

**Potential Tax Exemption for Northern Designated Bering Sea Snow Crab and Central Bering Sea Fishermen's Association Bering Sea Snow Crab Processed in Akutan**

[Final Rule May 15, 2013, Amendment 41 to the BSAI Crab Rationalization Program](#)

Amendment 41 of the Crab Rationalization Program established a process whereby holders of regionally designated IFQ and IPQ can receive an exemption from regional delivery requirements.

[Unalaska 2024/2025 Memorandum of Agreement with Saint Paul on North Region BSS](#)

The MOA between the City of Unalaska and the City of Saint Paul for the 2024/2025 crab season agreed that Unalaska would compensate Saint Paul for:

- 1) Crab landings taxes equal to what Saint Paul would have received if the North Region Crab were landed in Saint Paul, that is 3.5% tax assessed on North Region Crab that is delivered in Unalaska; and
- 2) 2) The municipal share of all State of Alaska Fisheries Business Taxes that are assessed on all North Region Crab and subsequently remitted to the City of Unalaska.

**Draft Exemption Contracts pursuant to the 2025/2026 Framework Agreement**

[Central Bering Sea Fishermen's Association Draft Exemption Contract dated November 11, 2025](#)

The 11/11/2025 draft exemption contract submitted to the Crab Coordinating Committee by CBSFA requested:

- a) Crab landings taxes equal to what Saint Paul would have received if the BSS were landed in Saint Paul, that is 3.5% tax assessed on all BSS crab quota shares with a North Region designation that are delivered in Unalaska and Akutan; and
- b) All State of Alaska Fisheries Business Taxes that are assessed on all BSS crab quota shares with a North Region designation, and the agreed-upon percentage of non-designated shares, and subsequently remitted to Unalaska and Akutan; and
- c) Crab landing taxes equal to what Saint Paul would have received for 44.21% (percent) of the flexible or non-designated shares that are delivered in Unalaska and Akutan, based on an average of the non-designated BSS shares delivered in Saint Paul for the three years prior to the plant closure (specifically the 2019-2020, 2020-2021, and 2021-2022 seasons); and
- d) An assessment of 1% of the total first wholesale value of the North Region-designated portion of the 2025-26 BSS fishery, based on the ADFG rationale for the set aside for Saint Paul

in the Crab Spend Plan, to be paid by harvesters at 78% and processors at 22%, using the Non-Binding Price Formula for BSS crab.

#### [Central Bering Sea Fishermen's Association Draft Exemption Contract dated November 21, 2025](#)

The 11/21/2025 draft exemption contract submitted by CBSFA requested compensation for Saint Paul on BS Snow crab delivered to Southern ports:

- a) Crab landings taxes equal to what Saint Paul would have received if the BSS were landed in Saint Paul, that is 3.5% tax assessed on all BSS crab quota shares with a North Region designation that are delivered in Unalaska and Akutan; and
- b) All State of Alaska Fisheries Business Taxes that are assessed on all BSS crab quota shares with a North Region designation, and the agreed-upon percentage of non-designated shares, and subsequently remitted to Unalaska and Akutan/Aleutians East Borough; and
- c) Crab landing taxes equal to what Saint Paul would have received for 44.21% (percent) of the flexible or non-designated shares that are delivered in Unalaska and Akutan, based on an average of the non-designated BSS shares delivered in Saint Paul for the three years prior to the plant closure (specifically the 2019-2020, 2020-2021, and 2021-2022 seasons).

#### [Unalaska Crab, Inc Draft Exemption Contract dated November 27, 2025](#)

The draft exemption contract submitted by Unalaska Crab, Inc on 11/27/2025 suggested the following compensation:

- 1) Sales Taxes. An amount equal to what Saint Paul would have received under its seafood sales tax if the Exempt Crab were delivered in Saint Paul: 3.5% of the gross sales value of the Exempt Crab that is instead, under the Exemption, delivered in a Destination Community; and
- 2) State Fisheries Business Tax. An amount equal to what Saint Paul would have received from the State of Alaska for Alaska Shared Fisheries Business Tax as a result the Exempt Crab were it delivered in Saint Paul rather than in an Destination Community.

