Alaska Mariculture Task Force
Meeting Minutes
March 27, 2019 @ 10:00 AM – 2:00 PM AST
Location: ADF&G Commissioner’s Conference Room, Floor 1, 1244 W. 8th St., Juneau, AK 99802
Prepared by Riley Smith (AFDF) & edited by Julie Decker

1) Roll call – Chair Decker calls meeting to order at 10:09 AM.

MTF Members Present:
- Julie Decker – AFDF (in person)
- Heather McCarty – Central Bering Sea Fishermen’s Association (phone/internet)
- Sam Rabung – ADFG (in person)
- Ed Douville – Shaan Seet Corp, Craig, Alaska (phone/internet) (leaves at noon)
- Eric Wyatt – Oyster farmer, nursery owner, Board of OceansAlaska and ASGA (late by phone/internet)
- Jon Faulkner – Deputy Commissioner of DCCED (late by phone/internet)
- Angel Drobinska – APICDA (late by phone/internet)
- Kate Sullivan – SARDFA (late by phone/internet)
- Heather Brandon – Alaska Sea Grant (in person)

Public Participants Present:
- Kimberly Stryker - DEC (phone/internet)
- Riley Smith - AFDF (phone/internet)
- Cynthia Pringham - ADFG (in person)
- Steve Whitney – NOAA Fisheries (in person)
- Bill Hines – NOAA Fisheries (phone/internet)
- Michelle Morris - ADFG (phone/internet)
- Julie Scheurer - NOAA Fisheries (in person)
- Brittney Smith - DNR (phone/internet)
- Clark Cox - DNR (phone/internet)
- Tomi Marsh - OceansAlaska/ASMI (phone/internet)
- Darcy Dugan - AOOS (phone/internet)
- Jon Conitz - ? (phone/internet)
- Dave Albert - TNC (phone/internet)
- Steven Phillips - PSMFC (phone/internet)
- Markos Scheer - Premium Aquatics, AFDF Board (phone/internet)
- Christy Colles - DNR (phone/internet)
- Tamsen P eeples - Blue Evolution (in person)
- Wanetta Ayers - PWSEDC (phone/internet)
2) Review and approve agenda
- Decker – Propose to add an item to the agenda – write a letter for SB 22 and HB 41 on behalf of the task force – address after agenda 6F.
- *Motion to approve agenda as amendment (Faulkner), second (Rabung). Motion passes with no objections.*

3) Review and approve minutes: 2/25/2018
- *Motion to approve as amended (Rabung), second (Brandon). Motion passes with no objections.*

