





















October 18, 2022

Office of Governor Mike Dunleavy P.O. Box 110001 Juneau, AK 99811-0001

RE: 2022/2023 Bering Sea Snow Crab and Bristol Bay Red King Crab Fishery Disaster Request

## Dear Governor Dunleavy:

The undersigned harvesters, processors, and communities of Bering Sea crab fisheries write to ask you to request a fishery disaster declaration for the 2022/2023 Bristol Bay red king crab and Bering Sea snow crab fisheries, in accordance with Section 312(a) of the Magnuson-Stevens Fishery Conservation and Management Act (MSA), as a way to provide much needed economic relief to the crab industry and Alaska's affected communities along with additional funding for research and data needs within these fisheries.

Because the 2022/2023 Bristol Bay red king crab and Bering Sea snow crab fisheries are a complete closure and there is no final data to wait on for a determination, we ask that the Governor request that the Secretary of Commerce expedite the decision on these fisheries plus the 2021/2022 Bristol Bay red king crab¹ request from last year. Combined, these fisheries total a loss in ex-vessel value of approximately \$202 million.

As described in this request, total revenue losses are estimated at 100% for the closure of both Bristol Bay red king crab and for Bering Sea snow crab from 2022/2023, totaling an estimated \$151 million in lost ex-vessel value. Using more recent price data plus estimated losses to processors and communities, this loss is even greater. Paired with the pending 2021/2022 Bristol Bay red king crab request with an estimated loss of \$50.3 million (Attachment 1, Table 5 of the Governor's 3/3/2022 letter), the estimated losses total \$202 million. The 2021/2022 Bering Sea snow crab and Bering Sea Tanner crab fisheries are still pending final data for a fishery disaster determination by the Secretary.

Crab fishermen and processors rely on a portfolio of fisheries to sustain their businesses. This portfolio approach helps them diversify to weather years when a fishery is not doing as well as others. However, in years when more than one fishery closes altogether, income for those affected fishermen, processors,

<sup>&</sup>lt;sup>1</sup> This was part of a larger fishery disaster request package for 2021/2022 Bering Sea crab fisheries valued at over \$200 million in lost ex-vessel revenue (see Attachment 1, letter from Governor Dunleavy to Secretary Raimondo dated 3/3/2022).

and Alaska's communities suffer greatly. This year, all three of the major Bering Sea crab fisheries for red king, snow (opilio), and Tanner (bairdi) crab are either closed or reduced, some significantly and unexpectedly. This is a devasting hit to the crab industry and communities that rely on it.

The National Marine Fisheries Service (NMFS) policy guidance outlines three requirements to meet a positive fishery disaster determination under MSA 312(a), and we believe the Bering Sea snow crab fishery and Bristol Bay red king crab fishery will meet all three criteria: 1) There must be a fishery resource disaster as defined by the MSA; 2) The cause for the fishery resource disaster must be an allowable cause under the MSA; and 3) There must be economic impact stemming from the fishery resource disaster that supports a determination of a commercial fishery failure. A fishery resource disaster is defined as a sudden, unexpected, large decrease in fish stock biomass or other change that results in significant loss of access to the fishery resource, and a commercial fishery failure is evaluated based on the loss of 12-month revenue compared to average annual revenue in the most recent 5-year period. NMFS policy states that revenue losses greater than 80% will result in a determination of commercial fishery failure, but losses less than 80% are still considered.

## Bering Sea Snow Crab

The Bering Sea snow crab fishery was closed for the first time in U.S. history of the fishery with this year's 2022/2023 crab fishing season. And last year, the snow crab total allowable catch (TAC) was unexpectedly reduced 88% from the previous year. It is clear this fishery will meet the threshold for a disaster due to the complete closure this year. Using information from the past five years (2017-2021) from the Governor's letter in Attachment 1, the average harvest of 25.88 million pounds results in an average annual ex-vessel value of \$101,092,689 (Table 1). Using the 2022/23 TAC of zero pounds (i.e., closed), this equates to 100% ex-vessel revenue loss from the previous 5-year average.

Table 1. Bering Sea snow crab annual limits and harvest in pounds and gross ex-vessel revenue value

Crab Year	TAC	Harvest <sup>a</sup>	Value <sup>b</sup>			
2017/18	18,961,000	18,789,577	\$	71,049,939		
2018/19	27,581,000	27,309,775	\$	104,074,677		
2019/20	34,019,000	33,606,694	\$	128,041,590		
2020/21	45,000,000	44,135,853	\$	174,777,978		
2021/22	5,600,000	5,548,238	\$	27,519,260		
2022/23	0	0	\$	-		
5-yr avg.		25,878,027	\$	101,092,689		
2022 vs 5-yr avg.		-100%		-100%		

<sup>&</sup>lt;sup>a</sup> From Table 4 of Governor's 3/3/2022 letter, except 2022/23 from NMFS Catch and Landing Reports for BSAI Crab.