#### [Central Bering Sea Fishermen's Association Draft Exemption Contract dated December 3, 2025](#)

#### [Central Bering Sea Fishermen's Association Draft Exemption Contract dated December 4, 2025](#)

The draft exemption contracts submitted by CBSFA on 12/3/2025 and again on 12/4/2025 suggested the following compensation:

- a) Crab landings taxes equal to what Saint Paul would have received if the BSS were landed in Saint Paul, that is 3.5% tax assessed on all BSS crab quota shares with a North Region designation that are delivered in Unalaska and/or Akutan/Aleutians East Borough; and
- b) All State of Alaska Fisheries Business Taxes that are assessed on all BSS crab quota shares with a North Region designation, and the agreed-upon percentage of non-designated

shares, and subsequently remitted to the City of Unalaska and/or the City of Akutan/Aleutians East Borough; and

c) Crab landing taxes equal to what Saint Paul would have received through a 2% tax assessed on the 257,872 pounds of CBSFA-owned flexible or non-designated shares that are delivered in Unalaska and/or Akutan/Aleutians East Borough.

#### Aleutians East Borough Municipal Code Title 60 Revenue

##### 60.20.070 Exemptions

The following sales are exempt from the tax imposed by this chapter:

- (1) Casual or isolated sales not made in the regular course of business;

December 4, 2025

Email From Jon Kurland

Regional Administrator

NOAA Fisheries, Alaska Region

“Thanks for your questions. Please see our answers below.

1. Does Aleutians East Borough (AEB) need to sign the Framework Agreement in order to participate in the exemption process? Participation is presumed to include entering into the existing Framework Agreement signed by all other Parties pre-season, followed by a request for exemption and an Exemption Contract that provides the details of the exemption process and compensatory remittance of seafood taxes.

No. AEB is not considered an eligible applicant and would not be covered by the exemption to regional delivery requirements per NMFS regulations and processes at 50 CFR 680.4(p)(2). Nothing in the exemption process would prevent AEB from entering into agreements with the parties. The parties may wish to notify NMFS of any relevant and material changes to the terms of the underlying agreements and contract, but that notification is not required unless it impacts their original signed affidavit statement provided on the application.

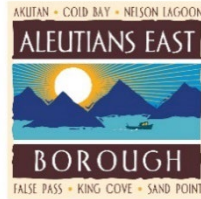
2. Can the City of Akutan, represented by APICDA as their ECCO, and located in the AEB, receive landings of North designated crab if AEB is not a signatory to the Framework Agreement and an Exemption Contract? To be clear, the regulatory process

for exemption currently includes a Framework Agreement signed pre-season, and an Exemption Contract agreed to in-season if exemption is needed/requested.

Yes. NMFS does not see a reason why Akutan would be prevented from receiving landings under our regulations. This exemption provides a waiver from regional delivery requirements only and does not impact application of other law or contracts between parties."

**BSAI Crab Quota for years 2015/2016 through 2025/2026**

BSAI Crab Season	BB R King Crab	Snow (Opilio)	EB Bairdi (Tanner)	WB Bairdi (Tanner)
2015/2016	9,974,000	40,611,000	11,272,000	8,396,000
2016/2017	8,469,000	21,570,000	-	-
2017/2018	6,601,000	18,961,000	-	2,500,200
2018/2019	4,308,000	27,581,000	closed	2,439,000
2019/2020	3,797,000	34,019,000	-	-
2020/2021	2,648,000	45,000,000	closed	2,348,000
2021/2022	CLOSED	5,600,000	CLOSED	1,100,000
2022/2023	CLOSED	CLOSED	1,163,000	850,000
2023/2024	2,150,000	CLOSED	760,000	1,320,000
2024/2025	2,310,000	4,720,000	1,770,000	4,500,000
<b>2025/2026</b>	<b>2,680,000</b>	<b>9,300,000</b>	<b>1,130,000</b>	<b>10,120,000</b>



