

MADE IN ALASKA

MARICULTURE

ALASKA DIVISION of
ECONOMIC DEVELOPMENT

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ALASKA
COMMERCE
COMMUNITIES
AND ECONOMIC
DEVELOPMENT

Alaska Mariculture Task Force
Meeting Minutes

Monday, April 10, 2020 @ 8:30am – noon AST

DUE TO COVID-19: ONLINE MEETING ONLY

1) Roll call – Chair Decker calls meeting to order at 8:32 AST

MTF Members Present:

- Julie Decker (Chair) – AFDF, Heather McCarty (Vice-Chair) – Central Bering Sea Fishermen’s Association, Angel Drobnica – APICDA, Jim Anderson – ADCCED, Jeff Hetrick - Alutiiq Pride Shellfish Hatchery, Eric Wyatt – Blue Starr Oyster, OceansAlaska, ASGA, Sam Rabung – ADFG, Ginny Ekert – ASG, Mike Stekoll – UAS. Ex-Officio MTF Members: Andrew Miller – ADNR, Kimberley Stryker – ADEC (late).

Public Participants Present

- Riley Smith - AFDF, Flip Pryor – ADFG, Julie Scheurer – NOAA, Alicia Bishop – NOAA, Melissa Good – ASG, Tomi Marsh – OceansAlaska, ASMI (late), Cynthia Pring-Ham – ADFG (late).

2) Review and approve agenda (5 mins)

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

3) Review and approve minutes: Feb. 10, 2020 (5 mins)

Motion (Anderson/Wyatt) to approve the Feb. 10, 2020 minutes. Motion passes with no objections.

4) Public introductions & comments (15 mins) – None.

5) Updates by MTF members (30 mins):

a. Hired – Danielle Blacklock, NOAA Director Office of Aquaculture

- Bishop – hired on March 16th. Blacklock will oversee the aquaculture component of NOAA Fisheries. She will also be responsible for providing the strategic vision for developing a marine aquaculture industry in the U.S., including work on regulation and policy, science, outreach, and international activities.

Task (Bishop): will circulate Danielle Blacklock’s resumé to MTF.

b. EVOS Trustee Council meeting on Feb. 28, 2020

- McCarty – Julie nor I were present at Feb. 28th meeting, however, mariculture listed as project category as a result. We have connected with EVOS Trustee Council staff since the meeting. Waiting on guidelines and notification on when and how to submit proposal.

- Decker – Request for Proposals (RFP) set to be developed and reviewed during Fall EVOS Trustee Council meeting. Due date for proposals will likely be in April of 2021.
 - Hetrick – was in attendance at Feb. EVOS Trustee Council meeting. Meeting was relatively short as new Trustee Council members are still acclimating to program, etc. There will be three proposal categories are 1) herring, 2) habitat restoration and 3) mariculture.
- c. ARPA-E considering anaerobic digestion pilot project w/seaweed & seafood waste
- Decker – ARPA-E is trying to connect new seaweed farmers and existing production with new markets/product development. One idea is to utilize seaweed as anerobic digestion agricultural feed stock in conjunction with seafood waste. Large amount of existing seafood waste in Alaska. Avenue for large-scale seaweed growth and production. ARPA-E may release an RFP to develop this further.
- d. Oceanium discussions continue about bioplastics pilot plant in Alaska
- Decker – Met with Oceanium in January. Still plan to schedule a trip to Alaska later this year to explore pilot plant in Alaska.
- e. Seaweed Farm Start-Up Training, Feb. 4-21, 2020
- Decker – three 2-day workshops in Kodiak, Ketchikan and Sitka. Trained 48 participants. Partners included Alaska Sea Grant, Alaska Longline Fishermen’s Association, Green Wave, OceansAlaska, Blue Evolution. Next set of workshops will be scheduled for either the Fall of 2020 or winter of 2021.
- f. *Connecting Alaska Seaweed with New Markets* (PSMFC grant awarded to AFDF)
- Decker - AFDF was awarded this grant. 1-year project beginning on July 1st, 2020. Three objectives: 1) Conduct an Alaska seaweed market assessment, 2) create an Alaska seaweed marketing and communications plan and 3) provide outreach, disseminate results.
- g. SK grants 2020 – to be announced in May 2020; pre-proposals due in summer
- Decker – there will be funding for FY20 SK program. AFDF has two proposal in: 1) Enabling Increased Sales of Alaska Seaweed and 2) Hatchery Capacity & Technology Development to Secure Oyster Seed Supply in Alaska
- h. New aquaculture grants (Alaska Sea Grant, National Sea Grant Aqua, others?)
- Eckert - Economic and social projects related to aquaculture – extended deadline to June. ASG has three in the works.

