

MADE IN ALASKA

MARICULTURE

ALASKA DIVISION of
ECONOMIC DEVELOPMENT

ALASKA
GOVERNMENT

ALASKA
COMMISSION
ON SHELLFISH
AND ECONOMIC
DEVELOPMENT

Alaska Mariculture Task Force
Meeting Minutes

Friday, May 21, 2021 @ 9:00am-12:00pm AST

DUE TO COVID-19: ONLINE MEETING ONLY

1) Roll call (Chair McCarty calls meeting to order at 9:04am AST)

MTF Members Present

Heather McCarty – (Chair) CBSFA, Julie Decker – AFDF, Sam Rabung – ADFG, Eric Wyatt – Blue Starr Oyster Co./OceansAlaska/ASGA, Angel Drobnica - APICDA, Jeff Hetrick – Alutiiq Pride Shellfish Hatchery, Kate Sullivan – SARDFA, Ed Douville – Shaan Seet Corporation, Craig, Mike Stekoll - UAS/UAF. Ex-officio members: Andrew Miller – ADNR, Kim Stryker – ADEC.

2) Conflicts of Interest Declared

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

3) Review and approve agenda

Motion (Rabung/Decker) to approve agenda as amended with the addition of a discussion of the UAF/JEDC/Southeast Conference mariculture conference and MRTC annual forum to New Business. Motion passes with no objections.

4) Review and approve minutes: April 27, 2021

Motion (Decker/Rabung) to approve April 27, 2021 minutes. Motion passes with no objections.

5) Public introductions & comments

Public comments held until pertinent agenda items.

Riley Smith – AFDF, Alicia Bishop – NOAA, Tommy Sheridan – AFDF Board, Matt Fagnani – AK Governor’s Office, Flip Pryor - ADFG, Jordan Hollarsmith - NOAA, Joe Arvidson – BlueWave Futures, Melissa Good - ASG, Robert Venables – Southeast Conference, Shawn Carey – NOAA, Kristen Ciciel – NOAA, Dan Lesh – McKinley Research, seaweed farmer, Tony Gallegos – Ketchikan Indian Community, Angie Bowers – UAF, Weatherly Bates – Alaska Shellfish Farms, Michelle Morris – ADFG, Molly Zaleski – NOAA, Amy Kirkham – USFWS, Fred Villa – AK Governor’s Office, Carol Brady - DEC, Tomi Marsh – OceansAlaska/ASMI Board, Hannah Wilson

– ASG Fellow, Matt Andersen – Blue Wave Futures, Thea Thomas – PWSSC, Sam Tappen – UAF, Kristen Gruenthal - ADFG, Andrew Miller – ADNR, Bailey Moritz - WWF, Bobbi Hudson – PSI, Brian Holst – JEDC, Stephen Payton – Seldovia, AK, Jeffery Weltzin – Juneau, AK, Schery Umanzor - UAF, Chere Klein – Sullivan and Murkowski Congressional Delegation, Katy Rexford - AMCC, Shirley Marquardt – SWAMC.

6) Updates by MTF Members

a. AFDF updates (Decker)

- Decker – AFDF was awarded a grant from WWF with support from the Bezos Earth Fund to improve social license through outreach/education for mariculture in Alaska. AFDF completed a change to the scope of work for another grant via the Denali Commission. Project now includes a site suitability analysis for seaweed processing across 3-4 regions in Alaska.
- Smith - PSMFC Marine Aquaculture Pilot Projects RFP will be released early this year, over the Summer versus In Fall. AFDF will keep all apprised of the official announcement.

b. Alaska Sea Grant updates (Eckert)

- Eckert – Melissa Good is back full time. UAF and JEDC are sponsoring and funding a mariculture workshop. At the last planning meeting, it was proposed that the annual forum for the MRTC be coupled with this mariculture workshop.
- Good – ASG is working on a seaweed processing guide and planning for a seaweed processing workshop in Winter 2021 in coordination with AFDF. An oyster consumer guide was completed prior to the Mariculture Festival (completed in May 17-20, 2021, over 350 registrants). Mariculture Research and Training Center website will be hosted on the ASG website this Summer.
- McCarty – it still is unclear what the agenda is for the University of Alaska mariculture workshop. Is this a joint meeting regarding mariculture and fisheries?
 - Eckert – at the last meeting it was decided that mariculture would be the focus. Hannah Wilson is finishing up her fellowship. Hannah is transitioning from ASG to NOAA.
- Wyatt – OA is involved with AFDF on several projects. In particular, a project looking at triploid Pacific oyster growth and hatchery techniques in Alaska. Funded via NOAA Saltonstall-Kennedy.

c. NOAA updates (Bishop, Hollarsmith)

- Bishop – Excited to have Hannah Wilson onboard with NOAA. Focus of her duties will be mariculture, including the online Alaska Permitting Portal. NMFS published the final rule on critical habitat designation (humpback species range), effective May 21 and now focuses on prey for designation. Any future activities that are funded or carried out by a federal agency will trigger an ESA section 7 consultation and will be conducted by NMFS and USACE. No additional burden or changes to mariculture industry expected with this new rule. Prey component is now under a different category of critical habitat.

