

MADE IN ALASKA

MARICULTURE

ALASKA DIVISION of
ECONOMIC DEVELOPMENT

ALASKA
DEPARTMENT OF
NATURAL RESOURCES

ALASKA
COMMISSION ON
SUSTAINABLE
ECONOMIC
DEVELOPMENT

Alaska Mariculture Task Force

Meeting Minutes

Friday, January 22, 2021 @ 1:00pm – 4:00pm AST

DUE TO COVID-19: ONLINE MEETING ONLY

1) Roll call (Chair McCarty calls meeting to order at 1:06pm AST)

MTF Members Present

Heather McCarty – (Chair) CBSFA, Julie Decker – AFDF, Sam Rabung – ADFG, Jim Andersen – DCCED, Ginny Eckert – ASG, Jeff Hetrick – Alutiiq Pride Shellfish Hatchery, Kate Sullivan – SARDF, Eric Wyatt – Blue Star Oyster Co./OceansAlaska/ASGA, Angel Drobnica - APICDA, Mike Stekoll - UAS/UAF. Ex-officio members: Alicia Bishop – NOAA, Kim Stryker - ADEC.

2) Conflicts of Interest Declared

Records stand from previous meetings. No conflicts of interest declared.

3) Review and approve agenda

Motion (Rabung/Hetrick) to approve agenda. Motion passes with no objections.

4) Review and approve minutes: October 29, 2020 & December 15, 2020

Minutes from October 29, 2020 were not completed. Will be reviewed and approved at February meeting.

Motion (Decker/Rabung) to approve December 15, 2020 minutes with minor amendments in three instances. Motion passes with no objections.

5) Public introductions & comments

Public comments held until pertinent agenda items.

Public Participants Present

Molly Zaleski – NOAA, Melissa Good – ASG, Joe Arvidson – Blue Wave Futures, Matt Andersen – Blue Wave Futures, Fred Villa – Governor Dunleavy's Office, Sean Den Adel – Blue Wave Futures, Schery Umanzor - UAF, Jan Conitz - USFW, Joel Markis – UAS, Jordan Hollarsmith – AFSC, Kristen Grunthal – ADFG, Ben Cutrell – Chugach Alaska Corporation, Bobbi Hudson – Pacific Shellfish Institute, David Phillips – Chugach Alaska Corporation, Tommy Sheridan – Sheridan Consulting/ AFDF Board, Michelle Morris – ADFG, Claire Delbecq – JEDC, Robina Moyer – JEDC, Karen Cougan – ADNR, Hannah Wilson – ASG Fellow, Alex Jenkins - JEDC, Flip

Pryor – ADFG, Charlotte Levy – Aleutians East Borough, Angela Bowers – UAS, Justina Hotch – interested Dulce farmer in Klukwan, Andrew Miller – ADNRR, Brian Holst - JEDC, Katy Rexford – AMCC, Tomi Marsh – OceansAlaska/ASMI Board, Katrina Hoffman – PWSSC, Maile Branson - CRRRC.

6) Updates by MTF members (20 mins):

a. ADFG updates (Decker/Smith)

- Smith – two mariculture trainings to note: 1) 2021 Alaska Seaweed Farm Start-up Training Program – webinar on February 2, 2021. Series of virtual technical workshops week of February 22. Open registration for webinar. First 150 registrants will be selected for technical workshop, already over 230 registrants. Partners include ASG, GreenWave, ALFA, Blue Evolution, OceansAlaska; and 2) Sustainable Southeast Partnership Kelp and Oyster Farming Workshop. Application period is open. Virtual workshop will occur on March 18-20 for 20-25 Southeast Alaska residents. Priority will be given to Southeast Alaska Native residents. Partners include Spruce Root, Sustainable Southeast Partnership, GreenWave, Ecotrust, Organized Village of Kake, ADFG.

b. COVID-19 updates (Decker/Smith, Rabung)