Task (Eckert): pass on openings to the MTF for current and future Sea Grant funding opportunities.

- i. NOAA workshop final report forthcoming (NOAA)

- Bishop – draft report is in development; final report should be completed by the end of April. Will be distributed, circulated and posted on NOAA website. From NOAA’s perspective, workshop and report provides a great opportunity to gather information needs, issues and challenges for the mariculture industry. NOAA Alaska Fisheries Science Center and Regional Office will use this as they develop next steps and joint strategic plan for mariculture development.

j. Humpback Whale critical habitat (NOAA)

- Bishop – public comments for proposed new rule closed January 31st. Incorporating comments from this and public hearings (Juneau, Anchorage and Petersburg) into proposed rule now. Final rule will be posted by the end of September. Major component addressed in new rule concerns Humpback Whale prey availability and mariculture operations do not directly conflict with this component. Do not envision this rule to be any additional burden for industry/growers, no additional consulting requirements.

k. Federal AQUAA Act introduced March 11, 2020

- Decker – draft included along with a press release by advocacy group, Stronger America Through Seafood (SATS). Some groups at the national level are beginning to focus on support of mariculture of shellfish and seaweed and separation from more controversial finfish farming. Controversy remains with parts of the bill (state opt-out, etc).

l. White House Summit on Partnerships in Ocean Science & Technology

- Eckert – Held at Alaska Marine Science Symposium. Looked for examples of private-public partnerships that are successful in Alaska. Mariculture was featured as an example. Will produce a report at end of meeting which will be circulated to MTF and beyond. Diverse topics and industries in attendance (i.e. satellite imagery).
- Decker – Alaska Ocean Observing System (AOOS) facilitated the meeting. We will keep up communications with AOOS and others in case report is helpful for MTF.

m. Other updates

- Stekoll – University of Alaska Fairbanks (UAF) College of Ocean Sciences has hired a mariculture research faculty that will be working on seaweed mariculture and will be located in Juneau (Schery Umanzor, University of Connecticut). UAF has submitted 3 National Institute of Food and Agriculture proposals: 1) sterile *Alaria* strain, 2) population genetics of bull and winged kelp and 3) growing Nori seaweed in the Village of Kake.
- Eckert – ASG has been working with team from NOAA aquaculture trying to help aquaculture industry through impacts of COVID-19 (economic support). ASG is bringing on a state fellow (recently graduate student) in regard to mariculture. Will be on board this summer. Exact duties are yet to be determined; however, areas of focus will be coordination between industry and agencies, including permitting issues. University is allowing Blue Evolution to continue work at Kodiak Seafood and Marine Science Center processing kelp for product development.

- Bishop – ASG and NOAA survey out assessing the impacts of COVID-19 on mariculture industry. Due date of April 16th.
- Decker – COVID-19 relief: \$300 million agriculture and aquaculture stimulus package nationwide for all industry (processors, fishermen, shellfish/seaweed farmers, coastal communities, etc.).
- Eckert – rumors that there will be more funding from DC for fishing industry and aquaculture.
- Decker – Denali Commission may be intermediary to distribute this funding to Alaska.
 - McCarty – \$300 million stimulus package is proposed to be divided among states by their share of the nationwide fishery production. PSMFC is intended to be the intermediate organization distributing to Alaska.
- Stekoll – herring spawn on Seagrove Kelp farm in Dole Bay near Craig, Alaska which has put harvest on hold. May impact morphology of kelp.
 - Rabung – Herring spawn is a fishery, not an aquatic farm product.
 - Morris – all aquatic farm operation permits have language stating that they cannot remove or disturb herring spawn. Seagrove Kelp also has a stipulation in permit that gear must be removed by May 15th.
 - Rabung – we should be able to work with Seagrove Kelp on timeline given uncertain times with COVID-19. Permits can be amended.
- Stryker – change in fund source that would result increased fees for PSP tests and water quality tests did not take place (status quo). Regulation package went out for public comment in case it passed. ADEC will make an announcement on this shortly.
- Morris – Kumamoto oysters and larvae can now be imported to Alaska. Farms must add Kumamotos to species to be cultivated.