This is a very important commercial crab fishery. Participation during these five fishing seasons prior to this year's closure averaged 63 vessels per year supporting roughly 437 fishermen per year in crew positions, with the most (68 and 463, respectively) occurring in the 2016 season (Table 2 from the Crab Economic SAFE below). It also supports 6 processing plants in Saint Paul, Unalaska, Akutan, and King Cove, including about \$5.72 million in processing labor income (2020) and a five-year average annual gross first wholesale revenue of \$133 million. These communities directly benefit from state and local landings tax revenue, from the money spent at local businesses, and from a range of employment created at those businesses and local processors.

<sup>&</sup>lt;sup>b</sup> Value from Table 5 of Governor's 3/3/2022 letter, except 2021/22 uses 2021 statewide nominal ex-vessel price per pound from https://adfg.alaska.gov/index.cfm?adfg=CommercialbyFisheryshellfish.shellfish.catch\_exvessel\_crab

**Table 2** excerpt from the 2021 Crab Economic Stock Assessment and Fishery Evaluation (SAFE) Report (p.21) showing Bering Sea snow crab (BSS). Please note that all data in these two Tables are reported for calendar year rather than fishing season (Oct 15 to spring of the following year). Thus, for example, the BSS harvest for the 2016/2017 fishing season would be partially reported in 2016 from Oct-Dec 2016 and in 2017 from Jan-Mar 2017 below.

Table 2: CR Program fisheries crew and processing sector employment and earnings

		Crew	position	$S^a$	Crew share <sup>b</sup>		Captain share		Processing labor hours <sup>c</sup>			Proce		
	Year	Vessels	Total	Vessel median	Total \$million	Vessel median \$1,000	Total \$million	Vessel median \$1,000	Plants	Total 1,000 hrs	Plant median 1,000 hrs	Median \$/hour	Total \$million	Plant median, \$1,000
	2016	68	463	6.0	\$15.71	\$203.24	\$7.02	\$100.64	6	447	69	\$12.82	\$6.08	\$576.29
	2017	63	441	6.0	\$13.04	\$173.78	\$5.53	\$80.83	6	266	35	\$12.53	\$3.40	\$221.12
BSS	2018	63	436	6.0	\$10.42	\$142.77	\$4.46	\$66.94	6	232	30	\$12.42	\$2.94	\$168.36
	2019	61	428	6.0	\$14.84	\$202.23	\$6.42	\$98.52	6	333	46	\$13.07	\$4.63	\$309.99
	2020	59	417	6.0	\$18.06	\$270.03	\$7.94	\$123.38	6	351	51	\$14.88	\$5.72	\$401.11

The closure of the Bering Sea snow crab fishery is most likely due to a high mortality event given very high biomass in 2018 and then very low biomass estimates in two successive surveys (<u>Crab Plan Team Report</u>, Sep 2022, p. 14), according to scientists advising the North Pacific Fishery Management Council and Alaska Department of Fish and Game (ADFG), likely related to and exacerbated by climate conditions. Due to the status of the stock, it was declared overfished<sup>2</sup> by NMFS in October 2021 and will undergo a rebuilding plan according to the MSA. Even though it is declared overfished, the decline was not caused by fishing and has been determined to not be subject to overfishing. In accordance with Section 312(a) of the MSA, the 2022/23 EBS snow crab fishery meets the definition of a commercial fishery failure due to natural causes.

# Bristol Bay Red King Crab

Also, for the first time in the history of U.S. fisheries management, the two largest value crab fisheries in the Bering Sea are closed simultaneously. The Bristol Bay red king crab fishery is also closed for the second year in a row. This closure brings the harvest and ex-vessel gross revenue down to zero, a 100% decrease from the previous 5-year average annual revenue of \$50.3 million as reported in the Governor's letter in Table 5 of Attachment 1 and in Table 2 below.

<sup>&</sup>lt;sup>2</sup> An overfished condition is determined by comparing annual biomass estimates to the established minimum stock size threshold (MSST), defined as one half the biomass estimated to produce maximum sustainable yield to the fishery. If the biomass drops below the MSST, the stock is considered to be overfished, despite the cause.

