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To: Erin Reinders, JR Pearson, Jim Sharpe, Ed Keough,

From: Frank Kelty, Fisheries Consultant

Re: Unalaska Seafood Industry situation as I understand it.

I will provide an overview on the three main fisheries that are open at this time Bering Sea Trawl Pollock, Bering Sea Snow Crab (Opilio Tanner) and BiardiTanner Crab, Golden King Crab, and the Pacific Cod Trawl and Pot Cod fisheries and the potential impacts on Unalaska local plants production and potential revenue impacts to City of Unalaska.

Pollock Trawl Fishery, this fishery is a rationalized fishery with each individual vessel quota share is included in cooperative each cooperative is tied a to a local processing plant. Since this is rationalized fishery, there is no race for fish and no worry of other vessels catching their allocation. Currently, it appears that the Pollock fleet is in a standdown mode until the UniSea, Alyeska come back online, but the Northern Victor and Westward Seafoods that have not been impacted their Pollock vessels have been standing down as well, over concerns of potential bycatch issues but that could change if the plants closures go for an extended period on time, they could start fishing operations to their Unalaska plants. At this time, we still have plenty of time to harvest the A Season allocation of 500,000MT which is 40% of the seasonal allocation of 1.375 Million Metric Tons, with 158,000MT 351million pounds which is the allocation to be delivered to the 4 Pollock cooperatives that are tied to the Unalaska shore plants. Currently I do not see any impacts on revenues and on production unless the current plant closures go into and extend period.

Pacific Cod Pot Cod and Trawl, this fishery is totally different from the Pollock fishery the Pacific Cod a pot and trawl sectors are both un-rationalization which means they are in a race to harvest the allocation in their pot and trawl sectors. The trawl fishery just opened on the January 20th and most of the trawlers have been standing down either for bycatch concerns or waiting for UniSea and Alyeska, and Trident plants to open. With Westward, and Northern Victor the only two local plants open and operating and with Trident closed it as well will be tough for those two plants to handle fish from if all the 25-30 cod trawl vessels if they were fishing. The Peter Pan plant in King Cove could take some amount of trawl cod they are also processing snow crab and possibly Pollock from their cooperative fleet. I do know that Peter Pan had some tenders on the fishing ground tendering cod the pot cod fleet during the 60' > over and 60' < under pot cod

vessels. I believe we may have some loss of trawl cod to the Peter Pan facility in King Cove, but I believe it will be a limited amount. It is my feeling that much of the trawl fleet will be in stand down mode waiting for Alyeska and UniSea to open. If some trawlers go fishing, they may try to unload at Westward or Northern Victor if that is their traditional market, or possibly run fish to King Cove if that plant is available. The trawl A season allocation for catcher vessels is 18,500MT. I believe Unalaska will lose some number of deliveries and revenue but if the UniSea and Alyeska plant open at the end of next week it should not be a large impact on revenues.

Pot Cod fishery the 60'> over pot cod fishery closed on Thursday January 21st with most of 4,700MT harvested. Most all that fish has been delivered as of this weekend it is my understanding some pot cod vessels off loaded at Westward, after some amount of waiting, and some vessels unloaded to cod tenders' vessels that were on the fishing grounds taking cod to King Cove plant. The small boat 60'< pot fishery is still open they have another 1,500MT to harvest and that fishery will close late this week. I believe we will lose cod deliveries that traditionally go to UniSea and Alyeska depending on how busy Westward and Northern Victor are. I believe the tenders taking fish into King Cove will get much of the fish from 60'< Pot cod vessels. This loss of revenues will be minimal due to the small amount of cod allocation involved.

Snow Crab Opilio Tanner, this fishery is underway with an allocation of 45 million pounds as of Sunday 3.1 million has been landed by the fleet, 8% of the total allocation has been harvested. There will be about 50 vessels plus on the crab grounds soon, some of the 60'> over pot cod boats are moving their crab pots into the fishery soon. This fishery is also a rationalized fishery each vessel has a percentage of the catch they control and can fish when they want. This fishery also has another feature that designates a percentage of the harvest to be landed in the North Region which has 1 processing plant the Trident plant at St Paul Island.

The South region has a 5% larger percentage of the overall allocation, and many more communities. Snow Crab can be landed in Unalaska, Akutan, King Cove and Kodiak. Many of the vessels fishing now are working on their northern share quotas that due to the concern of ice pack moving down preempting the fishing grounds, and the access to the entrance to St Paul Harbor which the ice has closed off at times. The problem we face now is when the vessels on the grounds complete their northern shares what do they do, stand down waiting for the closed plants to open or try keep fishing to make landings into the Westward Seafoods in Unalaska or try for a market with Peter Pan in King Cove. There has been some talk of boats going to Kodiak that is tough to do at this time of year due to weather conditions and no one is sure if there is a crab line on any of the plants in Kodiak. I believe we have a week to 10 days when this situation could get worse. The Crab Rationalization Coordinating Committee is meeting on this situation, this committee can allow exemptions to the North /South delivery requirements if and emergency exists. This originally was put in the framework agreement to deal with ice conditions on the fishing grounds in the northern region little

did we know COVID-19 would be the issue that may force and emergency exemption. The committee is made up of harvesters, processors, and community members and all three groups that all must agree to support an exemption. The situation we have now with 3 south plants closed and if an exemption is granted to allow south region crab to be processed in the north region at St Paul. What we do not want to see is dead loss of crab due to nowhere to sell his crab. We are not there yet; the committee will be meeting early next week to get update on situation on the 3 plants that are closed and see what the fleet situation. The agreement has language to make compensatory deliveries to the region that lost crab landings this tricky can it be done during current season or will it be carried over to the next fishing season. This measure is last thing that the committee wants to get involved with is granting exemptions. I have heard of some Trident boats took the Snow crab to King Cove, since the Akutan plant was closed. I assume some Unalaska landings may have been lost, but not many, since much of the fleet is still fishing Northern region crab quota at this time. Hopefully, the crab plants will be back online in a week to 10 days this will avoid a lot of headaches.

Biardi Tanner Crab, this fishery has not had a major impact since most of the landings of 563,000 lbs. 27% of the harvest has been laned mostly as bycatch in the Snow crab fishery. This fishery still has 1.5 million pounds to harvest.

Golden King Crab Fishery, there are three vessels still fishing 1 in the eastern district and 2 in the western district, they could face some impacts if they have UniSea, Alyeska as markets hopefully if they are coming in soon, hopefully Westward could handle these deliveries.

Hopefully, this information is helpful, I am available to answer any questions by e-mail or take phone calls. There is some harvest date and other information attached.

Regards

Frank Kelty

Attachments:

1. Framework Agreement – Coordinating Committee Page 6 in the document.
2. BSAI Groundfish Harvest Data
3. Crab Harvest Data