4) Public introductions & comments
- Decker – everyone has already introduced themselves.
- Dugan – AOOS network is interested in passing on more information/data. AOOS would like to work with the MTF to ensure data is relevant (ocean acidification) and presented in a timely fashion.
  - Formed in 2016, goal to improve and monitor ocean acidification in Alaska including processes.
  - Goal to coordinate research in the State and provide public outreach for data in an understandable format for the public.
  - Researchers are working on gathering baseline data from across the states – Ferry from Bellingham to Skagway researchers are collecting ocean acidification data.
  - Is this data understandable, applicable and what’s the best way to show this and display this to shellfish growers?
  - Are we meeting the information need for the public and shellfish growers?
  - Interested in collaborating on this research and topic going forward.
- *Dugan – Coastal ocean acidification expert present at next MTF meeting (Riley Evans)? TASK: Decker – something we will consider, let’s keep this topic in mind as we move forward.*
- Albert (TNC) – update on MaricultureMap
  - Finalizing a contract with Axiom - technical support for AOOS – to develop a prototype for MaricultureMap – resource to inform a mapping application and permitting review on AOOS network.
  - Prototype will be ready in the next couple months.
  - Decker – great collaborative project and a starting point for much more.
  - Faulkner – is this more a database coordination effort or mapping effort?
  - Decker – Both. Uses technology to integrate existing data into a GIS map. Use pertinent siting data into a map for private sector and regulators.
  - Whitney - Coordination of AFDF with MaricultureMap project and National Ocean Service for national map.
- *TASK: Whitney, Decker and Albert will connect and coordinate more on the two projects.*
5) Updates / old business:
   a. State Legislation – SB 22 meeting with Sen. Stedman @ 2:30pm; and HB 41 – heard & passed out of H-Fish to H-FIN without amendment.
      • Decker- SB 22 – Shellfish Enhancement Bill, submitted last year, made it all the way to the end of the review process, then died
      • SB 22 had first hearing in senate resources and moved to senate finance
      • This year Sen. Stevens and Representative Ortiz both submitted bills in both houses
      • Decker - Meeting (Julie Decker, Heather McCarty and Sen. Stedman) @ 2:30pm about SB 22 amended bill
      • Senate bill amended, house bill is in original form (HB 41). HB 41 was heard by house fisheries and was passed in original form, will move to house finance.
      • SB 22 Section 1. AS 16.05.300 amendment
         • The use of “The Board of Fish shall” is concerning to fishermen
         • Rabung – It blurs lines between Commissioner of ADF&G and BOF authority. ADFG has authority and oversight of permitting and production; BOF has authority of allocation of harvest.
      • Brandon – Alaska Marine Policy call - suggested giving an update for public on SB 22 and HB 41 and contents of it
         • TASK: Heather McCarty, Sam Rabung, or Julie Decker will give update on SB 22 and HB 41. Heather Brandon charged with organizing it (Heather and Molly McCammon organize the agenda).
      • Decker - Write a letter to support SB 22 and HB 41 from MTF?
      • Faulkner - Apparent that we are in support of it, top 5 MTF priorities
      • Rabung – can write a letter in support of it; new administration hasn’t announced position on this yet for ADFG.
      • McCarty – Sam, is there a process for ADFG to take positions on these legislative issues, what is the way that this should be approached? Sam, can you put your name and ADFG on a letter?
      • Rabung – Yes, I can as a member of the MTF. ADFG hasn’t had a lot of interaction on this with the new administration – can people sent letters, emails, phone calls to John Muller, Ben Stevens or Brett Huber letting them know that there is a demand for SB 22 and HB 41 out there and it is important to let people know that you support it. Selling point for this administration is that there is no State cost associated with this program – it is user-paid.
      • Decker – Not sure if the Governor supports SB 22 and HB 41? Need to follow up with John Moller and confirm.
         • TASK: Heather McCarty – Working Group focused on legislative priorities. Group should meet to discuss strategies. McCarty will spearhead getting the group together.

b. Grants: new announcements; funding approved for Alaska Mariculture Initiative – Phase 2 from NOAA (SK grant)
   • Decker - AFDF awarded funding for Alaska Mariculture Initiative – Phase 2
   • Funds will help support the task force – staff time and travel
   • Four objectives
      • Support MTF: Move MTF into more permanent group – the Alaska Mariculture Development Council
      • Regulatory review
• Building hatchery capacity
• Public education and workforce development
• Identified training partners – GreenWave, OceansAlaska, Blue Evolution, Alaska Longline Fishermen’s Association, and Alaska Sea Grant:
  • Training in Ketchikan, Sitka and Kodiak
  • Will focus on seaweed as best entry point for aquatic farming
  • Target February next year for training program
• Decker - How can we position organizations with funding to expand on this grant (ASG, NOAA, MTF, AFDF)
  • ASG Aquaculture Funding Opportunities
• Wyatt - PSMFC – Oyster Consortium, Sea Grant held teleconference. Oceans Alaska, Alutiiq Pride, Eric Wyatt, others put together proposal. Highlighted objectives of Task Force and seed security.
  • Brandon – a lot more room for research that could go into this proposal.
  • Hines - Why isn’t Alaska Fisheries Science Center involved in this? Open doors and involve more parties.
  • Whitney – vibrio, Hawaiian hatchery, New Zealand, viruses in water attacking oyster hatcheries. Present in Alaska – follow up with Oregon State and the FDA who are developing treatment.
• Phillips (PSMFC) – Marine Pilot Project (Due April 15th), roughly $650,000
  • Private businesses can apply for Marine Pilot Project as well
  • Oyster Consortium closed, awards announced April 15th
• Decker - ARPA-E, Phase 2 applications due in April
  • 9 teams vying to 3 projects; Alaska team = $4M project over 3 years; Mike Stekoll is PI for phase 2; also includes a “Tech to Market” portion of the grant proposal including market research, seaweed handling guidelines, direct seeding and workshops around direct seeding.

