

MADE IN ALASKA

MARICULTURE

Alaska Mariculture Task Force
Meeting Minutes

Thursday, October 15, 2019 @ 8:30am – noon AST

APICDA Conference Room, 302 Gold Street, Suite 202, Juneau, Alaska 99801

1) Roll call – Chair Decker calls meeting to order at 8:35 AM.

MTF Members Present:

- Julie Decker – AFDF
- Jim Andersen – ADCCED
- Angel Drobnica – APICDA
- Heather McCarty – Central Bering Sea Fishermen’s Association
- Jeff Hetrick – Alutiiq Pride Shellfish Hatchery
- Mike Stekoll – University of Alaska (online)
- Eric Wyatt – Blue Starr Oyster Company (online)
- Kate Sullivan – SARDFA (online)
- Ginny Eckert – Alaska Sea Grant, UAF
- Flip Pryor – ADFG, on behalf of Sam Rabung
- Kimberly Striker – ADEC, ex-officio member (online)
- Brittney Smith – ADNR, ex-officio member (online)

Public Participants Present:

Elizabeth Figus – Juneau resident, Michelle Morris – AFDG, Tommy Sheridan – Prince William Sound Aquaculture Corporation, Jenn Hall-Brown – NOAA, Ernie Weiss – Aleutians East Borough (online), Tomi Marsh – OceansAlaska (online), Melissa Good – Alaska Sea Grant (online), Cynthia Pring-Ham – ADFG (online), Jake Carpenter, Karen Cougan – ADNR (online), Julie Scheurer – NOAA (online), Kristen Cieciel – AFSC (online), Riley Smith – AFDF (online), Jenn Hall-Brown (NOAA).

2) Review and approve agenda (5 mins)

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

3) Review and approve minutes: August 8, 2019 (10 mins)

Motion (McCarty/Hetrick) to approve minutes. Motion passes with no objections.

4) Public introductions & comments (15 mins): *No comments.*

5) Updates by MTF members

a. New MTF member - Ginny Eckert

b. Presentation to North Pacific Fisheries Management Council

- McCarty – 20-minute presentation at the beginning of the agenda. Introduction and overview of MTF, mission and what lies ahead. Bill Twight asked if there was anything that

the MTF was asking of the council – in the future, off-shore aquaculture may involve the Council's action in regard to the Federal Aquaculture Bill.

c. ADFG - "Guidelines for Emerging Mariculture Industry and Marine Mammals Interactions"

- Decker – Any new news around adjusting and ingesting marine mammal data into MaricultureMap (meeting with ADFG and NOAA)?
 - Scheurer - Layers are in the current MaricultureMap, marine mammal lab meeting this week to revise 50 animal thresholds to better represent abundance at the polygon level versus point level - November 15th deadline.
 - Pring-Ham – met with wildlife division biologist, discussed the policy for marine mammals, haul-out numbers and population level. Need to refine the threshold with polygon model. Hope to have it refined before the January deadline for 2020 applications

d. Hiring – NOAA, ASG, University

- Scheurer – NOAA Aquaculture Coordinator – selection has been made. Background clearance must be completed before hiring (about 1 month).
- Eckert – Hiring at UAF is put on hold due to budgetary cuts. ASG has some funding, not enough for a full position.
- Cieciel – NOAA is moving forward on position for aquaculture research. Package released, 6-12 months timeline. Location will be in Juneau, Kodiak or Seattle.

e. NOAA workshop/ASGA conference

- Decker – ASGA: January 23rd, 24th, 25th / NOAA workshop – January 21st, 22nd
- Scheurer – NOAA workshop: Cape Fox lodge in Ketchikan. Workshop to cover: research, policy, permitting and access to capital. Steering Committee (SC) expanded to include Stryker, Smith, Wyatt. Next SC meeting on October 21st.
- Wyatt – ASGA conference: working on an agenda and trying to integrate East Coast Shellfish Growers Associations' training program and materials (Bob Rheault).
- Decker – Scheurer, please send me invite and I will forward to Matt Fagnani, Clark Penny, etc. (Alaska Development Team) for travel to workshop.

