payments only to fishermen who hold California licenses.²⁴ Oregon's application period has also closed, and its spend plan excluded most Alaska permit holders by setting a time period for calculating revenue losses that ended June 30, 2020.²⁵ As of last week, there is no indication when Washington State will complete its spend plan.²⁶ Washington State recognizes its status as a homeport for many Alaska fishing operations, but has also considered timelines for calculating revenue losses that would exclude numerous Washington residents who participate in Alaska's fisheries.²⁷

²⁰ <https://adfg.alaska.gov/static/license/prolicenses/pdfs/2019Renewal.pdf>.

²¹ <https://www.mass.gov/doc/ma-cares-act-fisheries-relief-spending-plan/download>; http://www.psmfc.org/wp-content/uploads/2020/11/Hi_Spend-Plan_Final.pdf; <http://portal.ncdenr.org/web/mf/cares-ac>
http://www.asmfc.org/files/CARESAct/ME_CARES_SpendPlan.pdf
[https://www.wlf.louisiana.gov/assets/Fishing/Commercial_Fishing/Files/LA_CARES_Act_Application_and_Spending_Plan.p](https://www.wlf.louisiana.gov/assets/Fishing/Commercial_Fishing/Files/LA_CARES_Act_Application_and_Spending_Plan.pdf)
[df](http://www.psmfc.org/wp-content/uploads/2020/08/Oregon-CARES-Act-Spend-Plan.pdf); <http://www.psmfc.org/wp-content/uploads/2020/08/Oregon-CARES-Act-Spend-Plan.pdf>

²² <https://www.mcdowellgroup.net/wp-content/uploads/2017/10/ak-seafood-impacts-sep2017-final-digital-copy.pdf>

²³ <https://cfec.state.ak.us/annrpts/AR2019.pdf> See Appendix I

²⁴ http://www.psmfc.org/wp-content/uploads/2020/11/CA_Spend-Plan_Final.pdf;
<https://nrm.dfg.ca.gov/FileHandler.ashx?DocumentID=181825&inline>

²⁵ <http://www.psmfc.org/wp-content/uploads/2020/08/Oregon-CARES-Act-Spend-Plan.pdf>

²⁶ <http://www.psmfc.org/cares-act-the-coronavirus-aid-relief-and-economic-security-act>.

²⁷ <https://wdfw.wa.gov/sites/default/files/2020-06/caresprocessorsppt.pdf>

A related matter pertains to how the spend plan addresses charter fishing guides who are not charter fishing business owners and are thus functionally equivalent to employees. Providing relief funds to a potentially over a thousand resident and roughly a thousand non-resident guides using funds allocated on the basis of seafood production is unfair.²⁸ Massachusetts required that eligible charter business operators actually own a boat, and Alabama and North Carolina did not let employees apply direct to the program.²⁹ Also, charter fishing guides are similar to commercial fishing vessel crew members. It would be discriminatory to provide payments to one of these groups and not the other. ADF&G should review how other NOAA approved spend plans have handled this issue and consider (1) whether to exclude guides from the program or (2) establish a minimum payment amount with expanded eligibility to commercial fishing vessel crew members and residency and extended active participation criteria to narrow the pool of potentially eligible commercial fishing crew members and charter fishing guides to Alaska residents with long-term fishing history. Such criteria could include the extent to which the crew member's or guide's income derives from fishing activities.³⁰

The Spend Plan needs to consider fishery participation data and project individual distributions

Most major coastal fishing state spend plans evaluated changes in the ex-vessel values of their fisheries and compiled data identifying of the total number of eligible participants by sector.³¹ As explained in ALFA's comments on the first draft spend plan, the agency's initial 32%/32%/32% allocation created a scenario in which a non-resident charter fishing guide working seasonally at a lodge would receive two and a half times as much as an Alaska resident commercial fishing vessel owner and permit holder living in a rural coastal community. This disparity may be similar or worse under this second draft plan, but the spend plan provides no participation data to inform meaningful public comment on potential distribution tiers. Instead, the spend plan (Tables 1 – 3) displays "back of the napkin math" examples using fictional numbers of participants to illustrate how the state will calculate direct payments which shows hypothetical harvesting, processing and charter sector base value shares.