c. Communications/presentations: ARPA-E in New Orleans (3/12-13); AFS in Sitka (3/19-21); AFDF, OA & GreenWave in CT (3/20-21); others.
  • AFS in Sitka: Wyatt – Presentation went well, people were not very excited, no questions. ALFA showed interest and conversed on topic. Spoke with Linda Behnken, Kara????, Paul Olsen, Willow, etc. of ALFA. Individuals to be involved in newly funded NOAA SK grant funding with AFDF.
  • Decker - Meeting with GreenWave in Connecticut – brainstormed training structure for AMI Phase 2, toured site and processing operations.

 d. NOAA workshop – update
  • Hines – Julie has been working with us to develop a budget and timeline for the NOAA workshop. Need to put together the agenda and specific location. NOAA is interested and committed to this. September is looking like the month for this workshop (Anchorage, Alaska is location; 2 days, focus to get players together and iron out permitting issues, coordination of state agencies (DNR) & collaborative exercises streamlining permitting process.
  • Decker – NOAA is working closely with State agencies and is willing to provide travel funds; Striker – each of the state agencies gas been directed to reduce travel by 50% regardless of the funding source.
• **TASK: Decker – speak to the Governor’s Office about travel funds from NOAA.**
• McCarty – Any deliverables from the NOAA workshop?
• Hines – yes, flowchart for streamlining permitting, etc.
• Decker – may be educational piece associated with workshop.
• Whitney – meet and greet between state and fed agencies.
• Scheurer – interest in optional day for site visits to farms to Kodiak, etc.
• Wyatt – Finding myself in a role of supporting smaller operators, traditional oyster growers and seaweed – need to keep them in mind as we move forward.
• Decker – important to keep this our vision - to support smaller operators and traditional oyster growers.

6) New Business:
• Decker – DNR: backlog of lease applications, what can be done to help? Three areas can be addressed - statutory, regulatory, and industry. Pulled out all statutes and regs that are related to DNR and permitting. Renewals, 10-year lease term – DNR has to treat it as a new lease application. Takes lots of staff time. If in line with all requirements, could the process for renewals be more streamlined?
  • Regulations and statutes related to backlog of lease applications – how do we reduce the load on DNR?
  • When renewal occurs, DNR has to treat it as a new application w/public comment and large staff time
  • If applicant was is in compliance, streamlining the process would alleviate DNR time
  • Discuss lease extension from 10 to 20-years. Longer term is helpful when securing financing and less risk for investment for farmers. However, if term is lengthened, DNR requires a survey (which incurs more cost) and the process takes at least 1 year longer than current farm lease application process.
• Rabung – add DNR and DEC as ex-officio seats as formal participants on the MTF?
• Faulkner – strengthening interagency coordination is important. Huge step forward that Commerce supports.
  • **Motion (Rabung) Add DNR and DEC ex-officio seats to the MTF. Second (McCarty).**
  • Motion passes with no objections. Brittney Smith (ADNR) and Kim Stryker (ADEC) are ex-officio MTF members.

