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February 20, 2018

The Honorable Dan Ortiz
State Capitol, Room 513
Juneau, Alaska 99801

RE: Letter of Support for House Bill 76

Dear Representative Ortiz:

Silver Bay Seafoods, LLC (Silver Bay, or SBS) is writing to support Alaska House Bill 76, "An Act relating to the mariculture revolving loan fund and loans and grants from the fund; and providing for an effective date."

SBS is a vertically integrated, primarily fishermen-owned processor of frozen salmon, herring, and other seafoods products for both domestic and export markets. Silver Bay began in 2007 as a single salmon processing facility in Sitka, Alaska, and has since grown into one of the largest seafoods companies in Alaska. Silver Bay has state of the art, high volume processing and freezing facilities throughout Alaska, currently operating in Sitka, Craig, Valdez, Naknek and Metlakatla. SBS also has aspirations for developing production-scale mariculture operations in Sitka Sound, and is currently in the design and permitting phase for a 182-acre aquatic farm site along the western shore of Krestof Island near Olga Point. At full production, this site would yield 20 million Pacific oysters per year, bringing year-round employment to the area along with the production of an environmentally friendly, sustainable, and healthy food source for sale and distribution both locally and worldwide.

It is recognized that HB 76 will alter the Mariculture Revolving Loan Fund (Fund) in such a way that will allow for the development of the state's mariculture industry with an eye for alleviating bottlenecks in seed supply. Seed security has been identified as a top priority by Alaskan aquatic farmers for over 10 years. Altering the Fund to provide access to up to 40% of the fund to hatcheries will help to provide better seed security for farmers.

Additional benefits of mariculture development in Alaska include the use of shellfish and seaweed production to mitigate for ocean acidification and other changes to our coastal waters. As this technology is developed, we will undoubtedly discover new ways to utilize this production for the benefit of many Alaskan fishery resources. For example, it is known that seaweed production is accompanied by the uptake of carbon and nitrogen from the oceans, which can help to offset the effects of ocean acidification, thereby providing benefits to local shellfish and fish stocks.

Thank you for sponsoring this important legislation. Silver Bay Seafoods supports HB 76, and appreciates your proactive role in introducing this legislation. Please feel free to call on me if you have any questions whatsoever.

Sincerely,

Tommy Sheridan
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