Date: December 2, 2025

To: Mayor Alvin Osterback, Ernie Weiss, Mayor Joe Bereskin, Mayor Vince Tutiakoff, Frank Kelty, Charles Cacciola, Angel Drobnica, Heather McCarty, and Mateo Paz-Soldan

From: Anne Bailey, Aleutians East Borough Administrator

**Re: Bering Sea Snow Crab**

**Aleutians East Borough Code**

The Aleutians East Borough Code (“AEBC”) mandates a two percent tax on the sale of raw fish. This includes all species of fish landed or processed in the Borough. The Borough Code also has several exceptions to this mandate to collect taxes; one of those is an exemption for “[c]asual or isolated sales not made in the regular course of business.” Section 60.20.070(1).

The City of Saint Paul has approached the Borough to process its snow crab in Akutan. The Borough has asked legal counsel to determine if the Borough can process the Northern Region Crab and a portion of the Undesignated Crab in Akutan and remit taxes to the City of Saint Paul. The legal opinion on the snow crab is as follows:

1. Northern Region Bering Sea Snow Crab

The snow crab from the Northern Region is a casual or isolated event meaning that the Borough can exempt the snow crab from the Northern Region from its taxes. The Northern Region snow crab is normally landed in and processed by Trident at Saint Paul. Due to the suffering snow crab harvests, Trident has decided it will not open and operate the Saint Paul Plant. This is considered to be a casual or isolated event because it is not the way the snow crab from Northern Region is normally harvested and processed.

2. Undesignated Bering Sea Snow Crab

The Undesignated Snow Crab is not considered an isolated event or incident, and the exemption does not apply. The undesignated harvest can be landed and processed anywhere in the Borough and is not considered to be a casual or isolated event.

**Therefore, the Borough can exempt any snow crab from the Northern Region from taxes, but it cannot exempt those snow crab identified as undesignated snow crab.**

## **Framework Agreement, Exemption Contract and Tax Memorandum of Agreement**

The Borough understands that for nearly two decades, Bering Sea crab fishery participants have entered into a pre-season framework agreement, which may lead to an exemption contract. Saint Paul has asked the Aleutians East Borough to enter into a Framework Agreement, an Exemption Contract, and a Tax Memorandum of Agreement. Borough Administration has spoken to legal counsel who has provided answers the following questions:

### **1. Is it necessary or appropriate for the Borough to execute the 2025-2026 Framework Agreement or to execute a Preseason Application with NMFS?**

No. It is not necessary or appropriate for the Borough to execute the 2025-2026 Framework Agreement or to execute a Preseason Application and file it with NMFS.

To be effective, both the Framework Agreement and the Preseason Application must be executed by one or more Class A IFQ holders, IPQ holders and representatives of the affected communities. See Amendment 41 Proposed Rule, 78 Federal Register 20, January 30, 2013 (Proposed Rule) at page 6281. (The Proposed Rule clarifies that none of these parties are required to sign the Framework Agreement and Preseason Application, but at least one member of each of the three classes must do so for regional landing relief to be available. See Proposed Rule at page 6282.)

The Borough is not an IFQ holder, an IPQ holder, and for Crab Rationalization regional landing relief purposes, the Borough is not the designated representative of an affected community. Even though Akutan is within the Borough, the Aleutian Pribilof Islands Community Development Association (APICDA) is Akutan's representative for that purpose. See 50 CFR 680.4(p)(2)(iii), referencing 50 CFR 680.41(l) and 50 CFR 680.2 (definitions of "Eligible Crab Community" and "Eligible Crab Community Organization"). Therefore, APICDA would be the appropriate party to execute the Framework Agreement and Preseason Application on behalf of Akutan. It is my understanding that it has done so.