a. Discuss ADNR language for statute changes related to lease renewals
• Smith – ADNR suggested these simple changes. Remove the use of “or renew” in a couple instances. This is a proposal that we presented and discussed at ASGA. 38.05 70 e – lease may be renewed only once for a term not longer than the initial lease. Only affects the 1st renewal. In 2017, we had 12 renewals, in addition to 17 new applications. 7 were 2nd or 3rd renewals. Only 5 would be affected by streamlining 1st renewal. 2020 renewals = 7, for 5 of them the change of language would be beneficial.
• Decker - Is it possible to streamline the entire renewal process to be more simplified?
• Smith - More complicated since this would point back to language for general leasing, i.e. land leasing renewals as well. If it was just for aquatic farming, that would be a very complex regulatory change.
• Decker – It is good and necessary to know the complexity of this process. Is DNR in support of changing the use of “or renew”? Legislators that would sponsor this would appreciate knowing the complexity up front.
Smith - ADNR is supportive of the statutory change to remove the use of “or renew”
Faulker – Commerce and Commissioner are generally supportive of the concept.
Scheer – Currently the law is that the statute does not define the lease term. Lease term is defined in regulation. Statute does define that a full review process is necessary whether it’s a new lease application of a renewal regardless of if the applicant is in compliant. Is that correct?
Smith – Yes.
Scheer – The removal of “or renew” would leave only the application for a new lease under the full review process?
Smith – Every other renewal (authorization) could be less stringent and avoid the public process – or go through the renewal process of 70 e. This change would still be of immense benefit.
Scheer – Lease term of 10 years could get 20 years without full review process. Regulatory language, commissioner can grant lease for longer than 10 years if compliant under survey.
Smith – only time ADNR can issue lease longer than 10 years is if it was under public auction.
Scheer – Lease term is a big hurdle for industry. A 10-year term is hard to secure capital. Funders ask how likely are you to secure another lease after it is up.
Decker – that is a consistent sentiment from industry and ASGA. We need to take some time to review and discuss this issue with industry and regulators in order to understand full implication of the changes to be put forward. Then, we need to get two legislators onboard to sponsor the legislation for next session.
McCarty – agreed and important to begin now.
Wyatt – What is the process for transferring/selling farms and lease?
Smith & Cox – The transfer process (or assignment) is separate from renewals. Fairly easy as long as the prior lease owner is in good standing and that the person taking over lease has insurance, bond information, etc. Assignments are fundamental to any leasing operation (land or sea).
Decker – Lease assignments are lower priority behind new leases and renewals?
Smith – Yes, wanted to get 2017 out the door before addressing assignments.
Decker – is there a way to streamline the assignment process? New leases, renewals and transfers are all important aspects for further discussion as we dig deeper and continue streamlining agency issues to both reduce state staff time and get new businesses started.

b. Discuss ADNR regs regarding 10-year lease term (11 AAC 63.100)
Decker – If we changed the lease term to 20-years from 10. What would the impacts be? Would there be a survey? (Yes.) Would that result in an additional statutory change?
Smith – not that we are aware of.
Cox – Renewal lease option - If previous amendments discussed above are made (remove “or renew”), the 10-year lease with renewal option essentially becomes a 20-year lease if the lease is in good standing. No survey is necessary. However, it is a general leasing requirement, lease terms longer than 1-years require a survey.
Decker – can we amend this statute to give an option for a 10-year lease without a survey or up to 20-year leases with surveys? It might be possible to allow for either a 10-year lease, or a 20-year lease, dependent upon the applicant’s needs. A 20-year lease may be worth the longer application process and the cost of surveying, if the application
is a larger farm. However, for smaller farms (and smaller companies), a 10-year lease may be preferable.

- **Brandon** – why are surveys necessary?
  - **Cox** – it is a general requirement for all capital improvements on state lands for a longer period of time.
  - **Decker** – Short-term loan with smaller risk and smaller investment could avoid survey with 10-year lease and renew. 20-year leases are normally higher risk and higher investments with financing, cost of survey will be less of an impact and offer investors assurance and security with a longer lease.
  - **Wanetta Ayers** – Standard substantial development as a requirement for a long-term lease. Language proposes that is a requirement for a long-term lease. We need to revise this perception.
  - **Faulkner** – Survey is not very onerous. Survey is misperceived as very expensive and time consuming. Think of it as “boundary control”. Rethink whether it is the trip-wire between short and long-term lease or between a small operator or large operator.

- **Brandon** – Boundary survey versus survey of capital improvements?
  - **Cox** – Boundary survey and as-built and locate those improvements as well (capital survey are often done together). Entry authorization is first step, gives conditions and deliverables that site must meet to gain lease license (payments, survey, buildings, etc.). Long-term leasing adds another step.
  - **Scheer** – If there is a proposed lease application that will go into the tidal zone – there is a biological survey (ADFG) that is involved. 11 AAC 63.100 - what is the process for a regulatory re-write? If you are not complying with your lease, it will be shorter than a 20-year lease.
  - **Cox - Process for regulatory changes** – laid out clearly through Administrative Procedures Act. AO 266 – notify public that we are considering changing regs (30 day period). Public input/agency input then you can start drafting re-write. Act gives 1 year to re-write. Strategic changes are fairly painless; complete re-writes are onerous. Statutory changes can take quite some time. Administrative procedures (regs), do not need to go through legislature. ADNR does not do a lot of preventative strategic fixes. Problem to address. A lot of the aquatic farm regs haven’t been touched for a long time (20-30 years). Last time they have been re-written was in 1989. By the time they get to them, they become a full re-write instead of a strategic fix.
  - **Decker** – Seems like a 1-year process once everyone agrees on the strategic regulatory changes seems preferable.
  - **Colles** – Last time they re-wrote regs were in 1989. Regulatory specialist with regulatory package.