<https://www.fisheries.noaa.gov/action/final-rule-designate-critical-habitat-central-america-mexico-and-western-north-pacific>

d. ASGA updates (Wyatt)

- Wyatt – ASGA has is holding business roundtables for current and potential aquatic farmers in Alaska. There has been great participation and interest, as such, ASGA is holding these meetings every 1-2 months. Alaska shellfish sales are up in 2021.

e. Other updates

- Stryker – update on the FY22 ADEC budget. Special session... The Governor’s Budget proposed a fund source change that would eliminate the \$459.7 CPVEC increment in exchange for UGF (Undesignated General Funds). Senate Finance maintained the funding as proposed in the Governor’s Budget; House Finance passed an amendment that would eliminate CPVEC in exchange for \$367.8 UGF and \$91.9 GFPR (General Fund Program Receipt). Due to the differences in the legislative bodies, DEC’s shellfish funding is now subject to the Conference Committee process. If the House version ultimately passes, DEC believes that we will be able to collect the \$91.9 through the fees currently in regulation (\$125/toxin sample and \$17/water sample).
- Sullivan – who is on the joint committee?
 - Decker - Reprs Foster, Merrick, Thompson. Sens Stedman, Bishop, Olson
- Rabung – HB 69 is in conference now. Proposed budget gives ADFG \$20 million for food security. Commissioner indicated that it is up to ADFG for how to spend this funding. ADFG already submitted a list of recommended projects for COVID relief funding, mariculture was on the list (AMA, MRTC and hatchery seed production of focus). Important to note that shellfish enhancement is a part of the proposed funding, however, HB 64 did not pass.
- Decker – <http://www.akleg.gov/PDF/32/Bills/HB0069D.PDF> Look at pages 89 (line 4) and 92 (line 25). \$20 million for – “Food security enhancement purposes”.
- Hudson - NOAA SK projects were announced this week, including many in Alaska and the West Coast region. PSI has one re: triploid oyster mortality & I'm partnered on a couple others. <https://www.fisheries.noaa.gov/content/recommended-saltonstall-kennedy-grant-projects>

7) Workgroup Updates

a. Legislative Workgroup (McCarty, Rabung, Drobnic, Decker, Hetrick) – below

b. Regulatory Workgroup (Rabung, McCarty, Wyatt, Decker, Sullivan, Stryker) - none

c. AQUAA Act Workgroup (Decker, McCarty, Rabung, Pryor, Eckert, Bishop) – none

d. AMA Workgroup (McCarty, Decker, Smith, Wyatt, Sheridan, Scheer, Marsh) – none

e. Alaska Native Workgroup (Douville, McCarty, Decker, Rabung, Marsh, Wyatt, J. Andersen, Gallegos, Andersen, Whissel, Hetrick-Price, Hayden, Lindoff, Booth, Medicine Crow, Blake, Edenshaw) – none

8) Old Business

a. EVOS TC proposal - status report (Eckert)

- Eckert – the EVOS TC will inform applicants of recommendations in June. Revisions to the proposals will be completed by August 2021, per the suggestions by the EVOS TC and staff.

b. Legislative Workgroup – Update on mariculture bills (SB 64 / HB 41; HB 115) (McCarty, Decker)

- Wyatt – HB 115, introduced by Rep. Story, was successfully passed. Bill includes revisions to the ADNR aquatic farm lease renewal process and reporting requirements. Should drastically reduce the “paperwork”, timeline and administrative burden during the 10- and 20-year renewal process. Also provides authorization for education and ecotourism on aquatic farm sites.
- McCarty – For the bills, Decker and McCarty testified on behalf of the MTF, Wyatt and Trevor Sande testified on behalf of aquatic farmers, Eckert on behalf of the University and Rabung on behalf of ADFG. SB 64 / HB 41 did not pass. HB 41 was stalled in the Senate Finance Committee.
 - McCarty/Decker – shellfish enhancement has been a top priority for the commercial crab industry, the MTF and others. The core components of HB 41 / SB 64 have been on the table for 6 years (shellfish enhancement). The ASMI component (authorizing ASMI’s marketing of aquatic farm products) was added last year and carried over into this year’s version. It is a 2-year legislative session, so bills that didn’t pass this year will be brought back up the following year and begin where they left off. Regarding the ASMI component, commercial fishermen seemed concerned that the existing assessments that fund ASMI would be used to unfairly pay for marketing of the mariculture industry. The Senate Finance Committee wanted to entirely remove the ASMI portion of the bill. As a compromise, there was a proposed sunset date of 2025 added in House Finance Committee for the ASMI portion. ASMI portion needs to be worked out by industry first before it is re-introduced in any new bill. Due to issues surrounding the ASMI portion of the bill, it did not pass. Senator Stevens has committed to pick up his bill (SB 64) early next year (January 2022).
 - Eckert – important to get HB 41 or SB 64 out early in the session next year, rather than later.
 - Decker – King crab stocks have been declining since the introduction of the bill authorizing shellfish enhancement. Industry and other stakeholders have been extremely supportive.
 - Rabung – important to note that the threshold for commercial fishery self-assessments for ASMI funding is \$50,000 per year in income. The mariculture industry is not near this threshold yet.