We believe that ADF&G needs to provide a reasonable projection of fund distribution to individual participants – particularly because of the re-allocation. The examples in the spend plan were not helpful and likely even misleading because of the omission of actual fishery participation data. The harvester base value share estimate, for example, assumes a total of 5,000 permit holders in Alaska. There are over 5,000 active salmon gillnet permit holders alone active in the state each year, and

²⁸ NPFMC. 2018. Public Review Draft. Regulatory Impact Review for a Proposed Amendment to Establish a Charter Halibut Permit Annual Renewal. Table 2.

²⁹ <https://www.mass.gov/service-details/for-hire-cares-act-fisheries-relief>;
<https://www.outdooralabama.com/sites/default/files/AL%20CARES%20Spend%20Plan%20.pdf>
<http://portal.ncdenr.org/web/mf/cares-act>

³⁰ See https://www.wlf.louisiana.gov/assets/Fishing/Commercial_Fishing/Files/LA_CARES_Act_Application_and_Spending_Plan.pdf

³¹ http://www.psmfc.org/wp-content/uploads/2020/11/Hi_Spend-Plan_Final.pdf <http://portal.ncdenr.org/web/mf/cares-act>. http://www.asmfc.org/files/CARESAct/ME_CARES_SpendPlan.pdf

roughly 6,500 total annually active commercial salmon permits.³² If every IFQ permit holder, salmon permit holder and vessel owner qualified (roughly 10,000 permits and 8,000 vessels), the harvester shares would be less than \$1,000 per share. If every licensed guide and charter business qualified (roughly 2,000), each charter sector share would exceed \$6,000.

The potential for disproportionate distributions per participant bears heavily on the fairness of ADF&G's re-allocation scheme. The agency needs to take the simple step of compiling readily available participation data from the sectors, and project a reasonable range of actual distributions. The Commercial Fisheries Entry Commission produces an annual report identifying the total number of licensed vessels and permits issued each year.³³ The North Pacific Fishery Management Council regularly produces brief documents with summary data regarding participation in federal fisheries.³⁴ And while the potential pool of harvesters is large enough to be challenging, the seafood processing and charter sectors have a much smaller number of participants than the harvester sector, which should make it simple to project distributions per participant. There are just over 500 seafood processors permitted in Alaska.³⁵ These processors file readily available annual reports documenting catch values, making possible to identify the number of businesses in each tier and disclose distributions per participant.³⁶ We have repeatedly requested that the agency use data to inform the spend plan and the omission is unacceptable – particularly in light of the re-allocation of fishing funds.

Conclusion

Many of the at-sea seafood processors are members of our organizations and harvest and direct market high quality seafood products such as frozen-at-sea salmon or shellfish species that have experienced major price declines due to restaurant closures and foreign market declines. The Department of Commerce's press release for the CARES Act fishery relief package states that the funds are to "support America's fishermen and our seafood sector's recovery" and "the men and women working to provide healthy and safe seafood." We believe the State has a responsibility to fulfill the purpose of CARES Act fisheries disaster relief and follow the federal allocation formula. We have seen no evidence to support assumptions that economic impacts to the charter sector exceeded economic

³² Commercial Fisheries Entry Commission. 2019. A review of the original limited salmon fisheries 1975-2018. CFEC Report No. 19-5N. September 2019.

³³ <https://cfec.state.ak.us/annrpts/AR2019.pdf> See Appendix C (in 2019 CFEC issued 17,339 permits and licensed 8,817 vessels).

³⁴ See, e.g. NPFMC. 2019. Public Review Draft. Regulatory Impact Review for a Proposed Amendment to Modify the Medical and Beneficiary Transfer Provisions in the Pacific Halibut and Sablefish Individual Fishing Quota Program. (identifying 767 sablefish permit holders and 2,271 halibut permit holders); NPFMC. 2018. Public Review Draft. Regulatory Impact Review for a Proposed Amendment to Establish a Charter Halibut Permit Annual Renewal. Table 2. (identifying the number of licenses resident and non-resident guides, businesses and number of combination guide/business licenses issued in 2016).

