

Representative Dan Ortiz
Alaska State Legislature
State Capitol
Juneau, AK 99801
Rep.Daniel.Ortiz@akleg.gov



Re: Support for HB 76 – Mariculture Revolving Loan Fund

March 1, 2017

Dear Representative Ortiz:

The Alaska Fisheries Development Foundation (AFDF) would like to express support for HB 76 which alters the Mariculture Revolving Loan Fund (Fund) in order to more effectively and fully deploy this state asset to develop the mariculture industry by addressing bottlenecks in seed supply.

AFDF's membership is comprised of seafood harvesters, seafood processors, and support sector businesses. Founded in 1978, AFDF's mission is to identify problems common to the Alaska seafood industry and develop efficient, sustainable solutions that provide benefits to the economy, environment and communities.

In 2014, AFDF began spearheading the **Alaska Mariculture Initiative**, which is intended to expedite the development of mariculture in Alaska with the vision to grow a \$1 billion industry in 30 years. Many organizations across the state have endorsed this initiative (i.e. Alaska Chamber, Alaska Shellfish Growers Association, Southeast Conference, SE AK Regional Dive Fisheries Association, Southwest Alaska Municipal Conference, United Fishermen of Alaska, and others).

As a direct result of this initiative, Governor Walker established the *Alaska Mariculture Task Force* by Administrative Order #280, and I serve on this Task Force. The purpose of the Task Force is to provide recommendations for a comprehensive plan to develop a viable and sustainable mariculture industry producing shellfish and aquatic plants for the long-term benefit of Alaska's economy, environment, and communities.

Shellfish and seaweed hatcheries are a critical piece of infrastructure necessary for the development of mariculture in Alaska. However, the financial support of these operations is difficult during the developmental

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stage when the industry is too small to financially support these operations entirely through seed sales. Providing access to the Mariculture Revolving Loan Fund will help to break the chicken-or-egg stage of the industry and provide the support necessary to help the industry grow past this stage.

Seed security has been identified as a top priority by aquatic farmers in Alaska for over 10 years. If farmers do not have a consistent source of seed to purchase, it is difficult to impossible for them to grow and expand their businesses, including accessing the Mariculture Revolving Loan Fund. This fund is an existing \$5 million asset of the State of Alaska that was created to help develop the mariculture industry by providing loans to aquatic farmers. Altering the fund to provide access to up to 40% of the fund to hatcheries will help to provide better seed security for farmers.

Another benefit of developing mariculture in Alaska is the important role that shellfish and seaweed hatcheries can play in adapting to ocean changes and acidification. As we develop these hatcheries and techniques, we also learn more about the effects of ocean acidification and our abilities to mitigate these effects. For example, adjusting pH levels in a shellfish hatchery during critical stages of survival may play a critical role in the future protect of Alaska's wild stocks. Seaweeds take up excess nutrients in the oceans, such as carbon and nitrogen, and can help buffer effects of ocean acidification which may provide benefits to localized wild shellfish stocks.

Thank you for sponsoring this important legislation. AFDF supports HB 76 and appreciates your proactive role in introducing the legislation. If there are any questions, I would be happy to answer them.

Sincerely,



Julie Decker, Executive Director

Cc:

Representative Stutes, Chair, House Fisheries Committee: Rep.Louise.Stutes@akleg.gov

Reid Harris, Staff, House Fisheries Committee: Reid.Harris@akleg.gov