As a separate but related matter, to be effective for the 2025-2026 crab fishery, the Framework Agreement must have been executed prior to October 15, 2025, and the related Preseason Application must have been executed and filed with NMFS by that date. If a Preseason Application is not received by NMFS by October 15, NMFS is required to deny the application. See 50 CFR 680.4(ii)(E). It is my understanding that APICDA executed the Framework Agreement on behalf of Akutan and submitted a related Preseason Application for the 2025-2026 season by the October 15 deadline. Under the regulations cited above, if the Borough submitted a Preseason Application now, NMFS would be obligated to deny the Application.

**2. Is it necessary or appropriate for the Borough to sign the Exemption Contract?**

No. To obtain an in season exemption, the applicants must be persons or entities that signed the preseason application and the applicants must certify that they have entered into an exemption contract that is signed by holders of the IFQ and IPQ that are the subject of the exemption contract and by the community representative that is authorized to sign it (on behalf of the affected community). See 50 CFR 680.4(p)(4)(iii).

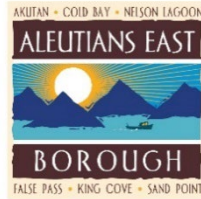
Consistent with this provision, the Proposed Rule states “the parties to an exemption contract must be, at a minimum, one IFQ holder, one IPQ holder and the representative of an effected community. The parties to an exemption contract may be multiple IFQ holders, IPQ holders and one or more community representatives. Proposed Rule at 6282.

Because the Borough did not sign and submit a preseason application by October 15, 2025, and because the Borough is not an IFQ holder, IPQ holder or designated representative of an effected community, it is not necessary or appropriate for the Borough to sign and exemption contract.

**3. If the Borough does not execute the Framework Agreement and file a Preseason Application, would that prevent it from entering into an agreement to collect certain tax revenues on crab delivered to Akutan and pay those revenues to Saint Paul?**

No, if the Borough does not execute the Framework Agreement and file a Preseason Application, those actions alone would not prevent it from agreeing to collect the Northern Region Crab tax revenues and pay them to Saint Paul. Therefore, the Borough could enter into a Memorandum of Agreement with Saint Paul for the Northern Region Crab.

**Therefore, the Borough will not enter into the Framework Agreement, will not enter into the Exemption Contract but can enter into a Tax Memorandum of Agreement with the City of Saint Paul for the Northern Region Bering Sea Snow Crab. Entering into a Tax Memorandum of Agreement is contingent upon Borough Assembly approval.**



Date: December 5, 2025

To: Mayor Alvin Osterback, Ernie Weiss, Mayor Joe Bereskin, Mayor Vince Tutiakoff, Frank Kelty, Charles Cacciola, Angel Drobnica, Heather McCarty, and Mateo Paz-Soldan

From: Anne Bailey, Aleutians East Borough Administrator

**Central Bering Sea Fishermen’s Association (CBSFA) Undesignated Crab**

The Aleutians East Borough has received a request from Saint Paul “for tax remittance on ONLY the relatively small amount of shares (257,000 pounds) delivered to the South that are owned by CBFSFA and have always been delivered to Saint Paul to maximize economic benefit to the community we serve.” Borough Administration has researched our code and will consider this an isolated event for this year only. Borough Administration will recommend to the Assembly to approve the remittance of this tax to Saint Paul.

**Shared Fisheries Business Tax on the CBFSFA Undesignated Crab**

The Borough is considering and analyzing the Shared Fisheries Business Tax to see if it is feasible to remit the State Shared Fisheries Business Tax for the 257,000 pounds of undesignated CBFSFA Crab. Determining the Shared Fisheries Business Tax will become a huge administrative burden to the Borough’s Finance Department and without the State’s Assistance the finance director would most likely not be able to determine this.

**Tax Memorandum of Agreement**

Saint Paul has proposed that Saint Paul “deal solely with the City of Akutan and their ECCO APICDA (a signer of the Framework Agreement) in order to arrange the remittance of seafood taxes collected by both Akutan and AEB.” The Aleutians East Borough has considered this and determined that it is not in the Borough’s best interest to enter into a Tax MOA with the City of Akutan. However, Borough administration will propose to the Assembly to enter into a Tax MOA with the City of Saint Paul.