Table 2. Bristol Bay red king crab annual limits and harvest in pounds and gross ex-vessel revenue value

Crab Year	TAC	Harvest <sup>a</sup>	Value <sup>c</sup>			
2016/17	8,469,000	8,406,237	\$	82,240,308		
2017/18	6,601,000	6,560,185	\$	55,055,771		
2018/19	4,308,000	4,264,427	\$	42,170,947		
2019/20	3,797,000	3,767,851	\$	42,721,902		
2020/21	2,648,000	2,629,006	\$	29,293,430		
2021/22	0	0	\$	-		
2022/23	0	0	\$	-		
5-yr avg. <sup>b</sup>	·	5,125,541	\$	50,296,472		
2022 vs 5-yr avg.	·	-100%		-100%		

<sup>&</sup>lt;sup>a</sup> Harvest from Table 4 of Governor's 3/3/2022 letter.

Participation during these five fishing seasons averaged 56 vessels per year supporting 382 fishermen in crew positions annually, with the most (63 and 423, respectively) occurring in the 2016 season (Table 2 from the Crab Economic SAFE below). Bristol Bay red king crab supports the same processing plants in Alaska communities. The first wholesale revenue generated by processors will be zero, compared to the 5-year annual average of first wholesale revenue of \$66 million.

**Table 2** excerpt from the 2021 Crab Economic Stock Assessment and Fishery Evaluation (SAFE) Report (p.21) showing Bristol Bay red king crab (BBR). Please note that all data in these two Tables are reported for calendar year rather than fishing season (Oct 15 to spring of the following year). Thus, for example, the BBR harvest for the 2016/2017 fishing season would be partially reported in 2016 from Oct-Dec 2016 and in 2017 from Jan-Mar 2017 below.

Table 2: CR Program fisheries crew and processing sector employment and earnings

		Crew	position	$S^a$	Crew share <sup>b</sup>		Captain share		Processing labor hours <sup>c</sup>			Proce pa		
	Year	Vessels	Total	Vessel median	Total \$million	Vessel median \$1,000	Total \$million	Vessel median \$1,000	Plants	Total 1,000 hrs	Plant median 1,000 hrs	Median \$/hour	Total \$million	Plant median, \$1,000
	2016	63	423	6.0	\$12.14	\$169.17	\$5.25	\$74.74	8	130	9	\$13.04	\$1.82	\$93.87
	2017	61	419	6.0	\$7.46	\$109.85	\$3.38	\$50.37	8	81	8	\$12.62	\$1.09	\$65.98
BBR	2018	55	365	6.0	\$5.13	\$83.18	\$2.36	\$40.76	7	55	5	\$12.55	\$0.77	\$48.99
	2019	56	370	6.0	\$4.99	\$80.26	\$2.29	\$36.91	6	47	6	\$12.70	\$0.72	\$73.64
	2020	47	333	6.0	\$3.53	\$69.70	\$1.63	\$33.25	6	31	4	\$14.94	\$0.55	\$51.90

For BBRKC, the directed fishery is closed again in 2022/2023 because the female crab abundance was estimated to be below the threshold for sustainable management outlined in the state harvest strategy, resulting in a commercial fishery failure. ADFG determines whether the BBRKC fishery can open consistent with the state's harvest strategy defined at 5 AAC 34.816. This fishery has also been determined not to be subject to overfishing. In accordance with Section 312(a) of the MSA, the 2022/23 BBRKC fishery meets the definition of a commercial fishery failure due to natural causes.

In summary, we respectfully ask that you request a fishery disaster declaration from the Secretary of Commerce for the 2022/23 Bering Sea snow crab and Bristol Bay red king crab fisheries, due to a commercial fishery failure from natural causes and costing fishermen, processors, and communities hundreds of millions of dollars in lost revenue. Paired with this, we ask that you request that these and the 2021/22 Bristol Bay red king crab request be expedited as all are a 100% closure of the fisheries and do not require waiting on final data. Thank you for your consideration of our request and please let us know if you need further information.

<sup>&</sup>lt;sup>b</sup> Most recent 5-yr average of open fisheries.

<sup>&</sup>lt;sup>c</sup> Value from Table 5 of Governor's 3/3/2022 letter.

# Sincerely,

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**Attachment 1** – Governor Dunleavy letter to Secretary Raimondo on 2021/2022 Bering Sea crab fisheries, 3/3/2022

# Cc:

Tyson Gallagher – Acting Chief of Staff, Office of the Governor of Alaska Doug Vincent-Lang – Commissioner, Alaska Department of Fish and Game Rachel Baker - Deputy Commissioner, Alaska Department of Fish and Game The Honorable Dan Sullivan, U.S. Senator for Alaska The Honorable Lisa Murkowski, U.S. Senator for Alaska The Honorable Mary Peltola, U.S. Representative for Alaska