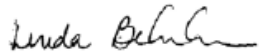
³⁵ <https://dec.alaska.gov/eh/fss/active-permits/>

³⁶ <http://www.tax.alaska.gov/programs/programs/reports/Annual.aspx?60631>;
<https://www.adfg.alaska.gov/index.cfm?adfg=fishlicense.coar>

impacts to the commercial sector. Without data to substantiate this reallocation, the Administration's spend plan appears punitive.

Thank you for the opportunity to comment. We request your careful reconsideration of CARES Act emergency relief for fisheries.

Sincerely,



Linda Behnken
Executive Director
ALFA



Amy Daugherty
Executive Director
ATA

cc: Senators Murkowski
Senator Sullivan
Congressman Young
Ben Stevens, Alaska Governor's Chief of Staff
John Moller, Alaska Governor's Fisheries Advisor

From:
To: [DFG.COM CARES ACT \(DFG sponsored\)](#)
Subject: Alaska Section 12005 Second Draft Spend Plan - Comments on Eligibility Requirements
Date: Sunday, November 15, 2020 2:53:40 PM

- Residency -

It seems that once again the non-resident (commercial sector) fishermen are being excluded from aid by the state of Alaska. The proposed solution to this problem is to have non-resident permit holders and fishermen apply to their home state. However, if those out of state fisherman are offered the same eligibility requirements from their home state as AK is offering in this draft spend plan, then there is potentially NO aid available to support their AK business:

"Applicants must be a participant in a marine or anadromous fishery in waters of Alaska."

If I were to live in WA and commercially fish in AK (assuming the WA spend plan has similar requirements as the one being developed by AK) I would not qualify for aid as a Washington resident as I do not participate in a fishery in WA waters.

Neither CA or OR have adopted any residency requirements for disbursement of aid, but rather relied on the determination of whether an applicant operated a fishery business in their state. NOAA was apparently okay with potentially allowing AK residents to make claim for operations in those states but the AK plan does not seem to offer that same reciprocity.

No detail of how the NOAA methodology for calculating the "accrual of fishing related income" was given, yet this seems to be a key detail of the residency issue and allocation of funds. Even the idea of an exercise such as this seems daunting and is likely fraught with errors. What are we saying here, that NOAA gathered all landing data, then looked up each landing to determine if that was completed by a resident or not? They then made adjustments for all in-state/out of state permit/quota holders on each vessel at every point during the year? Then they turned around and did this for each state and somehow managed to determine which other fisheries each resident participated in so they could understand where revenue accrued? I don't think so! Aid should not be determined where an applicant lays his or her head at night.

-Business License -

Under this draft plan, it appears non-resident commercial harvesters can apply ONLY if they hold an AK business license from the DCCED. Under section 43.70.105 of the Chapter 70 Alaska Business License Act issued by the Department of Commerce, Community, and Economic Development, all fisheries businesses (resident and non-resident) are exempt from obtaining a license. And based on the other types of businesses exempt under the same statute, it would seem this is due to the requirement for those businesses to already hold a similar license or permit to operate from the state of Alaska:

Sec. 43.70.105. Exemptions. (a) This chapter does not apply to (1) a fisheries business; (2) the sale of liquor under a license issued under AS 04.11; (3) an insurance business; (4) a mining business; (5) supplying services as an employee; (6) furnishing goods or services by a person who does not represent to be regularly engaged in furnishing goods or services; (7) the

activities of an investment club; in this paragraph, (A) “investment club” means a group of individuals, incorporated or otherwise organized, that engages primarily in investing in securities, that does not sell investment services to another person, that does not advertise, the primary purpose of which is educational; (B) “security” has the meaning given in AS 45.55.990. (b) Notwithstanding an exemption provided by (a) of this section, a person who sells cigarettes, cigars, tobacco, products containing tobacco, electronic smoking products, or products containing nicotine as a retailer must have a business license under AS 43.70.020 and a business license endorsement required under AS 43.70.075.