  **TASK (Christy Colles): Look into the timeframe to get this regulatory re-write in queue. Sometime outside of legislative session. Need to come up with a consensus on conceptual idea.**

- **Decker** – In summary, the statutory change we are considering is a fix for renewals, and the regulatory change we are considering is flexibility for lease length from 10 to 20 years. Regulatory group - Task workgroup to flesh out a strategy language – move to end of meeting. Need to determine whether there are any other issues that we need to put into a package.
  - **McCarty** – useful to disseminate our consensus to various groups for input – industry, public, etc. – results in better product.
• Sullivan – Would like to address assessing natural resources present at onset of farm application. Wants to address original biological conditions at onset of farm site leases (intertidal and on-bottom surveys). Kate would like to work on regulatory workgroup.
• Decker – This needs to be thoroughly discussed, however, this seems like an ADFG responsibility.
• Rabung – For clarity - DNR issues leases and ADFG issues permits.

c. Discuss ADNR strategy for backlog of applications – DNR will be reporting to Senate Finance Committee on 3/28 @ 9am
• Colles – nothing really to add to that, see presentation tomorrow.

d. Discuss collaboration between NOAA, Alaska Sea Grant (ASG), AFDF & MTF:
• Decker – meetings between the four organizations on how to best position the secured funding (AFDF) and upcoming grant proposals in order to .
  i. ASG - Advanced Aquaculture Collaborative Programs
    • Heather Brandon & Melissa Good – $9 million pot of funds. Maximum amount allowed to be requested = $1.2 million over 2 years. Task force support, regulatory review, increasing hatchery production, workforce development, market research. Need to find 50% match (roughly $600,000). Finding match is the hardest part.
    Partnership with APICDA, BE, OceansAlaska. LOI due April 15th, full proposal due May 15th. Focusing on coordination efforts with the MTF and other stakeholders – avenue for communication between the many parties. Outreach and publications, training/workforce development, boot camp for potential new farmers. Any feedback or other ideas?
    • Faulkner – is there any avenue for commerce to help increase the transparency in leasing and permitting in DNR and ADFG?
    • Decker – advocating for permit applicants is a national issue.
    • Pring-Ham (ADFG) – single-source for leases and permits (website) would streamline and increase transparency.
    • Marsh – will look into potential for ASMI to provide match or marketing assistance for ASG proposal.
    • Decker – building hatchery capacity is important.
    • Brandon - ASG - Social, behavioral, and economic research needs in Aquaculture (LOI due April 2nd). ASG open to partnership, match is an issue.
    • Faulkner - Other ideas – example in Homer – Alaska Center for Coastal Studies - tourism for oyster farms as form of revenue or match.
    • Morris – ADFG Site Suitability Policy went into regulation – no longer included oyster research (oyster research permit). Now need a permitted farm for oyster research. Statute changed a few of the existing permits.
    • Hines - Study of optimal sizing of aquatic farms.

  ii. NOAA – research, workshop, federal permitting issues, and marine mammals
    • Decker – where can NOAA use their resources to help the MTF and industry in Alaska?
    • Hines - Workshop is to bring all federal regulatory agencies together, including Army Corps, and municipalities. Finding someone to be point of contact for permitting is important.
• Pring-Ham – local permitting needs to be addressed.
• Scheurer– NOAA has been working with the Army Corps on which sites and what kind of sites need Army Corps permits. If industry grows, Army Corps plans on creating a programmatic approach. NOAA has been giving Army Corps a template for ESA authorization.
• 1-mile seal haul out buffer for aquatic farms. Harbor seals are not endangered, but protected under the MMPA. All other regions list aquatic farms as commercial fisheries and provide for “takes” under the MMPA. Need to add AK aquatic farms to list of fisheries.
• Magnuson-Stevens Act doesn’t recognize aquaculture under act.
• 1-mile seal haul out restriction is no longer a fundamental barrier to DNR leasing. Commissioner viewing it as a case-by-case basis. Importance of haul out area is now used in a tiered system (i.e. pupping stations versus counting a few seals in the area). This is positive progress.
• What if future surveys show haul-outs near farm that is already in operation? There can be seasonal speed restrictions when transiting in those areas, or other reasonable mitigation strategies.
• Brandon – Helpful to have a lead to point people in the right direction within NOAA.
• Whitney – Alaska Fisheries Science Center in Seattle is a great resource for economic research, contacts, etc.
• McCarty - Kodiak Science Center has substantial body of work on shellfish and crab research (Bob Foy) as NOAA people have been involved in AKCRAB.
• Whitney – Mike Rust is National Science Director – will ask him for list of pertinent contacts for all things aquaculture.