6) Old Business (60 mins):

a. Legislative issues:

- MTF-supported 3 operating budget items; Gov vetoed ADFG aquaculture position
 - 1) uphold funding for new ADNR staff
 - Miller – 2 aquatic farm positions have been hired. Will be complementing work done by Karen Cougan and Brent Reynolds over the next few months. Total of 5 applications for 2020, less than expected and less than previous two years so far.
 - Morris – there is potential for 10-20 more potential applicants over the next 20 days (source: calls and emails to the ADFG office inquiring on process).
 - 2) PSP funds (put back in) – House and Senate Finance Committees did this and the Governor did not veto.
 - 3) ADFG aquaculture position – House put money back in budget, Senate did not remove it, however, the Governor vetoed it.
 - Rabung – Cynthia Pring-Ham is retiring later this month. Michelle Morris will take over the lead for aquatic farm permitting and review. Four of original eight aquaculture positions remain in place with ADFG (over last 5 years).

- Approve MTF comments on ADEC fee PSP increases. Deadline for comments is April 17th.

Motion (McCarty/Wyatt) for MTF to submit a letter on ADEC PSP fee increase by April 17th. Motion passes with no objections. Sam Rabung and Jim Anderson abstain as working for Administration.

Task (Decker): will draft a letter regarding ADEC PSP testing fee increase and submit by April 17th. MTF will send over preferred language or comments for incorporation before then.

- CSHB 41 (Senate Finance Com substitute - version O)
 - Decker – Senator Stedman’s office has been waiting to get back a few revisions that they submitted to Leg Legal, however, due to COVID-19, they have not heard back. Committee Meeting took place with conceptual edits. No public testimony, however, administrative persons were online to answer questions (i.e. Sam Rabung – ADFG, Jeremy Woodrow – ASMI). Concern (Senator Hoffman) lay with the self-assessment tax from fishing industry being used to market aquatic farm products. Amendment suggested on the bill to address this. Other bills have been merged with the original HB41 since this was targeted as a priority (i.e. derelict vessel and CDQ bill). Intent was to move CSHB 41 – might be heard, might move. It is not dead, legislature resets and has opportunity to go back into session before May 1st. None of the bills were passed aside from the Coronavirus Relief Bill and budget.
 - McCarty – always a good idea to remind legislators that you are passionate and in support of CSHB 41. Fear that they will focus on another bill once return. “Economic recovery” important to stress.

Motion (McCarty/Rabung) to submit a letter to Legislature reaffirming MTF support for CSHB 41 by April 17th. Motion passes with no objections.

Task (Legislative Workgroup): McCarty/Decker will draft letter regarding CSHB 41 and meet with Legislative Workgroup early in the week of April 13th to finalize.

- b. AMDC Models – draft bylaws – postponed
 - Decker – AFDF Board met in Juneau on February 24th. Directed AFDF to flesh out the structure of the AMDC with MTF further. Open to the idea of AFDF supporting AMDC either as leading org or as an affiliated or management authority. Board suggested removing the use of Council in AMDC as it has other connotations for industry in Alaska.
 - McCarty – EVOS Trustee Council funding opportunity directly related to the AMDC as we need to have an entity in place to apply for or receive any funding.
 - Decker – EVOS proposal will be due in April 2021. We should prioritize finalizing AMDC structure in the next 6 months.
- c. Hatchery Demand Projections – postponed

Task (Eckert): explore possibility of fellow to take on task of finalizing hatchery demand projections, including economic analysis for what the needs are over next ten years.

7) New Business (60 mins):