f. National Sea Grant Awards (see attachments/links)

- Good – 1) Aleutian East Borough seaweed training farms in Sand Point. 2) National effort between Sea Grants in the US. Conducting needs-assessments across the nation in targeted aquaculture regions, address knowledge-gaps with every region, develop a website to house information and Working Group
- Eckert – 3) Led by WA Sea Grant, consortium with HI Sea Grant and AK Sea Grant, with focus on indigenous aquaculture in regions. WA = Clam gardens, HI = fishponds, AK = fellow (graduate student) to investigate indigenous aquaculture in the region.
- Decker – is it possible for aquatic farm leasing program to grant a lease/permit for subsistence mariculture farming? (No. There is a commercial use requirement for aquatic farms.)

g. Seaweed Training Workshops (Ketchikan, Sitka, Kodiak)

- Decker – AMI - Phase 2 grant awarded to AFDF by NOAA. Workshops will be in Ketchikan, Sitka, Kodiak (2 days each). Targeting mid-February.
 - Online application, online introductory webinar, “homework” in between, 2-day workshops, potential for additional mentoring for high-performing participants.
 - 2-3 applicants will be selected for mentorship phase. Melissa Good, Quinton Fong will be involved in workshops. Will target both those looking to apply for a farm and those who have applied are waiting for approval.
- Pring-ham – will the application be posted with instructions on correctly filling out the app?
 - Decker – yes, ADFG or ADNR could participate in two-day workshop to guide applicants through application process (Cynthia and/or Karen).

h. AFDF encouraged to submit 2 SK grant proposals (see attachments)

- Decker – 1) Enabling Increased Sales of Alaska and 2) Increasing Oyster Capacity in Alaska

i. Meeting with ADEC Commissioner, Deputy Commissioner & C. Carpenter

- Decker – Introduction of Mariculture Map and sought approval to include ADEC information into the tool (backend). ADEC only has one IT person on staff. Axiom Data Sciences to assist.
- Decker – the costs for PSP and water-quality testing were a topic. Currently, ADEC covers these costs. W/ budget cuts, ADEC will be considering a cost associated with testing (current regulations state that ADEC can charge up to \$125 for PSP tests). Encouraged ADEC to consider a phased approach with 2 to 3-year moratorium on user fees. ADEC estimates \$700,000 as the annual costs for PSP and water quality testing in AK.
- Sullivan – Last year, it was put forward to adjust what is in regulation to reflect today’s cost. Water quality is paid for by industry. PSP is still funded by the state. If statutes were adjusted to reflect today’s cost and paid for by industry (user fee), cost would be \$600 per PSP test.
- Sullivan – In WA and ME, PSP testing is 100% funded by the state. In AK, industry pays \$130,000 per year to collect and ship PSP and water quality samples to Anchorage labs (including contracting float planes). In WA and ME, technicians collect samples free of cost, shipping testing is paid for by state.
- Decker – as industry grows, the per-test costs should decrease. This might be helpful in developing justification for delayed or phased costs. If ADEC was to certify another lab in AK, industry would have to pay for 100% of fees for that lab.

Task – Action Plan workgroup will create an action item to address ADEC PSP testing.

j. Meeting with Alaska Development Team (Matt Fagnani, Clark Penney)

- Decker – the Alaska Development Team consists of a number of individuals in the Governor’s office. They are willing to make fast progress to develop new business in the state. The Team does not see mariculture as a vast revenue source for the state at this juncture, more as an avenue to expand job opportunities in the state.

k. Meeting with Alaska Development Team, ADNR, ADEC, ADFG

- Decker/McCarty – went through Action Plan and each item that was associated with state agencies. Jobs are priority with focus on coastal communities. They are looking to MTF for feedback and guidance.