If this business licence requirement remains in the plan, please expect a flood of new applications from out of state residents.

- General Comments -

Although the state of AK will never be able to please everyone, the outright disregard for the over complication of aid disbursement is mind boggling. This plan considers operating shares, residency, reallocation of NOAA percentages, licencing, loans, STRP (which was for 2019), arbitrary dates that appear to be retroactive to January 1 (despite that Covid was not on the radar before February, and this act was not passed until March). And on top of all this, each applicant is required to complete a W-9 and get taxed on any distribution even though this is money that was already collected as a tax from all of us.

November 15, 2020

Office of the Commissioner
Alaska Department of Fish and Game
1255 West 8th Street
P.O. Box 115526
Juneau, AK 99811

Commissioner Doug Vincent-Lang,

On behalf of the Tanana Chiefs Conference (TCC), an inter-tribal organization representing 37 federally recognized tribal governments in Interior Alaska, I write to submit these comments on the second draft spend plan for the Section 12005 CARES Act Relief for Fisheries Participants.

TCC's region in Interior Alaska comprises one of the largest subsistence fisheries in the state of Alaska. Our Tribes experienced significant hardships this summer due to low salmon runs. These hardships were exacerbated by negative impacts of COVID-19 on our Tribes: travel bans prevents urban family members from returning to their home villages to assist elders and other family members with fishing; some villages experienced disruptions in flights and freight services, limiting or driving up the prices of groceries and supplies in their small stores; there was less sharing of fishing nets, boats, and other resources; and, Tribal leaders and other community members missed the limited fishing opportunities as they were responding to outbreaks in their communities.

TCC applauds the department's second draft, which increased the allocation to subsistence fisheries from \$1.5 million to \$2.45 million. TCC also agrees with the tiered shares system that provides larger households and those experiencing poverty a slightly larger allocation.

TCC recommends expanding the tiered shares system to include the following:

1. An additional share for qualified households that reside primarily off the road system, based on the mailing address and/or voter registration address of the head of household. This option will help people who do not have the same access to grocery stores and cheaper food options available to urban or road-system applicants.
2. An additional share for households that have an elder residing in the household. It is one of our core values to care for elders, first and foremost. As such, we believe elders in our communities should be given priority for this relief.

Using these recommended additions to the tiered shares system, a household of five living in Holy Cross that includes an elder and is experiencing poverty would receive five shares.

TCC would also appreciate clarification and answers on the following question: How will the department advise the Pacific States Marine Fisheries Commission on confirming participation in a subsistence fishery in two of the last four years? Will applicants self-certify or will they be required to provide evidence? If so, what evidence qualifies and will be required?

Thank you for the opportunity to provide comments on this spend plan. I look forward to hearing from you and how you intend to incorporate TCC's comments and concerns in the final plan.

Sincerely,

Pollock Simon, Jr.
Chief/Chairman

From:
To: [DFG, COM CARES ACT \(DFG sponsored\)](#)
Subject: ADFG cares act spend plan
Date: Sunday, November 15, 2020 4:06:55 PM

Keri,

I see little improvement in this plan over the first draft, and again, no rationale for not following the NOAA recommendations on sector allocation.

In the draft, it is stated that the NOAA allocation methodology was used by ADFG "with some modifications".

There is no explanation as to what these modifications to the methodology were, only a vague allusion to the scale of loss in the charter industry being more significant than in the commercial harvest and processing sectors.

I cannot support this plan as written given that there is no rationale for the changes from the NOAA methodology - which is both well defined and seemingly more reasonable than what ADFG has chosen to do.

I find it deeply disappointing and somewhat offensive that despite comments that were received from the first draft, no articulation of your methodology has been produced, and that the department appears to be playing political favorites with the allocation of federal funds.

I would like to see a return to the NOAA allocations, and if adjustments are to be made I would like to see the methodology that has led to those adjustments.