- Smith/Decker – second round of SBA PPP loan are now available, newly open to nonprofits. Entity must have less than 300 employees. PPP Loans can be used to help fund payroll costs, including benefits. Funds can also be used to pay for mortgage interest, rent, utilities, worker protection costs related to COVID-19, uninsured property damage costs caused by looting or vandalism during 2020 and certain supplier costs and expenses for operations.
 - First draw: eligible borrowers qualify for full loan forgiveness if during the 8- to 24-week covered period following loan disbursement:
 - Employee and compensation levels are maintained
 - The loan proceeds are spent on payroll costs and other eligible expenses; and
 - At least 60 percent of the proceeds are spent on payroll costs.
 - Second draw: A borrower is generally eligible for a Second Draw PPP Loan if the borrower:
 - Previously received a First Draw PPP Loan and will or has used the full amount only for authorized uses
 - Can demonstrate at least a 25% reduction in gross receipts between comparable quarters in 2019 and 2020.
- Rabung – second round of CARES Act funding available to Alaska seafood industry in the amount of \$50 million. No guidance from NOAA yet. Question exists on whether the state will need to develop a new spend plan or use existing spend plan. Existing spend plan yet to be approved.

c. Alaska Sea Grant updates (Eckert, Good)

- Good – ASG attended the ASGA meeting and conference, gave four different presentations. One revolved around gathering research priorities from ASGA– four priorities emerged for research on: 1) Vibrio; 2) carrying capacity at farms; 3) PSP

testing; 4) oyster mortality mitigation. Follow-up meeting scheduled with Alaska shellfish growers to further define research priorities that ASG hopes to address in the EVOS proposal. National Seaweed Hub continues to hold workgroup meetings. Seafood processing industry has expressed need for guidance on protocol for interacting with customers and fishermen in a COVID-safe way, including getting products out to market.

d. NOAA updates (Bishop, Hollarsmith)

- Bishop – Aquaculture Permitting Portal. Flowchart finally finalized – complex outline of local, state and federal processes for aquaculture permitting in Alaska. Working on final tweaks on the how-to guides with AFDF. Next step is reaching out to stakeholders to garner feedback. Important collaboration with AFDF and Axiom to link to the Mariculture Map in regard to the site plans and maps required throughout the application process.
- Hollarsmith – have been involved in the development of the EVOS proposal. As part of this process, I have been reaching out to mariculture researchers across Alaska to inform what research is ongoing and new.

7) Workgroup Updates (5 mins):

a. Legislative Workgroup – (McCarty, Rabung, Drobica, Decker/Smith, Hetrick)

- McCarty – HB 41 has been reintroduced by Rep. Ortiz this year. Legalizes shellfish enhancement, ASMI marketing of mariculture products. Other areas in present in 1st year's iteration surrounded ADNR's aquatic farm lease program and allowing for ecotourism on aquatic farm sites for educational purposes.
- Decker – the Governor's current budget provides full funding for ADEC PSP testing from general funds. Ensuring this funding remains in the budget will be an ongoing priority for the Legislative Workgroup.

b. Regulatory Workgroup – (Rabung, McCarty, Wyatt, Decker/Smith, Sullivan, Stryker, Smith)

- Wyatt – there is a prohibition in Alaska on shellfish for research purposes.
- Rabung - 5 AAC 41.070. Importation of Live Fish – although this has been a reoccurring issue, ADFG has not submitted a proposal into the Board of Fish (BOF) to amend this. It would require the addition of “and research” to the language in the statute.

