

# Seagrove



KELP CO.

House Fisheries  
The Alaska State Legislature

March 2, 2021

Re: Aquatic Farm Lease Act HB115

To whom it may concern:

Premium Aquatics, d/b/a Seagrove Kelp Co. is an Alaskan company that operates the first and the largest vertically integrated seaweed farming operation in Alaska. We operate a nursery for seed production in Ketchikan and a 127-acre aquatic farm site on the west side of Prince of Wales Island. As part of our business, we have leased offshore tracts of Alaskan submerged lands and made significant investments and improvements to engage in the farming of species of kelp that are native to Alaska.

And, as a mariculture company operating off the coast of Alaska, Premium Aquatics supports the Aquatic Farm Lease Bill (HB115) introduced by Rep. Story - as it allows valuable Alaskan mariculture industries to operate on the same playing field as other similar but land-based operations. HB 115 is an important step toward efficiently developing the mariculture industry and is a part of a larger plan to fully develop the mariculture in Alaska, with a goal to grow a \$100 million per year industry in 20 years.

We believe that mariculture is an industry that is and should be important to the State of Alaska and all Alaskans. However, unlike other types of land based operations, mariculture companies must renew offshore leases every ten years by going through a process comprised of requirements like the initial acquisition of the lease – with a notice and comment period, etc. This has the negative effect of creating uncertainty in a mariculture company's business plan by drawing into question the viability of the company's capital asset after every 10 years. Because mariculture operations are expensive and require considerable initial investment, the present legal process makes it difficult to find and keep investments - in an Alaskan mariculture operation.

The Aquatic Farm Lease Act (HB115) would align the lease renewal process for aquatic farms and hatcheries with the lease renewal process for most other types of leases. This change would simplify and shorten the process, reduce workload on DNR staff (allowing them to address other aquatic farm lease applications more quickly), and provide businesses more certainty. The

A division of Premium Aquatics, LLC  
20308 Dayton Ave. N. Shoreline, WA 98133



@Seagrovekelp

[www.seagrovekelp.com](http://www.seagrovekelp.com)

206-321-3443

# Seagrove



KELP CO.

continued viability of Alaska's mariculture industry is reliant upon each industry's consistent and continued partnership with Alaska – in this case a reliable leasing process for offshore lease that is the same as the other types of leases of state lands. We believe that Aquatic Farm Lease Act (HB115) accomplishes that objective and further provides certainty for mariculture operations so as to best run our Alaskan businesses.

With that, we request that the Aquatic Farm Lease Act HB115 be passed.

Sincerely,



Markos Scheer  
Chief Executive Officer

A division of Premium Aquatics, LLC  
20308 Dayton Ave. N. Shoreline, WA 98133



@Seagrovekelp

[www.seagrovekelp.com](http://www.seagrovekelp.com)

206-321-3443