Task – going forward, Decker/McCarty will create a list of pertinent topics/requests to bring forward to Alaska Development Team after every MTF meeting.

I. Others

- Wyatt – this summer was an incredible oyster season. FLUPSY and nursery performed well, increased temperatures, less rain, seed production and market production increased. Peaks in PSP only just this last month. Dry, hot summer followed by big rains. No PSP increase over summer.
- Decker/Stekoll – ARPA-E: 3-year project for large scale, offshore kelp mariculture - almost finalized. Large scale experimental farm off Kodiak. Blue Evolution, AFDF, Woodshole Oceanographic Institute, University of Connecticut, etc. are partners. Working with Nick Mangini and Alf Pryor at their currently permitted sites (majority at Mangini's site).

6) Old Business (60 mins):

a. Discuss Federal aquaculture bill (defer)

- Decker – U.S. Senate Commerce Committee hearing on Oct. 16th. No action at this time.

b. Action Plan – draft

Allow subleasing of aquatic farms

Colles and Pring-ham of ADNR believe that subleasing is already allowable and done in certain circumstances. Will double check with legal (Joe Joiner).

- Pring-ham – Yakutak and Kake, leaseholder was native corporation with individuals working sites. No sublease was transferred to these individuals.
- Decker – original lease holder has the ultimate responsibility of site; it has been a private agreement to contract out lease (i.e. Kake). Interest lies in potential to do community, demonstration or Alaska Native Corporation joint farms.

Allow eco-tourism and education activities at aquatic farms

- Decker – allowing eco-tourism and education activity on an aquatic farm requires a statutory change.
- Morris – public notice has already been released for Trevor Sande's farm.
- Decker – larger fix is the ultimate goal so that public notice process does not have to be undertaken. This is not the only industry trying to implement eco-tourism and education into their allowable activities (i.e. mining).
- McCarty – if any regulatory/statutory change is implemented for aquatic farming, the same will be pushed for by other industries. Thus, this needs to be a larger regulatory fix for multiple industries.

Pass legislation to reduce requirements on renewals

- Decker – legislation in the works right now (HB-116). This change would make the renewal after 10 years much less rigorous. After 20 years, you would still have to go through the full process to renew lease, similar to initial lease application.
 - Can we make the 20-year renewal less rigorous? Can farmers apply for longer-term leases if survey is undertaken (takes longer, costs more – 55-year leases)?
 - Larger investments for larger farms may require a longer-term lease for investors.
 - By 2021, the ADNR survey costs may be reduced heavily. It was agreed that passing legislation to lower requirements on renewals on aquatic farms every 10 years is unrealistic, every other 10 years is more realistic.
- Pring-ham – does this amendment to the legislation for 10-year leases apply to transfers as well? (Yes, believe so.)

Regulatory changes (state):

Amend commercial use requirement (step #1) and enforce (step #2)

- Decker – change the length of time and clarify, dependent on species. ADNR has not been enforcing commercial use requirement at all. First step is clarity, then notice, then enforcement. Biggest issue revolves around geoduck farming – geoduck farm leases, lack of seed supply in state, which drives issue of farmers documenting sales. ADNR has draft regulations from years ago, will review and get them in front of MTF before they move forward with any regulatory change. Requested 2-year notice before any enforcement.

Build tribal and local outreach into application process

- Decker – ADNR already is required to notify nearby entities. ADNR recommends this be addressed as a best practices concept within industry (new applicant will be recommended to reach out to communities and tribes locally).
- Schuerer - NMFS should be added as a responsible party.

State of AK commitment to support mariculture and comprehensive plan

- Decker – Alaska Development Team believe that actions are showing commitment. Resolution of support - general consensus from Team is that it would not be very effective, would take time and would rather spent time on actions that result in tangible progress.
 - Reprinting of the mariculture briefing document and action plan (once finalized and condensed) and potential to incorporate a quote from the Governor and/or Team in publications.