Task (Smith) add the Alaska state prohibition on importation of shellfish for research purposes, including potential BOF proposal to amend statute 5 AAC 41.070 to allow for importation for research purposes, to agenda for the next MTF meeting.

c. AQUAA Act Workgroup (Decker/Smith, McCarty, Rabung, Pryor, Eckert, Bishop) – under old business

d. AMA Workgroup (McCarty, Decker, Smith, Wyatt, Sheridan, Scheer, Marsh) – under old business

e. Research Workgroup (Eckert, Stekoll, Wyatt, Foy, Decker/Smith, Bishop, Hetrick, Sternberg) – under old business

f. Alaska Native Workgroup (Douville, McCarty, Decker/Smith, Rabung, Marsh, Wyatt, J. Anderson, Gallegos, M. Anderson, Whissel, W. Hetrick) – under new business

8) Old Business (100 mins):

a. U.S. state PSP testing overview, current status and issues in Alaska – (Sullivan)

- Sullivan – contacted multiple persons (growers and employees of associated state Shellfish Authorities) in 22 designated U.S. shellfish regions. Alaska has 1 FTE dedicated solely to shellfish within ADEC (i.e. shellfish sanitation, shellfish lab technician). Maine has 10-20 state-funded FTE employees dedicated to shellfish biotoxin research and PSP testing. States must have a Shellfish Authority, recognized by the federal government, in order to authorize interstate shellfish trade. No other state has a user-pay model. In Alaska, growers have to contract with a float plane to send shipments to Anchorage. Shellfish farmers spend over a \$100,000 a year on PSP testing. State funding for this year is a Band-Aid. State language refers to PSP testing as a subsidy for industry, not a public health issue. Public health issues are mandated in legislation, we are also directed to maximize the value of the resource. Geoduck industry will go under if we have to pay for lab fees in addition to collection and shipment costs – we will lose this fishery. SARDFA taxes fishermen to pay for PSP testing fees and ADFG's assessment costs to manage the fishery.
- Rabung – with current budgetary cuts, the geoduck fishery would close without SARDFA funding for ADFG to manage the fishery. Ensuring state support for PSP testing fees has to be high priority for this valuable fishery.

Task (Sullivan) will forward all previous letters to legislature and the Governor's Office and the spreadsheet summarizing state PSP testing fees across the U.S. to Fred Villa for further conversation.

b. Mariculture Research & Training Center (MRTC) – revisions, implementation, next steps (Eckert, Good)

- Eckert – the MRTC will coordinate industry needs with researchers, universities, tribes, municipalities, government agencies, etc. in an effort to identify priority research, including funding opportunities and an annual R&D forum designed to support the growth of the industry. The MRTC will be housed within Alaska Sea Grant. ASGA's intent is to include seaweed farmers in membership. ASG presented on the MRTC during the ASGA annual conference. ASGA was very supportive and is interested in hosting the MRTC's annual R&D forum in coordination with the ASGA's annual conference. Small proposal submitted to National Sea Grant to cover Melissa Good's salary for one year in a coordinating role for the MRTC.

c. EVOS TC proposal status and progress (Eckert)

- Eckert – Mariculture priority confirmed by EVOS TC for the FY22-FY31 Invitation for Proposals. Economic development is now an additional focus. Current proposal leadership team consists of ASG, AFDF, PWSSC, UAF, Native Village of Eyak, NOAA, ADFG, UAF. Proposal is designed to be all-inclusive for mariculture industry. Proposal leadership team has drafted region-wide and location-specific research priorities:

Regionwide studies			Location-specific studies		
Genetics	Socio-economics	Production Techniques	Socio-economics	Water Quality	Ecosystem Studies
Population genetics - genetic impacts on wild stocks - genetic diversity in wild (to inform broodstock sel.) Strain selection	Economic sustainability Market studies Product development	Develop techniques for hatcheries and farms to breed, culture and rear: Invertebrates Seaweed Multi-species	Distance to markets Logistics Existing uses/conflicts Scale & revenue projections	Primary Productivity Harmful Algal Blooms Vibrio Contaminants Ocean Acidification Temperature/Salinity Nutrients Currents/flow	Ecosystem services & ecological impacts of mariculture marine mammals benthic communities phyto/zooplankton herring spawn carbon capture water quality enhancement

- Wyatt – research that proves that mariculture is beneficial for the environment is and will be critical to ensure sustainable growth of the industry. Public perception is important.