a. COVID-19 impacts & responses

- Good – ASG, NSG, National Land Grant, USDA and NOAA partnered to conduct impact surveys for COVID-19 on mariculture industry (due April 16th).
 - Priority needs (all states): include cash flow, additional engagement between state and federal agencies in industry, assistance with permitting and certificates, human health support and infrastructure, marketing and consumer education.
 - Major impacts (Alaska): decreased revenue (75-100%), layoffs approaching 100%, concerns for hiring seasonal workers in the summer (oyster operations), lack of market, needs to diversify markets (restaurants), PSP testing.
- Decker – entire seafood industry is adjusting to altered markets. Retail (grocery) is the only sector that is thriving during COVID-19. Processing and product forms have had to rapidly adapt (foodservice not in high demand, increase in frozen product sales). Fishing industry and mariculture industry in Alaska are both impacted short- and long-term by COVID-19.
- Wyatt – loans are needed, however, instinct is to hunker down during crisis.
- Eckert – there are a lot of young adults that are unemployed and willing to volunteer and gain work experience. May be source for mariculture workforce.
- Decker – Alaska Small Business Development Center – great source for loan opportunities and other forms of financial support. Payroll Protection Program (PPP), Small Business Administration (SBA) loans are options as well.
- Anderson – loans/funding that can be used for operating expenses: Mariculture Revolving Loan Fund (first payment not due for 6 years), Small Business Economic Development Loan Fund, Rural Development Initiative Fund, Micro Loan Fund (all application fees have been waived and first payment may be deferred for up to a year). Existing loanees should reach out to ADECCD and see if there is equity in the collateral already provided to extend further credit use on the same collateral.
- Decker – prudent to ask Legislators if they can give more general authority to loan programs during this crisis.
- Anderson – Alaska Industrial Development and Export Authority (AIDEA) is looking to implement a payroll protection program as well. Large proportion of the businesses are seasonal in Alaska, any Alaska-program should take this into account. Meeting with AIDEA later today.

Task (Anderson): report to MTF with update of AIDEA payroll protection program (seasonal workers).

Task (Decker): reach out to UFA to inquire on communication with Legislators on efficacy of COVID-19 relief funding to support Alaska (i.e. seasonal workers in fishing and mariculture industries). Communicate with MTF on next steps to reach out to Legislators on issue.

b. EVOS proposal & partners

- Decker/McCarty – Prince William Sound Aquaculture Corporation (PWSAC), Native Village of Eyak, Alutiiq Pride Shellfish Hatchery, Alaska Ocean Observing Systems (AOOS), NOAA, University of Alaska, processing industry.

Task (Stekoll): pull out the research priorities from the Plan and make a short list that may fit the EVOS research priorities in the region. Circulate list to MTF for review then to potential partners in the region to assess fit.

c. Frozen oysters

- Wyatt – company from Japan has created alcohol-brine freezing equipment for shellfish products. Smaller than traditional nitrogen cryogenic freezing equipment (i.e. Taylor Shellfish). Would allow for Alaska shellfish products to sell frozen products (enter new markets), PSP test in larger batches, increase production capacity.

8) Work Groups - review tasks (15 mins)

a. Legislative Workgroup (McCarty, Rabung, Drobnica, Decker, Hetrick)

Task (Workgroup): McCarty and Decker will draft letter regarding CSHB 41 and meet with Legislative Workgroup early in the week of April 13th to finalize.

Task (Decker): will draft a letter regarding ADEC PSP testing fee increase and submit by April 17th. MTF will send over preferred language or comments for incorporation before then.

Task (Decker): reach out to UFA to inquire on communication with Legislators on efficacy of COVID-19 relief funding to support Alaska (i.e. season workers in fishing and mariculture industries). Communicate with MTF on next steps to reach out to Legislators on issue.

b. Regulatory Workgroup (Rabung, Wyatt, Decker, Sullivan, Stryker, Scheurer, Smith)

c. Research Workgroup (Eckert, Stekoll, Wyatt, Foy, Decker, Sternberg)

Task (Stekoll or Workgroup): pull out the research priorities from the Plan and make a short list that may fit the EVOS research priorities in the region. Circulate list to MTF for review then potential partners in the region to assess fit.

d. AMDC Workgroup (Decker, Wyatt, Stekoll, Sheridan, Scheer, Marsh, Figus, Sternberg, Hetrick)

Task (Workgroup): develop and draft of bylaws for review by MTF. [Timeline: December 2020 - EVOS RFP will be issued, April 2021 - EVOS proposal due, June 2021 - MTF sunsets. Form and structure of AMDC must be clarified by September, 2020.]

e. EVOS Proposal Workgroup (Decker, McCarty, Douville, Drobnica, Hetrick, Eckert, Stekoll)

9) Topics for next meeting (5mins)

- a. Ocean acidification presentation by Wiley Evans, Hakai Institute
- b. Discussions with Danielle Blacklock, NOAA Director Office of Aquaculture

10) Set next meeting date and time – May? (5 mins)

Will send Doodle Poll to determine date between May 26 – 28. **Next meeting date set for May 28, 2020 @ 9:00am – 1:00pm AST.**

11) Closing Comments & Adjournment (5 mins)

Motion (Eckert/McCarty) to adjourn meeting. Chair Decker adjourns meeting at 11:20am AST.

11) Closing Comments & Adjournment (5 mins)

None.

DRAFT