ADFG genetics policy

- Decker – important aspect to address in concern to ADFG genetics policy with growing industry, effect of genetic integrity of ecosystem with increased introduction of mariculture species to ecosystem. Bottleneck due to lack of information. Room to outline further research projects to inform a revised ADFG genetics policy for mariculture.
- McCarty – there is a lot of backend research work required when amending requirements for the ADFG genetics policy (need to identify responsible parties).

- Eckert – the ADFG genetics policy is in regard to salmon. Has there been a discussion to create a genetics policy for all species or a separate policy for mariculture?
- Morris – ADFG is building a genetic database for selected kelp species (outreach to industry to send in samples of broodstock).

Revised aquatic farm application

- Decker/McCarty – ADNR and state is working on this and the backlog of applications. Recommended by Team that industry can help industry to submit better applications.

Reduce bond rates for low risk operations.

- Decker – bonds and insurance, will work with Team and Division of Insurance. Bond language already exists for farmers to create bond pool. *Revisit this at next MTF meeting when more information is available.*

Obtain legal authority for agreements between farmers for clean-up

- Decker - 1) state-issued RFP for industry to conduct clean-up or 2) contact directly with industry for clean-up. Recommended that the best option is for a farmer exiting the business to sell and transfer lease before they close and abandon site. In recognition that this may happen, both the above possibilities are plausible. Informal list of potential lease assignments exists within ADNR but is informal. Could be utilized more effectively.

Limit lease fee increases

- Decker – ADNR must, by statute, look at their lease fees every 5 years. Fees were stable for a long period, recently raised. Suggested that they freeze fees for 5 years, already in action.

Amend DNR lease application fees

- Decker - ADNR changed application fees to a sliding scale in relation to size of farm. This was done before the beginning of larger-sized farm applications started. ADNR will look at revising these regs to reflect the current farm sizes (some over 100 acres).

Other:

- Hetrick – industry needs to buy in and pay for a portion of this program to show willingness to invest and pay. State needs to see buy-in, 1% tax (costs to ADNR, ADEC, ADFG to implement this program, including amendments to current structure – fish ticket model).
- Decker – this is an important point. Although the industry's sales amount to only \$1.5 million annually now, showing this buy-in to the state's involvement may be important to do soon.
- Sullivan – AK dive fisheries as an example; regular commercial fisheries tax of 3% on landings and an additional self-imposed tax in order to aid in management of fishery (paid to ADFG)
- Decker – should we add a self-assessment to portion of Action Plan in regard to taxation (or similar model) and buy-in to state services?
- Eckert - MTF needs to conduct analysis of how other states/countries have supported other industries as models. What would a state strategy be to support this industry?

Task: add to Action Plan (Decker) – ways in which the developing mariculture industry can receive services from the state, including giving back to the state, with emphasis on state involvement.

- Decker – increased subsistence mariculture may ease entry into commercial mariculture for new farmers. Plan is about growing an industry, how does making a regulatory change to allow for subsistence shellfish farming help achieve this?

Task: Add to Action Plan (Decker/McCarty) – ways in which subsistence/personal use mariculture farms can be integrated to increase industry growth/worth.

i. Results of Fagnani meeting

See above.

ii. Discuss finalization of document (by Jan. 21, 2020)

- Decker – potential Action Plan workgroup meeting week of October 28th.

Task: Action Plan Workgroup will wrap up the writing portion of the Action Plan. Will meet and finalize writing within the next couple weeks. Final for approval at next MTF meeting. Finalize Action Plan will be on next meeting's agenda.

Jeremy Woodrow (ASMI, Executive Director) joins meeting at 11:11am AST.