d. Alaska Mariculture Alliance (AMA) - implementation, timeline (McCarty, Decker, Smith)

- McCarty – AMA Bylaws have been approved by the MTF. AMA workgroup has completed an Implementation Plan and is in beginning to implement.
- Smith – AMA is registered as an entity with the state of Alaska. Articles of Incorporation are also completed. AMA is designed to be a 501(c)6 nonprofit organization.
- McCarty – Public outreach and membership is a critical next step. Logo design is underway, membership application is being developed, a 1-page glossy is in development to help describe the mission and structure of the organization. The MTF will need to help with outreach, education and membership. Identifying potential members will be important, including Alaska Native and rural coastal communities. AFDF and ASG will need to lead this effort to solidify membership. Tentative due date for membership applications in May 2021. Final step for the AMA is to this task is to develop/finalize AMA structural elements, leadership and working groups.

e. AQUAA ACT – review and conceptual approval of MTF comment letter (McCarty)

- McCarty – two previous letters regarding the AQUAA Act included in the meeting packet. There have been multiple requests from the MTF to comment on the most recent version of the AQUAA Act (i.e. Senator Murkowski’s Office). Coordination with UFA is important on this.

- Rabung – we sent the letter, *Support for a revised Marine Aquaculture Act of 2017*, directly to the Governor’s Office in February 2018. A core issue is to ensure state-opt out provision for finfish farming. Problem with the previous bill is that the state opt-out only applied to states with coastal management program. Alaska has not had a coastal management program since 2011.
- McCarty – does the MTF prefer to make actual written comments? If so, shall we address to the Governor or the sponsor of the bill and our congressional delegation? The comments should address many of the same comments as the MTF 2018 letter,
 - Eckert – understanding of the new version is that many of our previous concerns still apply.
 - McCarty – UFA met with Senator Murkowski’s Office and conveyed that the comments from their previous letter still apply.
 - Decker – drafters of the bill understand that there is an issue of state opt-out and that the principle needs to be in the bill. This is a very controversial portion of the bill. The MTF message should be that we want the bill to move forward, however, for it to move forward the state opt-out for finfish farming and harmonization between federal and state agencies is necessary. Aligning with UFA is extremely important.
- McCarty – timeline to respond to Murkowski’s Office is immediate, the comment letter is less pressing.

Task (AQUAA Act Workgroup) will use the 2018 MTF AQUAA Act letter to draft up a comment letter for the most current version of the AQUAA Act, underlining a need for it to move forward, however, the state opt-out for finfish farming and harmonization between federal and state agencies is necessary for this.

Task (Rabung) will reach out to the Governor’s Office to ensure that we have their support, then ask who this letter should be addressed to (i.e. the Governor’s Office or congressional delegation with the Governor CC’ed).

- f. [Aquaculture Opportunity Areas](#) – update from NOAA on AOA Letters of Support (Bishop)
- Bishop – Alaska submitted 10 Letters of Support recommending Alaska as a potential AOA. Next highest region was in the Pacific Islands with two Letters of Support.
 - McCarty – what are the next steps? With the new administration, what are the impacts on this Presidential EO and the AOA program?
 - Bishop – we are waiting to hear back from NOAA on next steps. Seems that new administration plans to continue AOA program. I will keep the MTF informed.
- g. Division of Agriculture & USDA programs/subsidies for mariculture industry (Smith, McCarty)
- Smith – Matt Fagnani reached out to Heather and I on USDA programs and subsidies that are currently available to the mariculture industry and potential for future programs and subsidies previously only available to “terrestrial agriculture”. Meeting was on December 16 - topics discussed included: ADNR Alaska Grown Brand,

Specialty Crop Block Grant Program, Agriculture Revolving Loan fund, potential seaweed crop insurance. Webinar proposed to bring mariculture stakeholders together, including mariculture trade associations (ASGA and MTF) and industry. Plan is for mariculture industry to provide an update on progress and needs, then for USDA/Division of Agriculture to overview programs and subsidies available to mariculture industry.