Additionally, while it is claimed in the draft that parity has been reached on residency requirements, many non-Alaskans who fish commercially are not required to obtain a state business license, while all charter operators are, leaving many non-resident commercial harvesters out in the cold on this qualification.

To be clear, I personally feel that Alaska residency should be a uniform requirement for eligibility, but if that doesn't happen it should at least be based on permit renewal or vessel licensing rather than business licensing.

Thanks for your time,

Matt Lawrie

Sitka

Sent from my iPhone

From:
To: [DFG.COM CARES ACT](#)
Subject: FW: Section 12005 CARES Act draft spending plan
Date: Sunday, November 15, 2020 4:07:07 PM

Kari Winkel,
Office of the Commissioner

Please accept SPC's comments on the second draft spending plan for Section 12005 Direct Fisheries Aid. Seafood Producers Cooperative is a fishermen owned processor based in Sitka, Alaska. We operate year round and employ over 100 people at the peak of the season in Sitka. We have remained open all year and continued to purchases and process seafood throughout this pandemic. The global pandemic has impacted SPC in reduced market value of our products, increased operating expenses and reduced effort from our fleet. We have chosen to stay open and employ Alaskans and help our commercial fleet make the best of a difficult year.

The draft plan deviates drastically from the NOAA spend plan. SPC has requested the backup information from the Commissioner to justify a redistribution from the processing sector the Charter sector. The draft plan references some figures for economic loss for the charter sector but does not include a matching analysis of financial impact to the processing and commercial fishing sector. I offer the following data points to put the industries in perspective.

The January 2020 ASMI economic value report states the following figures

- The seafood industry directly employs nearly 60,000 workers in Alaska each year and is the economic foundation of many rural communities.
- The Alaska seafood industry employs over 16,300 resident fishermen, and 6,600 fishing vessels are resident-owned. Each fishing operation represents a business generating new income from a renewable resource.
- Alaska exports more than 2.2 billion pounds of seafood annually, returning over \$3.2 billion of new money into the U.S. economy each year.

In 2019, Dan Lew and NOAA Fisheries colleague Chang Seung released the first full estimate of the economic contribution of the charter fishing sector in Southern Alaska. Their estimate of total economic activity is \$165 million annually in recent years (2013-2015)

This ratio of economic value lines up closely with the original NOAA guidelines for distribution of funds. The charter sector contributes about 5% of the economic activity of the commercial harvesting and processing sectors. The decision to allocate 27% to the charter sector is not an equitable distribution of aid relative to losses associated the pandemic. We ask that the department undertake economic analysis that justifies any reallocation of funds that deviate from the NOAA guidelines

Stephen Rhoads
Seafood Producers Cooperative



North Pacific Fisheries Association
P.O. Box 796 · Homer, AK · 99603
npfahomer@gmail.com

November 13th, 2020

Alaska Department of Fish and Game
Commissioner Doug Vincent Lang
Attn: Kari Winkel , Rachel Hanke
Juneau, AK 99801

Re: Section 12005 CARES Act Relief for Fisheries Participants Second Draft Spend Plan

Dear Commissioner Doug Vincent Lang,

North Pacific Fisheries Association (NPFA) would like to thank you for considering the comments submitted for the first draft of the CARES act section 12005 spend plan and putting this second draft spend plan out for further public comments. NPFA represents over 60 Homer area fishing families who have all been economically affected by the COVID-19 pandemic along with the rest of our state and country. While the way that NOAA decided to allocate the section 12005 funds to the states left Alaska far short of the amount needed to mitigate losses, we do realize that this is an economic stimulus program and not meant to make all participants whole. Please consider the following comments on the revised draft spend plan.