e. Implementation Plan
• Need to identify short term steps and who is doing what, short-term actions to implement the plan. Refer to it as an Action Plan.
• McCarty – Task this to a Work Group to complete.
• Faulkner – Very impressed with the New Zealand model. Very closely aligned with the governor’s model. Use it as a general framework.
• TASK: Heather McCarty and Julie Decker – outline tasks for Action Plan. Heather McCarty will take the lead.

i. MTF Priorities for 2019, 2020, 2021
ii. Role of MTF – letters of support for actions that align with Plan?
• SB 22 and HB 41 letters of support: HB 41 support original legislation, SB 22 support original legislation
• Decker – separate the two bills out into two letters supporting the following:
  • SB 22 support original legislation
  • HB 41 support legislation
• Rabung (ADFG) – I can vote to support on behalf of MTF, with Julie signing the letter of behalf of the MTF.
• Decker – Past governor was supportive of this, we haven’t received present support from the new administration on this yet. I will reach out to John Moller for clarification on support.
• **Motion (McCarty) to send MTF letter of support for both bills, as discussed above. Second (Rabung). Motion passed with no objections.**

iii. New Zealand 5-Year Action Plan

f. Discuss Federal aquaculture bill – support, oppose, amendments, no comment?
   • Decker – 3 weeks ago there was an informational meeting on the bill in DC. Industry aquaculture side is very interested in the bill. Alaska industry is trying to get some more language in the bill for the benefit of the seafood and mariculture industries. Is the new version going to still have all of the amendments in there (state opt-out provisions, etc.)? Is there any way that we can alter this anymore? Or should we leave it as is?
   • Wyatt– We need to be cautious on this. If we need to vote now, then I say we vote no or inaction right now. We are trying to build relationships with the fishing industry.
   • Decker – Do we need to go over this section by section?
   • McCarty – send out outline to MTF with what is being considered.
   • Decker – Let’s defer this item for now, keep this on the agenda for later date.

g. **Consider presentation to North Pacific Fisheries Management Council**
   • Decker – Have not had specific interaction with the Council yet. Presentation to them? There are a lot of stakeholders in that group that transit within 3 miles (potential conflicts of interest). Helps more people understand what we are and are not trying to do.
   • McCarty – the Council meetings are a gathering place for industry. Important to introduce this topic into conversation. Great place to access a bunch of people in the fishing industry.
   • Decker – should we try to get on their agenda?
   • Whitney – email the ED of the NPFMC, we would like to present, what and when is the best way to do that?
   • Decker – June in Sitka may be an option, or in October they will be in Homer.
   • **TASK: Heather McCarty is tasked with following up with NPFMC ED on when and where.**

7) Review composition & tasks for Work Groups
   a. **Legislative (McCarty, Rabung, Drobnica, Decker)** – SB 22, HB 41 hold teleconference, attend hearings and draft letters of support on week of April 1st.
   b. **Regulatory (Faulkner, Rabung, McCarty, Wyatt, Decker, Sullivan, Colles)**
   c. **Revolving Loan Fund (Nakasawa, Wyatt) - deferred**
      • Unclear in last meeting minutes. Premature to make a Work Group on this until Governor’s intent and possible legislation is more clear. Set aside this Work Group for now.
   d. **Research (Brandon, Stekoll, Wyatt)**
      • Decker - Not fully addressed in last meeting. Flesh out tasks later.
      • McCarty - research needs are highly addressed in Plan. Research workgroup going forward.
   e. **Action Plan (McCarty and Decker)** – begin drafting document

8) Set next meeting
   • **FINAL date for next MTF meeting: May 23rd, 9 AM – 1 PM.**

9) Closing Comments & Adjournment