- Decker – this is a great resource. There is a history of the mariculture industry having difficulty accessing USDA programs and funding opportunities. I think flexibility in application of programs needs to be a priority for this to be successful for the mariculture industry.
- Bishop – USACE released a final rule for the NWP on January 13, 2021. Within that, they did issue the revised NWP 48 (shellfish), new NW 55 (seaweed) and new NW 56 (finfish). May be prudent to address at future MTF meetings, including bringing in USACE to present/field questions.

Task (Smith) will include the January 13, 2021 USACE final rule on NWP 48, NWP 55 and NWP 56 on next MTF meeting agenda.

9) New Business (30 mins):

a. Alaska Native mariculture workgroup (McCarty, Douville)

- McCarty – Ed Douville is the Chair of this new, important workgroup. We are compiling a list of Alaska Native representation and will be scheduling a meeting in the coming weeks. Four focus areas for the first meeting: 1) update on MTF priorities, Mariculture Development Plan, industry growth; 2) address Alaska Native concerns; 3) ask for help with outreach to Alaska Native and tribal entities; and 4) hold discussion to consider mariculture research priorities.
- Hotch – are these workgroup meetings public?
 - McCarty – they are but are not widely advertised.
 - Rabung – we could utilize the ADFG MTF listserv to advertise workgroup meetings.

b. ASGA Annual Conference recap (Wyatt)

- Wyatt – first virtual meeting. Helped increase participation. Very successful conference. For the first time, ASGA received feedback from users in Alaska and across the country: topics of Alaska oyster brand and direct marketing of products was extremely informative. AMA was discussed, particularly regarding membership for organizations and individuals. It was understood that the AMA would provide a multiplier effect for the industry, including addressing priorities and concerns.
- Decker – from ASGA's point of view, were there any concerns on the upcoming mariculture legislation (HB 41 and SB 64)?
 - Wyatt – there was support for the legislation and a plan to refocus attention to PSP testing fees.

c. May 1 MTF report to the Governor's Office

- McCarty – the MTF needs to provide a final report to the Governor's Office by May 1, 2021. Report will be inclusive of our accomplishments, recommendations and how we intend to pass duties and priorities to the AMA and MRTC. No need for a workgroup, however, volunteers will need to help draft this. The Chair and AFDF will be crucial to completing this.
- Decker/Rabung – a review of the Five-Year Action Plan should be on the agenda for the next meeting. This will inform many aspects of our May 1 Governor's report, including priorities we need to address before the MTF sunsets. We should also review the AO.

Task (Smith) add review of the MTF Five-Year Action Plan and AO 297 to next MTF meeting agenda in conjunction with a discussion on the May 1 MTF report to the Governor's Office.

d. Others?

- Smith – we need to add a discussion on the state prohibition on importation of shellfish outside of commercial aquaculture to the next MTF meeting agenda.
- Rabung – research on the farm is fine. Importation of spat for laboratory research is not permissible. ADFG has broached this subject with the BOF already. Happy to take on the BOF proposal.

Task (Rabung) will provide MTF with regulatory language on 5 AAC 41.070, including planned revisions for BOF proposal.

10) Tentative topics for next meeting (5 mins)

- a. AQUAA Act workgroup report
- b. Legislative workgroup report
- c. MRTC workgroup report - whitepaper (review changes), implementation plan
- d. AMA workgroup report – implementation
- e. Division of Agriculture & USDA presentation and overview of programs/subsidies
- f. January 13, 2021 USACE final rule on NWP 48, NWP 55 and NWP 56
- g. Update on BOF proposal regarding oyster research

11) Set next meeting date and time – February 16, 18, 19

Next meeting set for February 18, 1-4pm AST.

12) Closing Comments & Adjournment (5 mins)

Motion (Decker/Rabung) to adjourn meeting. Meeting adjourns with no objections.