•Applicants must self-certify that the sum of 2020 revenue from fishery participation and any COVID-19 pandemic-related aid will not exceed average annual revenue from fishery participation from 2015-2019

-Do include unemployment payments received, grants, loans that will not be repaid, aid from programs that are not COVID-19 related such as the STRP. (Page 3 of Spend Plan)

We agree that any COVID related relief should be added to our 2020 revenue when comparing to our five-year average for eligibility, but we do not agree that the USDA STRP funds should be considered in 2020. The STRP funds are compensation for retaliatory tariffs in 2019 and are akin to a fish price adjustment for 2019. If they are going to be considered, they should be part of our 2019 revenue when calculating our five-year average. We would also like to point out that the distribution of the STRP funds to recipients is very sporadic and the USDA gives no indication if an application is approved until the funds are deposited. There may well be fishermen who have applied for and are eligible for STRP funds but would not know at the time the CARES act application is open.

Our second comment concerns the changes to residency requirements for applicants. The second draft of the spend plan allows non Alaska resident commercial fishermen to apply for relief funds. The rationale acknowledges that NOAA based the state by state allocation of funding on the vessel owner's state of residence as explained on the NOAA questions page. *"Average annual landings revenue data from Alaska, New England, and Mid-Atlantic states were adjusted to attribute landings in those regions to a vessel owner's state of residence to better reflect where fishing income accrues. These adjustments were made by determining the proportion of landings in a particular state attributed to vessel owners residing in another state and distributing revenue accordingly"* <https://www.fisheries.noaa.gov/feature-story/commerce-secretary-announces-allocation-300-million-cares-act-funding>

NPFA supports ADF&G's original approach for residency requirements in the commercial sector.

We acknowledge that the Charter Sector and Commercial Sector are different and do not find it necessary for them to have consistent residency requirements within this plan. NPFA primarily supports Alaska funding being distributed to Alaskans although we also respect the Charter Sectors prerogative to design their relief funding to meet their industry needs. The NOAA calculations for the Charter Sector most likely did not include residency of vessel owners which would justify a difference in residency requirements.

Thank you for considering our comments and look forward to the spend plan approval by NOAA so they can get these funds out to those in need.

Respectfully,

A handwritten signature in cursive script that reads "G Malcolm Milne". The signature is written in black ink and is positioned to the right of the word "Respectfully,".

G Malcolm Milne
President, North Pacific Fisheries Association



Southeast Alaska Guides Organization

November 14, 2020

Commissioner Doug Vincent-Lang
Alaska Department of Fish and Game
1255 W. 8th Street
Juneau, AK 99811-5526

Re: Comments on 2nd draft fishery participant spend plan

Dear Commissioner,

Thank you for the work you and your team have done on this spend plan. The sport industry suffered severely as a whole due to the pandemic, and we appreciate that draft distributions between sectors recognize those impacts.

This second draft spend plan simplifies eligibility requirements for the sport industry and maintains an understandable procedure for fund distribution within the sport sector. We do think there are several elements in the draft that need clarifying.

The plan qualifies saltwater businesses for half shares based on the vessels being "actively used" and registered with ADF&G. The phrase "actively used" needs defining. If your intent is to establish a meaningful level of activity between a business and a vessel to qualify the business for a half share, which we fully support, this may only be possible by setting a requirement for a minimum number of days that vessel operated for the business in 2019.

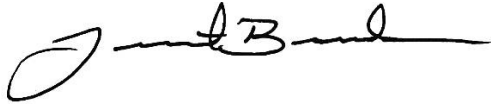
In our previous comments, we suggested using a threshold of 25 days to qualify a business to claim a guide employed and/or subcontracted for a half share. That was based on using 2020 as the reference year. That number would be low using 2019 as the basis. Past sport management discussions have looked at 40 days as a threshold between casual and serious industry participation. SEAGO would support that number.

If the plan specifies a base number days to define active use for vessels, it should also apply the same criteria for employed and/or subcontracted guides for freshwater businesses.

It would also be helpful if the plan spelled out whether a vessel needs to be owned by a business to qualify the business for half shares, or if a subcontracting arrangement between a business and an owner/operator would also qualify the business for a half share if the activity between them met the threshold.

Thank you for the opportunity to comment.