7) New Business (30 mins):

a. Discuss & recommend ASMI-related changes required to market aquatic farm products

- Woodrow – ASMI state statutes are distinctive and outline what ASMI can market. Mainly in response to finfish farming, statutes state that ASMI cannot market any form of aquatic farm products. This was brought up at the September 3rd ASMI Board meeting and again at the ASMI All-hands meetings in October. ASMI Board recognizes industry support and investment for mariculture. Statutes would need to be changed. Large players in the Alaska commercial fishing industry are getting involved in mariculture. To support and market mariculture, ASMI would need both industry support and a statute change. Minor change to the statutes.
- Decker – funding mechanism must be incorporated, 'pay to play' like the commercial fisheries in AK. Need to create a funding mechanism and model. Remove prohibition to market aquatic farm products, allow self-assessment and election process for industry.
- Woodrow – Currently, ASMI Board is processor heavy. Could a mariculture seat be filled by a processor who is actively engaged in the processing of mariculture product?
- McCarty – all mariculture products, or just one of the many?
- Sullivan – shellfish buyers guide features Pacific oysters front and center already alongside with geoduck and sea cucumbers.
- Marsh – intent was to augment and use all the resources together to grow the mariculture industry and dive industry. SARDFA should encourage a diver to join the shellfish committee.

- Decker – these are very good conversations to have. As state legislature comes together, now is the best time to give input with the proposed changes to ASMI-related statutes.
- Woodrow – is the statutory change necessary now? Funding mechanism needs to be in place, retailers and markets must be established before ASMI can be implemented.
- Marsh – both the actions associated with ASMI statutory changes and an industry funding mechanism should move forward so that when the industry is ready to market, ASMI is positioned to help.

b. Discuss & recommend other legislative changes (see Action Plan)

- Decker – legislative and administrative level are looking at statutory packages of what needs to be changed for mariculture.
 - Allow for shellfish enhancement (HB 41) - yes*
 - Reduce burdensome requirements for farm lease renewal (HB 116) - yes*
 - Reduce burdensome requirements for EVERY farm lease renewal – no, only every other renewal*
 - Enable eco-tourism and education as an allowable activity at an aquatic farm - yes*
 - Reduce timeline and backlog for farm lease application review – unclear what the mechanism is*
- McCarty – are there Legislators intending to implement this?
- Andersen – if this is addressed by the Legislature, it would be considered as bringing in new regime for permitting. Not a good idea.
- Smith – as a legislative request, this means bringing in more PCNs as a budgetary request.
- vi. Community leasing and subleasing of farm sites - no*
- vii. Designate annual farm lease fees for DNR - no*
- viii. Increase term of farm lease from 10 to 20 years – no, this idea has been set aside, as it has multiple complications and would be a heavy lift*

Other:

- Decker – ASMI change needs to be added to list.
- Decker – budget of ADEC may need to be added to this list of legislative actions. 3-year moratorium on charging user fees may be best approach.
 - Sullivan - We need to tread lightly when approaching ADEC with anything above the \$125 charge.

Task: ASGA capacity building - Action item already exists regarding industry advocacy, need to include ASGA building more capacity in order to advocate effectively in Action Plan.

c. Discuss ADEC fees for PSP testing and water certification

See above.

8) Work Groups - review tasks (15 mins)

- Legislative Workgroup (McCarty, Rabung, Drobnica, Decker)
- Regulatory Workgroup (Rabung, McCarty, Wyatt, Decker, Sullivan, Stryker, Smith)

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

d. Action Plan Workgroup (McCarty, Decker, Hetrick, Scheurer, Drobnica, Wyatt, Stekoll)

Task: Action Plan Workgroup will wrap up the writing portion of the Action Plan ASAP. Will meet and finalize writing within the next couple weeks (week of October 28th) and circulate to MTF for comments and feedback. Finalize Action Plan will be on next meeting's agenda in December.

9) Set next meeting date and time – Dec. 13, 16, or Jan. 9, 10 (5 mins)

Next meeting date: December 13th @ 8:30am – 12:00pm AST

10) Closing Comments & Adjournment (5 mins)

Chair Decker adjourns meeting at 12:18pm AST.

DRAFT