- McCarty – there wasn't time to get SB 64 through once we found out that HB 41 was stalled in Finance. SB 64 has already had the ASMI portion stripped out of the bill, and would carry forward as such.

c. Final Report to Governor Dunleavy – latest draft (McCarty)

- McCarty/Decker – Future needs is an important section of the report. Governor explicitly asked for them. This is not only a report for the Governor, but also a report to the public and will be shared widely. Decker, McCarty, Rabung, Drobnica and APICDA staff have been instrumental in drafting this report.

Task (MTF) will provide edits and feedback to McCarty/Decker on latest draft of the Final Report to Governor Dunleavy by May 25.

Task (Decker) will add a review of progress on the Final Report to Governor Dunleavy to the next meeting agenda.

d. AMA

- McCarty/Decker – reference to municipalities needs to be clearer that cities, towns and villages are eligible for membership. Add benefits and opportunities of mariculture. Add non-profit status.
- McCarty – next MTF meeting will be largely dedicated to reviewing new applications to the AMA.

9) New Business

a. Summary of Aquatic Farm Lease Applications for 2021 (Miller, ADNR)

- Miller – only 7 aquatic farm lease applications this year. Seems to be directly related to COVID-19 impacts, risks and uncertainties. There still has been a lot of interest this year (calls, emails, etc.). 4 of 7 were for Kodiak (57%), 2 for SEAK (28%), 1 for PWS. 6 of 7 were for kelp only, 1 for oysters only. Varied in size from 10 to 125 acres with average size of 34 acres. Distribution is changing a little bit, hard to make assumptions based on small sample size, however, there is marked increase interest in Kodiak and for kelp overall. ADNR, AFDF, NOAA, ADFG, MTF have conducted extensive outreach, including presentations on the program and application process – this has resulted in an increase in the quality of applications. Back and forth communication with applicants has hindered efficiencies in the past. Workshops have been extremely helpful.
- McCarty – update on past applications and status?
 - Miller – 64 total aquatic farm lease applications since 2017. 9 have been withdrawn or closed, 2 have been appealed, 14 are awaiting information from applicants or mitigation from ADFG, 8 are awaiting final documents. 20 have been issued, 11 are in other last stages of adjudication.
 - Fagnani – since we have been involved in this process, ADNR has reduced the average timeline for approval to 274 days from 885 days in 2018. Competitive, if not leading turnaround times across all states.

- Miller – staff is incredible, working very hard, two new positions were created, along with a lot of outside help from AFDF, ASG, the MTF and others. Thank you.

b. MTF Presentation to Governor Dunleavy (June 21-30)

- McCarty – report is nearly finalized. Would be spectacular to present this to the Governor in person. Planning underway.

Task (Decker, McCarty, Villa) will coordinate with the Governor's Office to organize a presentation and meeting prior to the MTF sunset date and after the upcoming Special Session.

c. Annual mariculture conference – MRTC and UAS/JEDC/Southeast Conference joint conference

- Eckert – seems redundant to hold an annual forum with the MRTC/ASGA in addition to this conference. Should we combine these two conferences? There was initial discussion of January 2022 as the date for the conference to be held in Juneau. Six themes emerged as topics for the conference: 1) research and development; 2) processing and marketing; 3) regulatory and permitting; 4) investment and infrastructure; 5) education and training; and 6) policy.
- Holst – initial initiative from the University was to hold a conference centered around commercial fisheries and mariculture. The focus was narrowed to mariculture in order to highlight the important work to date and accelerate future growth. \$60,000 was offered to support this conference.

10) Tentative topics for next meeting (5 mins)

- a. AMA Workgroup Report
- b. Approve new members of AMA
- c. Army Corps of Engineers – Regional General Permits, con't (Andrew Gregory, Bryan Herczeg)
- d. NOAA Saltonstall-Kennedy update

11) Set next meeting date and time – *June 25 @ 9am-noon AST*

12) Closing Comments & Adjournment

Meeting adjourned @ 11:48am AST.