Respectfully,

A handwritten signature in black ink, appearing to read "Forrest Braden". The signature is fluid and cursive, with a large initial "F" and a long horizontal stroke extending to the right.

Forrest Braden
Executive Director, SEAGO
forrest@seagoalaska.org
907.723.1970

From:
To: [DFG.COM CARES ACT \(DFG sponsored\)](#)
Subject: Draft spend plan comments
Date: Sunday, November 15, 2020 8:27:56 PM

My concerns are about the charter sector. In my operation, it became obvious that COVID was going to make my season impossible by mid-May. I returned all my deposits, purchased lay-up insurance on my vessels, and hunkered down to try to weather the storm. My question is why a 2020 business owner/guide license is part of the criteria for this relief. In order to apply for this relief, I'll need to go register my business and boats with the state of Alaska and spend another \$250.

From:
To: [DFG.COM CARES ACT \(DFG sponsored\)](#)
Subject: Re: comments for second CARES Act Relief draft
Date: Monday, November 16, 2020 12:57:30 PM

I want to correct one portion of my comments, I meant to state commercial foods*

These funds are greatly needed as COVID ravages economies, access to commercial foods is competitive and costly for communities that are off the road systems and are very remote during a time of recovering or combatting covid-19 while trying to maintain a warm home, family, school, and work commitments.

On Sun, Nov 15, 2020 at 4:10 PM

wrote:

Kari Winkel, Office Manager

Alaska Department of Fish and Game
Office of the Commissioner
dfg.com.caresact@alaska.gov
Phone: 907-465-6136

RE: Public comment for second CARES Act Relief Spend Plan draft

Ms. Kari Winkel,

I am a lifelong traditional (subsistence) fisherwoman from the Yukon River and I'm providing my personal comments for the newest CARES Act relief funds and distribution draft for fisheries. I appreciate that you have increased funding for "subsistence" users, by estimation, a fishing family should expect a few hundred dollars. These funds are greatly needed as COVID ravages economies, access to commercial is competitive and costly for communities that are off the road systems and are very remote during a time of recovering or combatting covid-19 while trying to maintain a warm home, family, school, and work commitments. We experienced a difficult fishing season on the Yukon River because of the restrictions, low salmon runs, and limited access due to COVID travel bans, social distancing, quarantine, and self-isolation for each family. I do applaud the off road communities because of stringent travel bans, many communities are seeing less cases than urban cities. Many fisher people are depending on you to support, uplift, and bring a little hope because of the fishery relief funds. These funds will definitely go to those most in need in our state!

The state of Alaska views subsistence as important to economies and cultures of many families and communities in Alaska. Subsistence is especially important for families that are off the road system and largely situated away from urban settings. Many cultural groups in Alaska depend on subsistence hunting and fishing as sources of nutrition and cultural practices.

As a subsistence user with a large fishing family and community the recommendations that I suggest for the new tiered system are below:

- Stronger and clear language that gives deference and priority to off road communities with additional shares or larger allocation.
- Elders who participate or depend on shared subsistence harvest be given additional shares.
- Subsistence users that have an elder living with a subsistence family or head of household should be given an additional share.

Reference:

<https://www.adfg.alaska.gov/>

From:
To: [DFG, COM CARES ACT \(DFG sponsored\)](#)
Subject: Cares Act Comment
Date: Monday, November 16, 2020 5:19:59 PM

Please do not give any money to outsiders. I can't tell you how many times I've been on a plane from Bristol Bay with fishermen from Idaho and California and they brag about the fact that they did not spend a single penny in Alaska. They add nothing to our economy these outsiders. They don't deserve funds that are dedicated to Alaska. I don't understand why Alaska is giving away free money to California Idaho and Washington fishermen.

If you truly want to help Alaska and help Alaskans only Alaskan fisherman should receive these funds.

These funds should not go to subsistence because by definition subsistence it's not about profit or income. The funds should only go to dedicated Alaska commercial fishermen.

There should not be some complicated formula that rewards fishermen that did not fish this year. Every fisherman every permit holder should get a portion of the funds. It should not be based off of a 35% loss that rewards those that did not fish this year. We worked double hard to make sure we could commercial fish this season with all the covered restrictions period we should not be penalized for it.

Thank you.

Jared Hakkinen
Set net
Bristol Bay

From: [Hanke, Rachel M \(DFG\)](#)
To: [DFG, COM CARES ACT \(DFG sponsored\)](#)
Subject: FW: Draft spend plan comments
Date: Tuesday, November 17, 2020 11:07:04 AM

From: Hanke, Rachel M (DFG)
Sent: Tuesday, November 17, 2020 11:04 AM
To

Draft spend plan comments

Also, these public comments are public record and will be posted online. Would you like me to redact your name?

Rachel Hanke

Legislative Liaison
Office of the Commissioner
Department of Fish and Game
Juneau: 465-6137
Cell: 310-0772
Rachel.Hanke@alaska.gov

Neil, the registration with the department is free.

Rachel Hanke

Legislative Liaison
Office of the Commissioner
Department of Fish and Game
Juneau: 465-6137
Cell: 310-0772
Rachel.Hanke@alaska.gov

Sent: Sunday, November 15, 2020 8:28 PM
To: DFG, COM CARES ACT (DFG sponsored) <dfg.com.caresact@alaska.gov>
Subject: Draft spend plan comments

My concerns are about the charter sector. In my operation, it became obvious that COVID was going to make my season impossible by mid-May. I returned all my deposits, purchased lay-up insurance on my vessels, and hunkered down to try to weather the storm. My question is why a 2020 business owner/guide license is part of the criteria for this relief. In order to apply for this relief, I'll need to go register my business and boats with the state of Alaska and spend another \$250.

Dear Commissioner,

In my comments on the first Draft of Cares Act Spend Plan Section 12005 Cares Act Relief for Fisheries Participants, I was brief and to the point with my comments stating then (#170 of the comments) that "The draft proposal requirement that applicants must have operated in 2018 should be dropped as a requirement" to qualify to apply for Section 12005 of Alaska's portion of the Cares act allocated by the US Congress.

The wording of the second draft spend plan makes it necessary for me to comment in more elaborate detail to be certain that I and my business are not excluded from eligibility to apply along with several other people among the other 235 comments (some of which were redundant), who expressed their concern that younger fisheries participants, or those newly started in 2019 season would be unfairly discriminated from receiving these Federal funds as their start up costs and expenses might be considerably higher than established businesses. I pose the question: What would operating in 2018 have to do with impacts of COVID-19 in people operating in 2020, which is when business losses occurred?

The definition of "Fishery Participant" is of particular concern to me as my business was a fishery participant in 2018 as I had a signed contract to operate in the Chignik district and worked diligently to prepare for completing five months of extensive, expensive and intensive, shipyard work from required repairs from a crewmember (on a 2 man watch ignoring my instructions to keep the heading, and to wake me up if they had any concerns) taking my vessel over 4 miles off course in broad daylight on the way to the 2017 Bristol Bay fishery. We had lost the starboard prop with damage to 3 rudders and unknown at the time I beached the boat on the Naknek River, a bent shaft, with damage below the forward fish tank. Unforeseen delays resulted in a launch date of June 22, 2018 and at a cost out of pocket of over \$200,000 to complete all repairs to satisfy a new required insurance survey. The processor stalled my getting underway by not issuing a needed purchase order for fuel (as earlier agreed upon), as it was apparent that the Chignik run had failed and after an opening where 124 fish were caught between 6 boats, my charter was cancelled. I was forced to park my vessel and operate another tender for the 2018 season. I had a loss of \$235,000 on my s-corp tax returns for 2018, yet was denied applying for any Chignik disaster funds. I operated successfully in 2019, but as the COVID-19 Pandemic caused restaurants to shutter, and processors to tighten spending, the chances of securing a salmon charter faded and I was again forced to park my vessel and operate another tender while my basic expenses for the vessel continued.

Thank you for your reading and considering my comments.

John H Clutter

ALEUTIAN EXPRESS INC